



# TOWN OF WESTWOOD, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT YEAR ENDED JUNE 30, 2011



**The Town of  
Westwood, Massachusetts**



**Comprehensive  
Annual Financial Report**

**For the Fiscal Year  
July 1, 2010 through June 30, 2011**

**Board of Selectmen**

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

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

**Town of Westwood, Massachusetts**  
**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2011*

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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  
FY10 CAFR Award from Board of Selectmen.*

Pictured from left to right, Selectman Nancy Hyde, Finance Director Pam Dukeman,  
Selectmen Chairman Patrick Ahearn, Town Accountant Marie O'Leary,  
Assistant Treasurer Pat Conley, Finance 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 15, 2011

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

State law requires the Town of Westwood to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principals generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Westwood, Massachusetts, for the fiscal year ending June 30, 2011 for your review.

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

This report consists of management's representations concerning the finances of the Town of Westwood. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Westwood's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Westwood for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principals used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Westwood's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Westwood was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Westwood's separately issued Single Audit Report.

This CAFR is presented in three sections: **Introductory**, **Financial** and **Statistical**. This **Introductory Section** contains this transmittal letter with economic conditions and outlook, major initiatives, financial information and other relevant information. The **Financial Section** contains a Management's Discussion and analysis (MD&A) section. Generally accepted accounting principles (GAAP) require that management provide a narrative

introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to complement the MD&A where the financial analysis is now presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan, LLC. The Town of Westwood is responsible for the accuracy of the financial statements as well as their completeness and fairness. We believe the statements are accurate in all material aspects and that they fairly set forth the financial position of the Town. The **Statistical Section** contains, in most cases, a ten-year history of trends of both financial and demographic data.

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

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

Westwood is known throughout the state for its high quality school system and beautiful open space. Westwood students consistently score in the top percentiles on national tests, and the overwhelming majority of students graduating from the High School go on to higher education.

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

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

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

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

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

The Town of Westwood continues to reflect a strong local economic condition through the recent fiscal crisis. The per capita income continues to rise and outpace the state averages. The Town also has an extremely low comparable unemployment rate.

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

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

Since the passage of these steps, including zoning and permitting changes, a major developer has assembled 17 parcels, totaling 137 acres. The master plan for the area contemplates and encourages extensive mixed use development including residential, commercial, and retail components. The developer demolished most of the existing structures and began the installation of all utilities and layouts of the new road systems. Although local and state approvals will be required for a project of this magnitude to adjust to current economic conditions, the Town expects that the resulting economic benefits in creating employment opportunities for the Commonwealth and the region and significant new revenue will outweigh the additional service costs. For example, the developer has since obtained a \$55 million commitment from the Commonwealth to complete these infrastructure improvements. The overall goal is to achieve a redevelopment project that mitigates any transportation and environmental concerns, provides for an enhanced and stable commercial tax base, and maintains the quality of the community.

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

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

The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden by a majority vote at a Town election. While revenue increases have been limited in recent years, fixed costs, including health insurance and pension costs, have increased substantially. On the Town's operating side, the FY11 budgets and service level were maintained through a modest 2% increase in the operating budget. This allowed the Town to continue to provide high quality services while minimizing the impact on the property tax burden. Subsequent to Town Meeting the Administration reached an agreement with all of its employees and retirees to transition health care coverage to a Rate Saver Plan requiring higher co-pays in exchange for lower premiums, which will save the Town considerable outlay in the future.

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

In FY11, the Town continued to demonstrate its commitment to the Financial Policy of maintaining and building an appropriate reserve account. Despite a tight budget process, the Town did not use any funding from the Stabilization Fund and in its continued commitment to build the account to the policy goal level, which is 4% of general fund net operating revenues. The Town appropriated \$25,000 to the Stabilization Fund in FY12 and plans to continue to increase that funding in future years.

The Town has remained dedicated to an aggressive retirement of debt policy. Whenever possible, debt is issued for shorter time periods than allowed, typically ten years. The Town has aggressively pursued and received state funding for all school construction projects. Since FY08, the state committed to stabilized annual payments of approximately \$3M which are directly applied to the school relevant debt, thereby limiting the burden on the



taxpayers. The Town monitors and schedules retirement and issuance of debt to ensure that debt service does not exceed 10% of the operating budget to ensure availability of resources for ongoing operations.

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

In FY07, the Town completed the new High School and recreational sports field complex. This new facility, opened to students in April, 2005, offers enhanced education facilities as well as new recreational facilities and programs for the entire community. In FY08, an additional turf field was added to the complex, significantly enhancing the recreational facilities. In addition, in FY09 the Town undertook a major addition to update the Middle School. The project added additional classroom space as well as enhanced cafeteria space. The Town's Middle School, High School and field complexes are contiguous and provide excellent opportunities for school and community events and recreational facilities.



In FY10, the Town approved the funding, through a debt service override of Proposition 2 1/2, for the Town's share of the cost of a new 30,000 square foot library. The Town's share of the cost is 70% with the Commonwealth funding the remaining 30% through a matching grant. Construction will be completed in 2012 and will be a significant public investment not only in library services, but in the community's central business district, as the new library will be centrally located. The Town issued a \$9.3 million bond for the library with very favorable rates in the spring of 2011. The project is proceeding on schedule for a spring 2012 opening.



Major initiatives for FY12 will include centering efforts on the revisions to the Westwood Station project, ensuring that this exciting new development proceeds appropriately and impacts the community in a positive manner. Particular focus will be given to ensuring that new revenue from this project strengthens the reserve and capital accounts according to the Town's Financial Policies as well as enhancing delivery of current services.

## **Financial and Management Systems**

### **Internal Controls**

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

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

## **Budgetary Controls**

The Finance Director is responsible for preparing and presenting the budget to the Board of Selectmen. The Selectmen review all requests and Town wide issues and present a budget to Town Meeting for approval. A fifteen member Finance Commission reviews the budget and makes recommendations to Town Meeting.



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

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Westwood for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. Westwood has received this award annually since FY97.

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

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

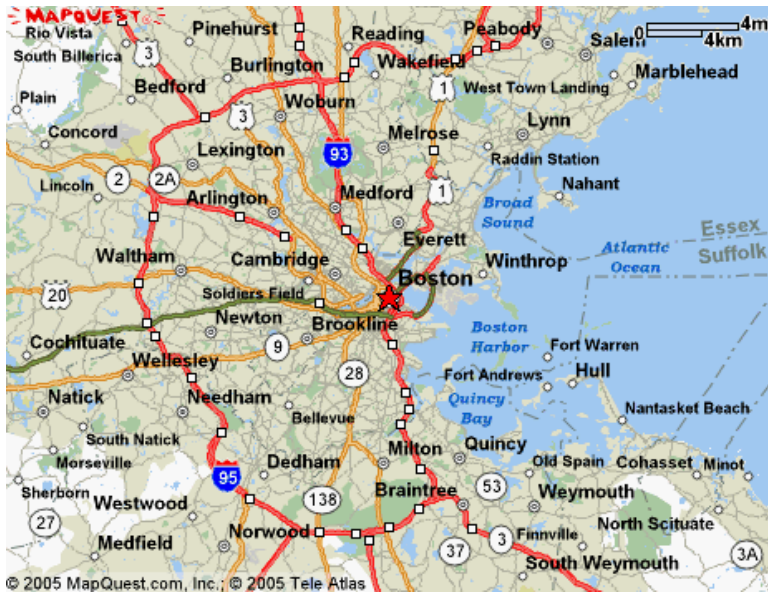
In FY06, FY00, FY99 and FY98 the Town received the GFOA Distinguished Budget Award. This award is the highest form of recognition in governmental budgeting and is a significant achievement for the Town and the financial staff. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, finance, financial planning and organization.

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

Respectfully submitted,

Pamela Dukeman  
Finance Director

# A Few Words About Westwood....



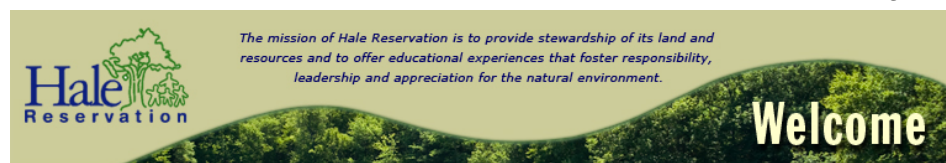
Westwood was incorporated as a town in 1897 and has a current population of approximately 14,618. The Town is located in eastern Massachusetts, 13 miles south of its capital city of Boston. One major attraction of Westwood is its location in relation to Boston and major roadways. The commuter rail has four convenient stops within five minutes of town, one of which doubles as an Amtrak station. The Amtrak station provides connections originating in Boston and continuing to Providence, Rhode Island and New York City.

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

Westwood operates under a Board of Selectmen/Open Town Meeting/Town Administrator form of government. The elected, three-member Board of Selectmen makes policy decisions. The 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. Hale Reservation is the largest summer day camp in the nation with 2,025 students.



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



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

# Welcome

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

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

Hale operates five core programs:

[Hale Day Camp](#)

[Family Membership](#)

[Agency Camps](#)

[Education, Adventure and Outings](#)

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



**Town of Westwood,  
Massachusetts**

**Principal Officials**

***Board of Selectmen***

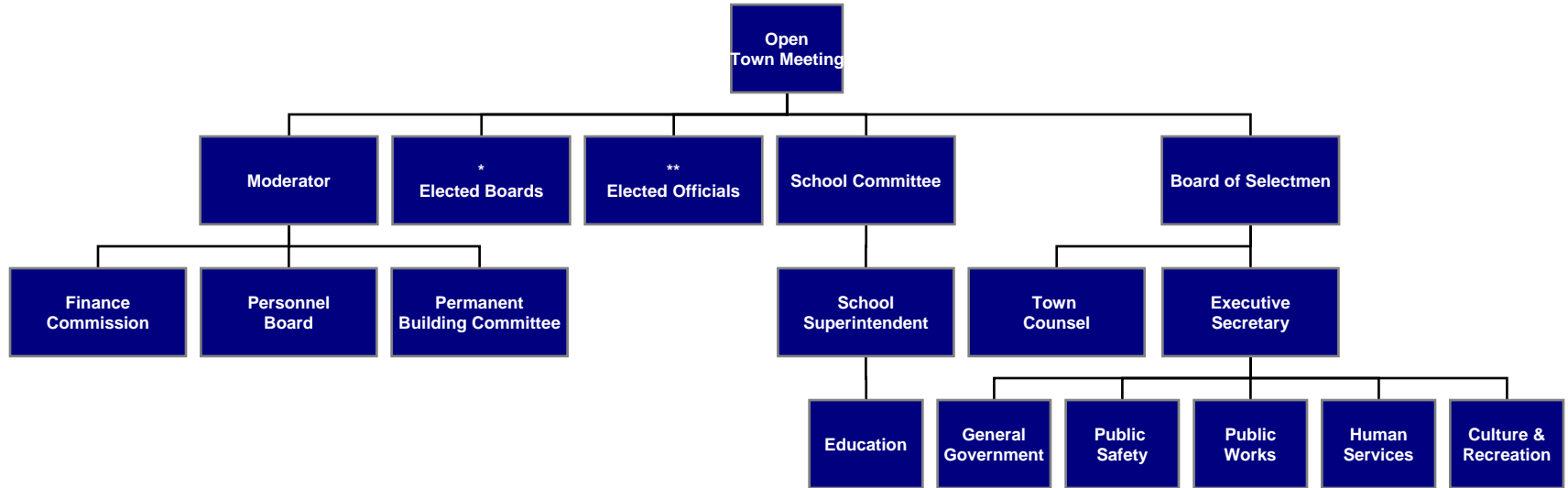
Nancy C. Hyde, Chairman  
Philip N. Shapiro  
Patrick J. Ahearn

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

**Town of Westwood, Massachusetts**  
**Total Budget Salaries of Principal Officials**  
**June 30, 2011**

<b>Position</b>	<b>Salary</b>
School Superintendent	\$166,952
School Director of Business and Finance	\$116,390
Town Administrator	\$138,255
Fire Chief	\$123,832
Police Chief	\$121,145
Department of Public Works Director	\$116,739
Finance Director	\$100,372
Library Director	\$ 89,475
Town Counsel	\$ 86,670
Information Systems Director	\$ 83,257
Town Accountant	\$ 78,616
Recreation Director	\$ 75,714
Health Director	\$ 73,674
Building Commissioner	\$ 72,139
Council on Aging Director	\$ 70,296
Youth Director	\$ 63,738
Assistant Treasurer	\$ 63,463
Town Clerk (Elected)	\$ 61,225
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 Rep.

Housing Authority

Library Trustees

Planning Board

Board of Assessors

Sewer Commissioners

School Committee

### \*\*Elected Officials

Moderator

Town Clerk

Town Collector

Town Treasurer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Town of Westwood Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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



President

Executive Director



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# *Financial Section*

*Independent Auditors' Report*

*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 has been granted approximately \$4M in Massachusetts Library and Green Incentive grants. Groundbreaking occurred on April 7, 2011 and opening is expected in September, 2012.

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



*Artist's Rendition of New Library*



*Groundbreaking April 7, 2011*



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

## Independent Auditors' Report

To the Honorable Board of Selectmen  
Town of Westwood, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Westwood, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of June 30, 2011, and the respective changes in financial position and cash flows where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, on our consideration of the Town of Westwood, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Management's discussion and analysis, located on the following pages, and the schedule of revenues, expenditures and changes in fund balance – general fund – budgetary basis, retirement system schedule of employer contributions, retirement system schedule of funding progress, other postemployment benefit plan schedule of funding progress and schedule of employer contributions, and other postemployment benefit plan actuarial methods and assumptions, located after the notes to the basic financial statements, are not a required part of the basic financial statements but are supplementary information required by accounting principles

generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Powers & Sullivan LLC*

December 15, 2011

## Management's Discussion and Analysis

As management of the Town of Westwood, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditors' opinion. If the Town of Westwood's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town of Westwood has enjoyed an unqualified opinion on its financial statements since the fiscal year ended June 30, 1984.

### Financial Highlights

- The governmental assets of the Town of Westwood exceeded its liabilities at the close of the most recent fiscal year by \$103 million (net assets).
- Of this amount, 1.8% or \$1.8 million (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors.
- At the close of the current fiscal year, the Town of Westwood's general fund reported an ending fund balance of \$6.8 million, an increase of \$1.3 million in comparison with the prior year. Total fund balance represents 9.7% of total general fund expenditures. Approximately \$4.6 million of this total amount is available for appropriation at the government's discretion and \$2.2 million is reserved for the subsequent fiscal year as articles and encumbrances carried forward and appropriations to balance the subsequent year's budget.
- The Town of Westwood's total governmental debt increased by \$4.7 million during the current fiscal year. This was the net result of a \$9.3 million issuance of general obligation bonds for the construction of the town library and principal payments of \$4.6 million on long-term debt.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westwood's basic financial statements. The Town of Westwood's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the Towns' operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Westwood's finances, in a manner similar to private-sector business.

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

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

**Fund financial statements.** A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Westwood, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Westwood can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows, and balances of spendable resources. Such information is useful in assessing the Town of Westwood's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

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

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

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

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

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Westwood's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westwood, government-wide assets exceeded liabilities by \$120 million at the close of fiscal year 2011.

Net assets of \$112.4 million (94%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Westwood's net assets \$1.7 million (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$6.1 million (5%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

## Comparative Financial Data – Governmental Activities

### Governmental Activities:

	Balance at June 30, 2011	Balance at June 30, 2010
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Current assets.....	\$ 32,343,871	\$ 21,007,458
Noncurrent assets (excluding capital).....	13,704,000	15,690,000
Capital assets, not being depreciated.....	8,049,747	5,858,382
Capital assets, net of accumulated depreciation.....	<u>106,318,217</u>	<u>109,242,707</u>
<b>Total assets.....</b>	<b><u>160,415,835</u></b>	<b><u>151,798,547</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	4,520,604	5,230,210
Noncurrent liabilities (excluding debt).....	11,661,954	8,386,543
Current debt.....	4,750,000	4,290,000
Noncurrent debt.....	<u>36,540,000</u>	<u>31,990,000</u>
<b>Total liabilities.....</b>	<b><u>57,472,558</u></b>	<b><u>49,896,753</u></b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	99,380,376	97,853,306
Restricted.....	1,735,851	2,172,033
Unrestricted.....	<u>1,827,050</u>	<u>1,876,455</u>
<b>Total net assets.....</b>	<b><u>\$ 102,943,277</u></b>	<b><u>\$ 101,901,794</u></b>

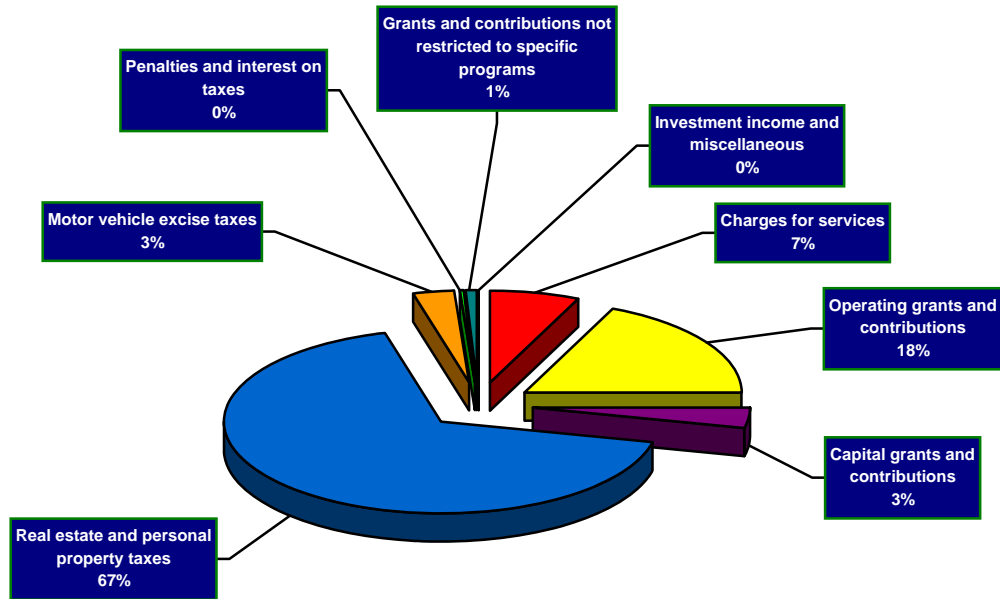
**Governmental activities.** The governmental activities net assets increased by approximately \$1 million during the current fiscal year. The primary reasons for this increase were \$2.8 million in capital grants received for the construction of a new library and public works projects, as well as real estate, personal property and motor vehicle taxes experiencing a significant increase in revenue of approximately \$2.2 million. The change in net assets is primarily the net difference between these revenue increases and the current year increase in the other postemployment benefit obligation of approximately \$3.4 million which was recorded to comply with the requirements of GASB Statement #45. This liability is also the reason for the increase in noncurrent liabilities (excluding debt).



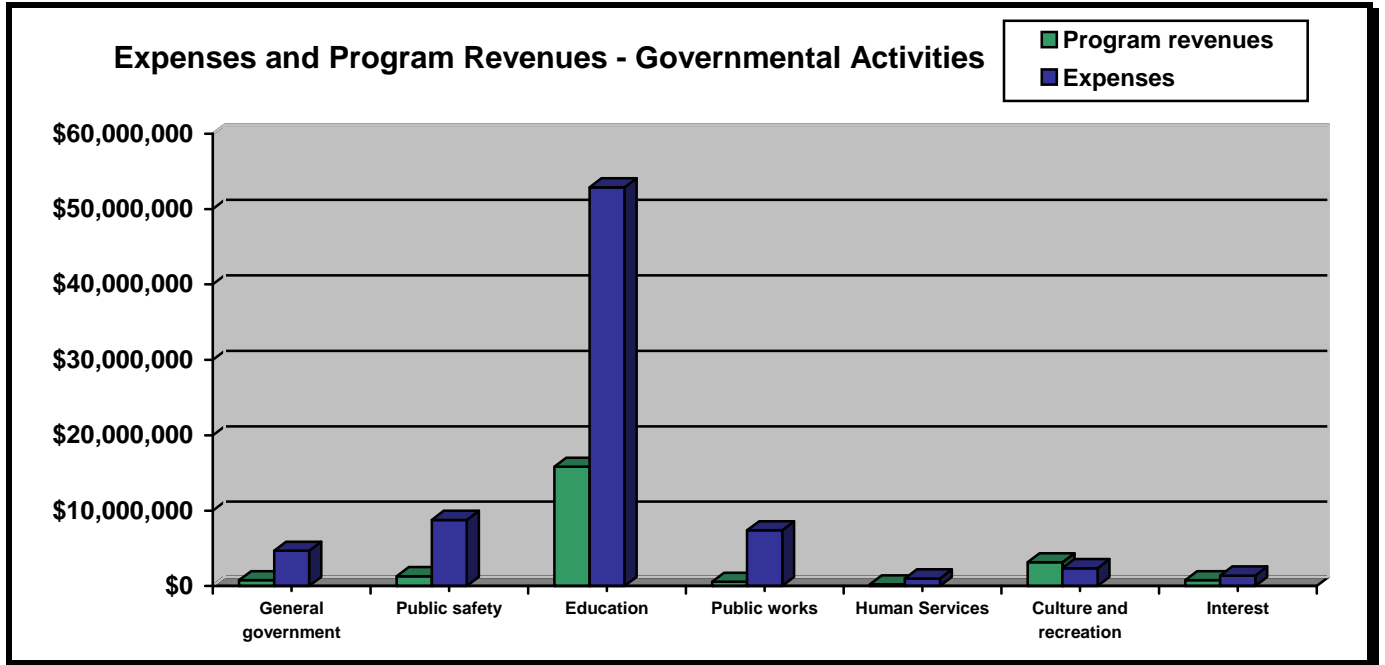
<b>Governmental Activities:</b>	Fiscal Year Ended June 30, 2011	Fiscal Year Ended June 30, 2010
	<u>2011</u>	<u>2010</u>
<b>Program revenues:</b>		
Charges for services.....	\$ 5,289,074	\$ 5,235,983
Operating grants and contributions.....	14,570,871	14,179,816
Capital grants and contributions.....	2,752,205	416,865
<b>General revenues:</b>		
Real estate and personal property taxes.....	53,365,772	51,462,011
Motor vehicle excise taxes.....	2,408,095	2,152,241
Penalties and interest on taxes.....	122,486	105,602
Nonrestricted grants and contributions.....	647,232	723,159
Unrestricted investment income.....	91,404	111,156
<b>Total revenues.....</b>	<b><u>79,247,139</u></b>	<b><u>74,386,833</u></b>
<b>Expenses:</b>		
General government.....	4,670,650	4,745,598
Public safety.....	8,969,089	8,490,129
Education.....	52,489,520	52,200,467
Public works.....	7,472,604	7,425,668
Human services.....	1,047,144	1,052,991
Culture and recreation.....	2,371,894	2,378,042
Interest.....	1,475,733	1,750,493
<b>Total expenses.....</b>	<b><u>78,496,634</u></b>	<b><u>78,043,388</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>750,505</b>	<b>(3,656,555)</b>
<b>Transfers.....</b>	<b><u>290,978</u></b>	<b><u>290,978</u></b>
<b>Change in net assets.....</b>	<b>\$ <u>1,041,483</u></b>	<b>\$ <u>(3,365,577)</u></b>

- Charges for services represent about 6.7% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category. Most of these resources apply to public safety and education operations, such as building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.
- Operating and capital grants and contributions account for 18.4% of the governmental activities resources. Most of these resources apply to education operations. These resources offset costs within the school department in addition to the General Fund operating budget. General government experienced a decrease in operating grants of approximately \$653,000 when compared to the prior year. This decrease was due to the Town receiving an operating grant in the amount of \$615,000 in fiscal 2010 related to the Westwood Station project.
- In fiscal year 2011, the Town also recorded \$2.2 in capital grants related to the construction of a new Town library.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources.
- Motor vehicle excise taxes comprise 3% of the governmental activities resources.
- The Town held expenses relatively stable while grants and tax revenue increased, resulting in a positive year.

## FY11 Governmental Revenues



- Education is by far the largest governmental activity of the Town with 67% of total governmental expenses. Program revenues of \$15.8 million provided direct support to education and \$36.7 million in taxes and other general revenue were needed to cover the remaining fiscal year 2011 operating expenses.
- Public safety and public works are significant activities of the Town. Program revenues for public safety of \$1.3 million and \$563,000 in public works directly supported \$9 million and \$7.5 million of operating expenses, respectively. Taxes and other general revenue of \$4.6 million were needed to cover the remaining fiscal year 2011 operating expenses. Combined, they represent 21% of governmental activity expenses.



**Business-type activities.** For sewer business-type activities, assets exceeded liabilities by \$17.2 million at the close of fiscal year 2011. Capital assets net of related debt totaled \$13 million (75%) while unrestricted net assets totaled \$4.2 million (25%). There was an increase of \$37,000 in net assets reported in connection with the sewer enterprise. Charges for services increased from prior year by \$139,000 which was primarily due to an increase in sewer usage revenue. Capital grants experienced a slight decline from the prior year. The sewer fund also reported an increase in its liability for other postemployment benefits totaling \$35,000, which is a result of GASB Statement #45.

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

	Balance at June 30, 2011	Balance at June 30, 2010
<b>Assets:</b>		
Current assets.....	\$ 4,098,123	\$ 3,662,911
Noncurrent assets (excluding capital).....	296,350	348,074
Capital assets, not being depreciated.....	350,850	350,850
Capital assets, net of accumulated depreciation.....	14,197,856	14,833,081
<b>Total assets.....</b>	<b>18,943,179</b>	<b>19,194,916</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	48,446	57,468
Noncurrent liabilities (excluding debt).....	117,191	82,197
Current debt.....	319,700	314,687
Noncurrent debt.....	1,230,900	1,550,600
<b>Total liabilities.....</b>	<b>1,716,237</b>	<b>2,004,952</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	12,998,106	13,318,644
Unrestricted.....	4,228,836	3,871,320
<b>Total net assets.....</b>	<b>\$ 17,226,942</b>	<b>\$ 17,189,964</b>

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

	Fiscal Year Ended June 30, 2011	Fiscal Year Ended June 30, 2010
<b>Program revenues:</b>		
Charges for services.....	\$ 3,895,027	\$ 3,756,083
Operating grants and contributions.....	45,563	-
Capital grants and contributions.....	40,912	96,182
<b>Total revenues.....</b>	<b><u>3,981,502</u></b>	<b><u>3,852,265</u></b>
<b>Expenses:</b>		
Sewer.....	<b><u>3,653,546</u></b>	<b><u>3,670,498</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>327,956</b>	<b>181,767</b>
<b>Transfers.....</b>	<b><u>(290,978)</u></b>	<b><u>(290,978)</u></b>
<b>Change in net assets.....</b>	<b><u><u>\$ 36,978</u></u></b>	<b><u><u>\$ (109,211)</u></u></b>

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

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$24.9 million, an increase of \$11.9 million from the prior year. The majority of this increase \$9.3 million is reported in the library project major fund. Also, there was an increase of \$1.3 million in the general fund and an increase of \$1.3 million in the nonmajor governmental funds relating to the timing of expenditures.

The general fund is the Town’s chief operating fund. The ending fund balance increased by \$1.3 million in comparison with prior year. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$4.6 million, while total fund balance totaled \$6.8 million. 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 6.5% of total general fund expenditures, while total fund balance represents 9.7% of that same amount.

The Town also maintains a stabilization fund, which has been classified as part of the general fund in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year end balance of \$1.2 million which represents 1.7% 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 state fiscal stabilization fund is used to account for the Town’s use of the federal state fiscal stabilization program which was awarded to Governors to help stabilize State and local budgets in order to minimize and avoid

reductions in education and other essential services. During fiscal year 2011, the Town received \$459,000 in state fiscal stabilization funds, which was used to help fund school teacher salaries.

The Westwood Station fund is used to account for funds received in connection with the Westwood Station Project. At June 30, 2011, the Westwood Station fund had a year end balance of \$117,000. The Westwood Station fund balance decreased (\$22,000) from prior year as the Town utilized funds received in prior years.

The library project major fund is used to account for the construction of a new Town library. In 2011, the Town issued a \$9.3 million bond for the library construction project. During fiscal year 2011, this fund also recognized \$2.2 million in capital grant revenue and recorded \$2.2 million in project expenditures.

### **General Fund Budgetary Highlights**

Actual revenues were lower than budgeted for real estate and personal property taxes by \$1.5 million because Westwood Station did not pay their real estate tax bill during the fiscal year. Subsequent to fiscal year end, the Town received approximately \$2.5 million in outstanding real estate taxes from the Westwood Station project.

Actual general fund expenditures and encumbrances are lower than final budget by 1.5%, with the majority of the variance occurring in the reserve fund, which turned back \$150,000, as reserve funds were not fully required to fund unanticipated events, also the general fund employee benefits expenditures were lower than the final budget by approximately \$485,000. This is partially due to conservative budgeting. Expenditures exceeded appropriations for police department salaries, snow and ice removal, and veteran's services. These deficits will be raised during the subsequent year's budget process.

The \$802,000 increase between the original budget and the final amended budget was primarily due to the supplementary appropriations to fund the police department budget, the education department budget, the department of public works snow and ice budget and the capital outlay budget.

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

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

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

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

Outstanding long-term debt of the general government, as of June 30, 2011, totaled \$41.3 million of which, \$9.3 million is related to library projects, \$30.1 million is related to school projects, leaving a balance of only \$1.9 million for other non-school related projects.

The enterprise fund has \$1.6 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 building improvements, public safety vehicles, school equipment, and roadway improvements. Also, current year expenditures for the new library have been capitalized as construction in progress as of June 30, 2011.

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

**CAPITAL ASSETS**

	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
<b>Governmental activities:</b>			
Land.....	\$ 5,858,382	\$ -	\$ 5,858,382
Buildings and improvements.....	91,290,332	(26,004,460)	65,285,872
Vehicles.....	6,181,409	(4,434,595)	1,746,814
Machinery and equipment.....	9,976,881	(7,055,268)	2,921,613
Furniture and fixtures.....	357,983	(246,249)	111,734
Infrastructure.....	84,830,884	(48,578,700)	36,252,184
Total governmental activities.....	<u>200,687,236</u>	<u>(86,319,272)</u>	<u>114,367,964</u>
<b>Business-type activities:</b>			
Land.....	350,850	-	350,850
Plant and infrastructure.....	25,823,141	(15,353,849)	10,469,292
Other buildings and improvements...	6,339,070	(3,100,027)	3,239,043
Vehicles.....	506,331	(287,990)	218,341
Machinery and equipment.....	483,709	(212,529)	271,180
Furniture and fixtures.....	35,323	(35,323)	-
Total business-type activities.....	<u>33,538,424</u>	<u>(18,989,718)</u>	<u>14,548,706</u>
Total capital assets.....	<u>\$ 234,225,660</u>	<u>\$ (105,308,990)</u>	<u>\$ 128,916,670</u>

**GOVERNMENTAL BONDS PAYABLE**

Project	Interest Rate (%)	Outstanding at June 30, 2010	Issued	Redeemed	Outstanding at June 30, 2011
Martha Jones School Construction.....	3.90-5.00	\$ 1,440,000	\$ -	\$ 720,000	\$ 720,000
Downey School Construction.....	3.90-5.00	1,260,000	-	630,000	630,000
Striar Land Purchase.....	3.90-5.00	260,000	-	130,000	130,000
Cemetery Land Purchase.....	3.90-5.00	60,000	-	30,000	30,000
School Planning.....	2.50-5.38	25,675,000	-	1,975,000	23,700,000
Public Building.....	3.00-5.00	1,130,000	-	285,000	845,000
Land Acquisition.....	3.50-4.00	150,000	-	30,000	120,000
High Street Reconstruction.....	3.50-4.00	770,000	-	110,000	660,000
High Street Lights.....	3.50-4.00	145,000	-	25,000	120,000
High School Supplement.....	3.50-4.00	1,690,000	-	130,000	1,560,000
High School Fields.....	3.50-4.00	375,000	-	50,000	325,000
Middle School Modular Classrooms.....	2.13-5.00	3,325,000	-	175,000	3,150,000
Library Construction.....	3.25-4.00	-	9,300,000	-	9,300,000
Total Governmental Bonds Payable.....		\$ 36,280,000	\$ 9,300,000	\$ 4,290,000	\$ 41,290,000

**ENTERPRISE BONDS PAYABLE**

Project	Interest Rate (%)	Outstanding at June 30, 2010	Issued	Redeemed	Outstanding at June 30, 2011
Sewer (MWPAT).....	3.88	\$ 1,565,287	\$ -	\$ 164,687	\$ 1,400,600
Sewer.....	3.90-5.00	300,000	-	150,000	150,000
Total Enterprise Bonds Payable.....		\$ 1,865,287	\$ -	\$ 314,687	\$ 1,550,600

The Town of Westwood has an "AA+" rating from Standard & Poor's and an "Aa1" from Moody's for general obligation debt.

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

For the fiscal year 2012 budget, the Town has projected modest improvement in major revenue categories over the previous year's budget. General tax revenues are expected to increase by approximately 3%, and after several years of decline, state aid has been level funded. Economic driven local receipts; such as motor vehicle excise payments and buildings permits, have also been level funded for FY12 after improved collections in FY11.

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

- The Town provided for a 2% increase for the fiscal year 2012 school and municipal operating budgets.
- Favorable settlement of labor contracts allowed the Town to remain within the 2% increase while maintaining current staffing levels.
- The fiscal year 2012 budget has level funded the base capital budgets and provides for increase in capital equipment through a small debt authorization of \$460,000.
- The fiscal year 2012 budget provides for a \$25,000 appropriation to the stabilization reserve accounts.
- The FY12 commercial and residential tax rates are not yet finalized, but are expected to increase approximately 4%. This increase includes first year funding for the new library construction projects.

## **Requests for Information**

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



# ***Basic Financial Statements***

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**STATEMENT OF NET ASSETS**

JUNE 30, 2011

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 25,063,346	\$ 2,209,105	\$ 27,272,451
Investments.....	12,453	-	12,453
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	902,444	-	902,444
Tax liens.....	3,083,355	-	3,083,355
Motor vehicle excise taxes.....	133,402	-	133,402
User charges.....	-	1,837,294	1,837,294
Departmental and other.....	136,616	-	136,616
Intergovernmental.....	3,012,255	51,724	3,063,979
<b>Total Current Assets.....</b>	<b>32,343,871</b>	<b>4,098,123</b>	<b>36,441,994</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	13,704,000	296,350	14,000,350
Capital assets, not being depreciated.....	8,049,747	350,850	8,400,597
Capital assets, net of accumulated depreciation.....	106,318,217	14,197,856	120,516,073
<b>Total Noncurrent Assets.....</b>	<b>128,071,964</b>	<b>14,845,056</b>	<b>142,917,020</b>
<b>TOTAL ASSETS.....</b>	<b>160,415,835</b>	<b>18,943,179</b>	<b>179,359,014</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,565,291	16,124	1,581,415
Accrued payroll.....	1,122,502	5,067	1,127,569
Accrued interest.....	266,067	7,255	273,322
Other liabilities.....	553,744	-	553,744
Compensated absences.....	1,013,000	20,000	1,033,000
Bonds payable.....	4,750,000	319,700	5,069,700
<b>Total Current Liabilities.....</b>	<b>9,270,604</b>	<b>368,146</b>	<b>9,638,750</b>
<b>NONCURRENT:</b>			
Compensated absences.....	502,000	-	502,000
Other postemployment benefits.....	11,159,954	117,191	11,277,145
Bonds payable.....	36,540,000	1,230,900	37,770,900
<b>Total Noncurrent Liabilities.....</b>	<b>48,201,954</b>	<b>1,348,091</b>	<b>49,550,045</b>
<b>TOTAL LIABILITIES.....</b>	<b>57,472,558</b>	<b>1,716,237</b>	<b>59,188,795</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	99,380,376	12,998,106	112,378,482
Restricted for:			
Permanent funds:			
Expendable.....	192,618	-	192,618
Nonexpendable.....	346,050	-	346,050
Gifts.....	310,453	-	310,453
Grants.....	886,730	-	886,730
Unrestricted.....	1,827,050	4,228,836	6,055,886
<b>TOTAL NET ASSETS.....</b>	<b>\$ 102,943,277</b>	<b>\$ 17,226,942</b>	<b>\$ 120,170,219</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2011

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.....	\$ 4,670,650	\$ 703,996	\$ 62,704	\$ -	\$ (3,903,950)
Public safety.....	8,969,089	1,218,831	91,727	-	(7,658,531)
Education.....	52,489,520	2,364,662	13,456,629	-	(36,668,229)
Public works.....	7,472,604	30,085	-	532,848	(6,909,671)
Human services.....	1,047,144	69,336	149,111	-	(828,697)
Culture and recreation.....	2,371,894	902,164	36,537	2,219,357	786,164
Interest.....	1,475,733	-	774,163	-	(701,570)
<b>Total Governmental Activities.....</b>	<b>78,496,634</b>	<b>5,289,074</b>	<b>14,570,871</b>	<b>2,752,205</b>	<b>(55,884,484)</b>
<i>Business-Type Activities:</i>					
Sewer.....	3,653,546	3,895,027	45,563	40,912	<b>327,956</b>
<b>Total Primary Government.....</b>	<b>\$ 82,150,180</b>	<b>\$ 9,184,101</b>	<b>\$ 14,616,434</b>	<b>\$ 2,793,117</b>	<b>\$ (55,556,528)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ <b>(55,884,484)</b>	\$ <b>327,956</b>	\$ <b>(55,556,528)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	53,365,772	-	53,365,772
Motor vehicle excise taxes.....	2,408,095	-	2,408,095
Penalties and interest on taxes.....	122,486	-	122,486
Grants and contributions not restricted to specific programs.....	647,232	-	647,232
Unrestricted investment income.....	91,404	-	91,404
<i>Transfers, net</i> .....	290,978	(290,978)	-
Total general revenues and transfers.....	<u>56,925,967</u>	<u>(290,978)</u>	<u>56,634,989</u>
Change in net assets.....	1,041,483	36,978	1,078,461
<i>Net Assets:</i>			
Beginning of year.....	<u>101,901,794</u>	<u>17,189,964</u>	<u>119,091,758</u>
End of year.....	<u>\$ 102,943,277</u>	<u>\$ 17,226,942</u>	<u>\$ 120,170,219</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2011

<b>ASSETS</b>	General	Westwood Station	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 6,365,958	\$ 116,853	\$ 9,856,344	\$ 8,724,191	\$ 25,063,346
Investments.....	-	-	-	12,453	12,453
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	902,444	-	-	-	902,444
Tax liens.....	3,083,355	-	-	-	3,083,355
Motor vehicle excise taxes.....	133,402	-	-	-	133,402
Departmental and other.....	4,030	-	-	132,586	136,616
Intergovernmental.....	15,784,116	-	-	932,139	16,716,255
<b>TOTAL ASSETS.....</b>	<b>\$ 26,273,305</b>	<b>\$ 116,853</b>	<b>\$ 9,856,344</b>	<b>\$ 9,801,369</b>	<b>\$ 46,047,871</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 970,674	\$ -	\$ 528,352	\$ 66,265	\$ 1,565,291
Accrued payroll.....	1,122,502	-	-	-	1,122,502
Other liabilities.....	553,744	-	-	-	553,744
Deferred revenues.....	16,856,964	-	-	1,064,725	17,921,689
<b>TOTAL LIABILITIES.....</b>	<b>19,503,884</b>	<b>-</b>	<b>528,352</b>	<b>1,130,990</b>	<b>21,163,226</b>
<b>FUND BALANCES:</b>					
Nonspendable.....	-	-	-	346,050	346,050
Restricted.....	-	116,853	9,327,992	8,324,329	17,769,174
Assigned.....	2,200,891	-	-	-	2,200,891
Unassigned.....	4,568,530	-	-	-	4,568,530
<b>TOTAL FUND BALANCES.....</b>	<b>6,769,421</b>	<b>116,853</b>	<b>9,327,992</b>	<b>8,670,379</b>	<b>24,884,645</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 26,273,305</b>	<b>\$ 116,853</b>	<b>\$ 9,856,344</b>	<b>\$ 9,801,369</b>	<b>\$ 46,047,871</b>

See notes to basic financial statements.

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

JUNE 30, 2011

Total governmental fund balances.....		\$ 24,884,645
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		114,367,964
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		17,921,689
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(266,067)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(41,290,000)	
Other postemployment benefits.....	(11,159,954)	
Compensated absences.....	<u>(1,515,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(53,964,954)</u>
Net assets of governmental activities.....		<u>\$ 102,943,277</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2011

	General	State Fiscal Stabilization Fund	Westwood Station	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 53,892,828	\$ -	\$ -	\$ -	\$ -	\$ 53,892,828
Motor vehicle excise taxes.....	2,382,329	-	-	-	-	2,382,329
Charges for services.....	-	-	-	-	4,588,668	4,588,668
Penalties and interest on taxes.....	122,486	-	-	-	-	122,486
Fees and rentals.....	277,895	-	-	-	-	277,895
Licenses and permits.....	473,966	-	-	-	-	473,966
Fines and forfeitures.....	15,120	-	-	-	-	15,120
Intergovernmental.....	12,812,949	459,199	-	2,219,357	2,957,244	18,448,749
Departmental and other.....	258,126	-	168,734	-	372,653	799,513
Contributions.....	-	-	-	-	256,741	256,741
Investment income.....	94,980	-	-	-	4,381	99,361
<b>TOTAL REVENUES.....</b>	<b>70,330,679</b>	<b>459,199</b>	<b>168,734</b>	<b>2,219,357</b>	<b>8,179,687</b>	<b>81,357,656</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	2,575,356	-	190,298	-	115,869	2,881,523
Public safety.....	5,993,576	-	-	-	121,895	6,115,471
Education.....	33,514,415	459,199	-	-	5,249,587	39,223,201
Public works.....	4,214,477	-	-	-	358,910	4,573,387
Human services.....	698,835	-	-	-	64,577	763,412
Culture and recreation.....	1,216,204	-	-	2,191,365	712,394	4,119,963
Pension benefits.....	8,065,476	-	-	-	-	8,065,476
Property and liability insurance.....	271,221	-	-	-	-	271,221
Employee benefits.....	5,616,358	-	-	-	-	5,616,358
State and county charges.....	539,989	-	-	-	-	539,989
Capital outlay.....	1,165,364	-	-	-	-	1,165,364
Debt service:						
Principal.....	4,290,000	-	-	-	-	4,290,000
Interest.....	1,609,598	-	-	-	-	1,609,598
<b>TOTAL EXPENDITURES.....</b>	<b>69,770,869</b>	<b>459,199</b>	<b>190,298</b>	<b>2,191,365</b>	<b>6,623,232</b>	<b>79,234,963</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>559,810</b>	<b>-</b>	<b>(21,564)</b>	<b>27,992</b>	<b>1,556,455</b>	<b>2,122,693</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of long-term debt.....	-	-	-	9,300,000	-	9,300,000
Premium from issuance of bonds.....	-	-	-	-	217,365	217,365
Transfers in.....	790,140	-	-	-	-	790,140
Transfers out.....	-	-	-	-	(499,162)	(499,162)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>790,140</b>	<b>-</b>	<b>-</b>	<b>9,300,000</b>	<b>(281,797)</b>	<b>9,808,343</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,349,950</b>	<b>-</b>	<b>(21,564)</b>	<b>9,327,992</b>	<b>1,274,658</b>	<b>11,931,036</b>
<b>FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....</b>	<b>5,419,471</b>	<b>-</b>	<b>138,417</b>	<b>-</b>	<b>7,395,721</b>	<b>12,953,609</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 6,769,421</b>	<b>\$ -</b>	<b>\$ 116,853</b>	<b>\$ 9,327,992</b>	<b>\$ 8,670,379</b>	<b>\$ 24,884,645</b>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2011

Net change in fund balances - total governmental funds.....		\$	11,931,036
<p>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.</p>			
Capital outlay.....			5,167,049
Depreciation expense.....			<u>(5,900,174)</u>
Net effect of reporting capital assets.....			(733,125)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>			
			(2,110,517)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>			
Proceeds from bonds and notes.....			(9,300,000)
Debt service principal payments.....			<u>4,290,000</u>
Net effect of reporting long-term debt.....			(5,010,000)
<p>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.</p>			
Net change in compensated absences accrual.....			407,000
Net change in accrued interest on long-term debt.....			(83,500)
Net change in other postemployment benefits.....			<u>(3,359,411)</u>
Net effect of recording long-term liabilities.....			<u>(3,035,911)</u>
Change in net assets of governmental activities.....		\$	<u><u>1,041,483</u></u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**

JUNE 30, 2011

	<u>Business-type Sewer Enterprise</u>
<b>ASSETS</b>	
CURRENT:	
Cash and cash equivalents.....	\$ 2,209,105
Receivables, net of allowance for uncollectibles:	
User fees.....	1,837,294
Intergovernmental.....	<u>51,724</u>
Total current assets.....	<u>4,098,123</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	296,350
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	<u>14,197,856</u>
Total noncurrent assets.....	<u>14,845,056</u>
TOTAL ASSETS.....	<u>18,943,179</u>
<b>LIABILITIES</b>	
CURRENT:	
Warrants payable.....	16,124
Accrued payroll.....	5,067
Accrued interest.....	7,255
Compensated absences.....	20,000
Bonds payable.....	<u>319,700</u>
Total current liabilities.....	<u>368,146</u>
NONCURRENT:	
Other postemployment benefits.....	117,191
Bonds payable.....	<u>1,230,900</u>
Total noncurrent liabilities.....	<u>1,348,091</u>
TOTAL LIABILITIES.....	<u>1,716,237</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt.....	12,998,106
Unrestricted.....	<u>4,228,836</u>
TOTAL NET ASSETS.....	<u>\$ 17,226,942</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Sewer Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services .....	\$ 3,895,027
<u>OPERATING EXPENSES:</u>	
Cost of services and administration .....	595,663
MWRA assessment.....	2,158,037
Depreciation.....	823,848
 TOTAL OPERATING EXPENSES .....	 3,577,548
 OPERATING INCOME (LOSS).....	 317,479
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(75,998)
Intergovernmental.....	45,563
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 (30,435)
 INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....	 287,044
<u>CAPITAL CONTRIBUTIONS:</u>	
Sewer betterments.....	40,912
<u>TRANSFERS:</u>	
Transfers out.....	(290,978)
 CHANGE IN NET ASSETS.....	 36,978
NET ASSETS AT BEGINNING OF YEAR.....	17,189,964
NET ASSETS AT END OF YEAR.....	\$ 17,226,942

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Sewer Enterprise
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 3,875,940
Payments to vendors.....	(2,391,241)
Payments to employees.....	(330,431)
	1,154,268
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	(290,978)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Acquisition and construction of capital assets.....	(188,623)
Capital contributions.....	40,912
Principal payments on bonds and notes.....	(268,564)
Interest expense.....	(36,491)
	(452,766)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(452,766)
NET CHANGE IN CASH EQUIVALENTS.....	410,524
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	1,798,581
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ <u>2,209,105</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>	
<u>FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ <u>317,479</u>
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	823,848
Changes in assets and liabilities:	
User fees.....	(19,087)
Warrants payable.....	(932)
Accrued payroll.....	(3,034)
Accrued compensated absences.....	1,000
Other postemployment benefits.....	34,994
Total adjustments.....	836,789
NET CASH FROM OPERATING ACTIVITIES.....	\$ <u>1,154,268</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Intergovernmental debt service subsidy.....	\$ <u>91,686</u>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 349,556	\$ 879,861
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	-	22,828
<b>TOTAL ASSETS</b> .....	<u>349,556</u>	<u>902,689</u>
<b>LIABILITIES</b>		
Warrants payable.....	-	134
Liabilities due depositors.....	-	902,555
<b>TOTAL LIABILITIES</b> .....	<u>-</u>	<u>902,689</u>
<b>NET ASSETS</b> .....	<u>\$ 349,556</u>	<u>\$ -</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2011

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 77,116
Net investment income:	
Interest.....	<u>5,036</u>
TOTAL ADDITIONS.....	<u>82,152</u>
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>96,150</u>
CHANGE IN NET ASSETS.....	(13,998)
NET ASSETS AT BEGINNING OF YEAR.....	<u>363,554</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 349,556</u>

See notes to basic financial statements.

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

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

A. Reporting Entity

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

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town’s basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the Primary Government) and its component units. The Town did not identify any component units requiring inclusion in the basic financial statements.

Joint Ventures

The Town has entered into a joint venture with the Towns of Avon, Canton, Dedham, Braintree, Holbrook, Milton, Norwood, and Randolph to pool resources and share the costs, risks and rewards of providing vocational education through the Blue Hills Regional Technical School District (District). As of June 30, 2011, the District has no significant unassigned fund balance and has approximately \$170,000 in outstanding long-term bonds related to capital improvements. The following is the address where the District’s financial statements are available, its purpose, and the assessment paid by the Town during fiscal year 2011.

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2011 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 183,946</u>

The Town has no equity interest in the District.

Jointly Governed Organizations

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

B. Government-Wide and Fund Financial Statements

*Government-Wide Financial Statements*

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

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

#### *Fund Financial Statements*

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

#### *Major Fund Criteria*

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

- If the total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all fund of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

Fiduciary funds are reported by fund type.

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

##### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

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



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

#### *Fund Financial Statements*

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

Real estate and personal property tax revenues are considered available if they are collected within 60 days after fiscal year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *state fiscal stabilization fund* is used to account for the Town's use of the federal state fiscal stabilization program which was awarded to Governors to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services.

The *Westwood Station fund* is used to account for the funds received in connection with the development and renovation of the new train station as well as residential, commercial, and retail units.

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

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

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

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

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

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

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

The following major proprietary fund is reported:

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

**Fiduciary** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting except for the agency fund, which has no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

#### D. Cash and Investments

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

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

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

## E. Accounts Receivable

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

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

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

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

Real estate tax liens are processed six months after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

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

### ***Motor Vehicle Excise Taxes***

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

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

### ***User Fees***

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

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

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

***Intergovernmental***

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met. These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

**F. Inventories**

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

**G. Capital Assets**

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

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

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

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

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

**H. Interfund Transfers**

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

*Government-Wide Financial Statements*

Transfers between and within governmental funds and are eliminated from the governmental activities in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

*Fund Financial Statements*

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

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

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

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

Net assets have been "restricted for" the following:

"Permanent funds – expendable" represents the amount of realized and unrealized investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

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

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

*Fund Financial Statements (Fund Balances)*

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

The governmental fund balance classifications are as follows:

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

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

“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.

“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.

#### J. Long-term debt

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

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

##### *Governmental Fund Financial Statements*

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

#### K. Investment Income

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

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

#### L. Compensated Absences

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

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

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

##### *Governmental Fund Financial Statements*

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

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

#### M. Use of Estimates

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

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets

and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the fiscal year. Actual results could vary from estimates that were used.

#### N. Total Column

##### *Government-Wide Financial Statements*

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

##### *Fund Financial Statements*

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

## **NOTE 2 – CASH AND INVESTMENTS**

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

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

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

#### Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's deposit and investment policy allows for unlimited investments in MMDT, U.S. Treasuries and Agencies that will be held to maturity with maturities up to one year from the date of purchase, and bank accounts and Certificates of Deposit with maturities up to one year which are fully collateralized or fully insured.

Additionally, the Town’s policy allows for investments in unsecured bank deposits such as checking, savings, money market or Certificates of Deposit with maturities up to three months. Unsecured deposits in each institution are limited to no more than 5% of an institution’s assets and no more than 20% of the Town’s total cash. At fiscal year-end, the carrying amount of deposits totaled \$23,437,712 and the bank balance totaled \$23,704,121. Of the bank balance, \$2,000,000 was covered by Federal Depository Insurance, \$270,421 was covered by the Depositors Insurance Fund, \$99,560 was covered by the Share Insurance Fund, \$13,579,403 was collateralized and \$7,754,737 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2011, the Town had the following investments:

Equity Mutual Funds.....	\$	12,453
MMDT.....		<u>5,064,156</u>
Total Investments.....	\$	<u><u>5,076,609</u></u>

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of the outside party. At June 30, 2011, 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, 2011.

Credit Risk

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



Concentration of Credit Risk

The Town limits the amount that may be invested in any one issuer, except for MMDT, to no more than 5% of an institution's assets and no more than 30% of the Town's total investments. At June 30, 2011, the Town did not have more than 5% of the Town's investments in with any one issuer.

**NOTE 3 – RECEIVABLES**

At June 30, 2011, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>	
<u>Receivables:</u>				
Real estate and personal property taxes.....	\$ 902,444	\$ -	\$ 902,444	(1)
Tax liens.....	3,083,355	-	3,083,355	(1)
Motor vehicle excise taxes.....	195,402	(62,000)	133,402	
Departmental and other.....	159,616	(23,000)	136,616	
Intergovernmental.....	<u>16,716,255</u>	<u>-</u>	<u>16,716,255</u>	
 Total.....	 <u>\$ 21,057,072</u>	 <u>\$ (85,000)</u>	 <u>\$ 20,972,072</u>	

At June 30, 2011, receivables for the fiduciary funds consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Details.....	<u>\$ 22,828</u>	<u>\$ -</u>	<u>\$ 22,828</u>

At June 30, 2011, receivables for the enterprise fund consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Sewer fees.....	\$ 1,837,294	\$ -	\$ 1,837,294
Intergovernmental.....	<u>348,074</u>	<u>-</u>	<u>348,074</u>
 Total.....	 <u>\$ 2,185,368</u>	 <u>\$ -</u>	 <u>\$ 2,185,368</u>

(1) Subsequent to year-end the Town collected approximately \$3.1 million of delinquent real estate taxes and liens due mainly from the Westwood Station. Since these amounts were collected within 60 days of year-end they have been recorded as revenue under the modified accrual basis of accounting.

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

Receivable type:	General Fund	Nonmajor Governmental Funds	Total
Real estate and personal property taxes.....	\$ 404,174	\$ -	\$ 404,174
Tax liens.....	531,242	-	531,242
Motor vehicle excise taxes.....	133,402	-	133,402
Departmental and other.....	4,030	132,586	136,616
Intergovernmental.....	<u>15,784,116</u>	<u>932,139</u>	<u>16,716,255</u>
Total.....	<u>\$ 16,856,964</u>	<u>\$ 1,064,725</u>	<u>\$ 17,921,689</u>

**NOTE 4 – INTERFUND TRANSFERS**

At June 30, 2011, the Town did not have any interfund receivables or payables.

Interfund transfers for the fiscal year ended June 30, 2011, are summarized as follows:

Transfers Out:	Transfers In:	
	General Fund	
Nonmajor Governmental Fund.....	\$ 29,662	(A)
Nonmajor Governmental Fund.....	10,000	(B)
Nonmajor Governmental Fund.....	459,500	(C)
Sewer Enterprise Fund.....	<u>290,978</u>	(D)
Total.....	<u>\$ 790,140</u>	

(A) - Transfer from New Library Project Premium Fund within the Nonmajor Fund to offset debt costs related to the Library project.

(B) - Transfer from Cemetery Permanent Fund to support cemetery expenditures.

(C) - Transfer from Special Revenue Ambulance Receipts for capital purchases.

(D) - Transfer from Sewer Fund to the General Fund for indirect cost reimbursements.

**NOTE 5 – PENSION PLAN**

*Plan Description* - The Town contributes to the Norfolk County Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Norfolk County Retirement Board. Substantially all employees of the Town are members of the System, except for public school teachers and certain administrators who are members of the Commonwealth of Massachusetts' Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$5,592,000 for the fiscal year ended June 30, 2011, and, accordingly, are reported in the General Fund as Intergovernmental Revenues and Pension Expenditures.

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

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

*Annual Pension Cost* - The Town's contributions to the System for the fiscal years ended June 30, 2011, 2010, and 2009 were \$2,417,220, \$2,329,423, and \$2,135,190, which equaled its required contribution for each fiscal year.

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

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 5,858,382	\$ -	\$ -	\$ 5,858,382
Construction in progress.....	-	2,191,365	-	2,191,365
 Total capital assets not being depreciated.....	 5,858,382	 2,191,365	 -	 8,049,747
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	90,429,950	860,382	-	91,290,332
Vehicles.....	5,922,343	480,461	(221,395)	6,181,409
Machinery and equipment.....	8,878,007	1,098,874	-	9,976,881
Furniture and fixtures.....	261,123	96,860	-	357,983
Infrastructure.....	84,391,777	439,107	-	84,830,884
 Total capital assets being depreciated.....	 189,883,200	 2,975,684	 (221,395)	 192,637,489
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(23,708,187)	(2,296,273)	-	(26,004,460)
Vehicles.....	(4,227,968)	(428,022)	221,395	(4,434,595)
Machinery and equipment.....	(6,198,665)	(856,603)	-	(7,055,268)
Furniture and fixtures.....	(226,797)	(19,452)	-	(246,249)
Infrastructure.....	(46,278,876)	(2,299,824)	-	(48,578,700)
 Total accumulated depreciation.....	 (80,640,493)	 (5,900,174)	 221,395	 (86,319,272)
 Total capital assets being depreciated, net.....	 109,242,707	 (2,924,490)	 -	 106,318,217
 Total governmental activities capital assets, net.....	 \$ 115,101,089	 \$ (733,125)	 \$ -	 \$ 114,367,964

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	25,690,432	132,709	-	25,823,141
Other buildings and improvements.....	6,339,070	-	-	6,339,070
Vehicles.....	503,246	55,914	(52,829)	506,331
Machinery and equipment.....	483,709	-	-	483,709
Furniture and fixtures.....	35,323	-	-	35,323
Total capital assets being depreciated.....	<u>33,051,780</u>	<u>188,623</u>	<u>(52,829)</u>	<u>33,187,574</u>
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(14,838,713)	(515,136)	-	(15,353,849)
Other buildings and improvements.....	(2,901,420)	(198,607)	-	(3,100,027)
Vehicles.....	(257,653)	(83,166)	52,829	(287,990)
Machinery and equipment.....	(185,590)	(26,939)	-	(212,529)
Furniture and fixtures.....	(35,323)	-	-	(35,323)
Total accumulated depreciation.....	<u>(18,218,699)</u>	<u>(823,848)</u>	<u>52,829</u>	<u>(18,989,718)</u>
Total capital assets being depreciated, net.....	<u>14,833,081</u>	<u>(635,225)</u>	<u>-</u>	<u>14,197,856</u>
Total business-type activities capital assets, net.....	<u>\$ 15,183,931</u>	<u>\$ (635,225)</u>	<u>\$ -</u>	<u>\$ 14,548,706</u>

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

**Governmental Activities:**

General government.....	\$ 176,680
Public safety.....	329,965
Education.....	2,747,690
Public works.....	2,611,577
Human services.....	29,956
Culture and recreation.....	<u>4,306</u>

Total depreciation expense - governmental activities..... \$ 5,900,174

**Business-Type Activities:**

Sewer.....	<u>\$ 823,848</u>
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**NOTE 7 – SHORT-TERM FINANCING**

The Town is authorized to borrow on a temporary basis to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of federal and state aid anticipation notes (FANS and SANS).

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

The Town did not have any short-term debt activity during fiscal 2011.

**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, 2011, and the debt service requirements follow.

Project	Interest Rate (%)	Outstanding at June 30, 2010	Issued	Redeemed	Outstanding at June 30, 2011
Martha Jones School Construction.....	3.90-5.00	\$ 1,440,000	\$ -	\$ 720,000	\$ 720,000
Downey School Construction.....	3.90-5.00	1,260,000	-	630,000	630,000
Striar Land Purchase.....	3.90-5.00	260,000	-	130,000	130,000
Cemetery Land Purchase.....	3.90-5.00	60,000	-	30,000	30,000
School Construction.....	2.50-5.38	25,675,000	-	1,975,000	23,700,000
Public Building.....	3.00-5.00	1,130,000	-	285,000	845,000
Land Acquisition.....	3.50-4.00	150,000	-	30,000	120,000
High Street Reconstruction.....	3.50-4.00	770,000	-	110,000	660,000
High Street Lights.....	3.50-4.00	145,000	-	25,000	120,000
High School Supplement.....	3.50-4.00	1,690,000	-	130,000	1,560,000
High School Fields.....	3.50-4.00	375,000	-	50,000	325,000
Middle School Modular Classrooms.....	2.13-5.00	3,325,000	-	175,000	3,150,000
Library Construction.....	3.25-4.00	-	9,300,000	-	9,300,000
<b>Total Governmental Bonds Payable.....</b>		<b>36,280,000</b>	<b>9,300,000</b>	<b>4,290,000</b>	<b>41,290,000</b>
Sewer (MWPAT).....	3.88	1,565,287	-	164,687	1,400,600
Sewer.....	3.90-5.00	300,000	-	150,000	150,000
<b>Total Enterprise Bonds Payable.....</b>		<b>1,865,287</b>	<b>-</b>	<b>314,687</b>	<b>1,550,600</b>
<b>Total General Obligation Bonds Payable.....</b>		<b>\$ 38,145,287</b>	<b>\$ 9,300,000</b>	<b>\$ 4,604,687</b>	<b>\$ 42,840,600</b>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....	\$ 4,750,000	\$ 1,767,923	\$ 6,517,923
2013.....	3,235,000	1,572,152	4,807,152
2014.....	3,230,000	1,429,178	4,659,178
2015.....	2,950,000	1,281,291	4,231,291
2016.....	2,920,000	1,146,346	4,066,346
2017.....	2,920,000	1,029,074	3,949,074
2018.....	2,790,000	893,477	3,683,477
2019.....	2,745,000	780,666	3,525,666
2020.....	2,745,000	652,791	3,397,791
2021.....	2,745,000	531,366	3,276,366
2022.....	2,745,000	409,586	3,154,586
2023.....	2,745,000	299,369	3,044,369
2024.....	640,000	187,988	827,988
2025.....	640,000	164,713	804,713
2026.....	640,000	140,276	780,276
2027.....	640,000	115,618	755,618
2028.....	640,000	89,582	729,582
2029.....	640,000	63,456	703,456
2030.....	465,000	37,200	502,200
2031.....	465,000	18,600	483,600
Total.....	\$ <u>41,290,000</u>	\$ <u>12,610,648</u>	\$ <u>53,900,648</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....	\$ 319,700	\$ 58,112	\$ 377,812
2013.....	90,300	136,660	226,960
2014.....	176,300	48,124	224,424
2015.....	181,600	42,279	223,879
2016.....	187,100	32,554	219,654
2017.....	192,800	23,516	216,316
2018.....	198,500	10,451	208,951
2019.....	204,300	5,108	209,408
Total.....	\$ <u>1,550,600</u>	\$ <u>356,804</u>	\$ <u>1,907,404</u>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$348,074 and interest costs for \$242,100. Thus, net MWPAT loan repayments including interest are scheduled to be \$1,160,668. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. The fiscal year 2011 principal and interest subsidy totaled \$46,123 and \$45,563, respectively.



The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During fiscal year 2011, approximately \$2,760,000 of such assistance was received. Approximately \$19,511,000 will be received in future fiscal years. Of this amount, approximately \$3,821,000 represents reimbursement of long-term interest costs, and approximately \$15,690,000 represents reimbursement of approved construction costs. Accordingly, a \$15,690,000 intergovernmental receivable and corresponding deferred revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2011, the Town had the following authorized and unissued debt:

Purpose	Date Voted	Article	Amount Authorized and Unissued
DPW Capital Improvements.....	5/2/2011	10	\$ 460,000
Brook Street Culvert.....	5/2/2011	11	450,000
Total.....			<u>\$ 910,000</u>

Changes in Long-Term Liabilities

During the fiscal year ended June 30, 2011, the following changes occurred in long-term liabilities:

	Balance at June 30, 2010	Additions	Retirements and Other	Balance at June 30, 2011	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds.....	\$ 36,280,000	\$ 9,300,000	\$ (4,290,000)	\$ 41,290,000	\$ 4,750,000
Other Postemployment Benefits.....	7,800,543	4,503,785	(1,144,374)	11,159,954	-
Compensated Absences.....	1,922,000	929,000	(1,336,000)	1,515,000	1,013,000
Total Governmental Activities.....	<u>46,002,543</u>	<u>14,732,785</u>	<u>(6,770,374)</u>	<u>53,964,954</u>	<u>5,763,000</u>
<b>Business-Type Activities:</b>					
Long-Term Bonds.....	1,865,287	-	(314,687)	1,550,600	319,700
Other Postemployment Benefits.....	82,197	47,294	(12,300)	117,191	-
Compensated Absences.....	19,000	20,000	(19,000)	20,000	20,000
Total Business-Type Activities.....	<u>1,966,484</u>	<u>67,294</u>	<u>(345,987)</u>	<u>1,687,791</u>	<u>339,700</u>
Total.....	<u>\$ 47,969,027</u>	<u>\$ 14,800,079</u>	<u>\$ (7,116,361)</u>	<u>\$ 55,652,745</u>	<u>\$ 6,102,700</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 has adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Types Definitions*, as part of its fiscal year 2011 reporting. Implementation of GASB 54 is required for fiscal years beginning after June 15, 2010. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classification and the constraints imposed on the uses of those resource.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of the legislative body. At fiscal year end the balance of the General Stabilization fund is \$1.2 million and is reported as unassigned fund balance within the General Fund.

In accordance with GASB Statement No. 54, the stabilization fund has been reported in the general fund, and accordingly, the general fund beginning balance increased by \$1,216,020 and the revised balance totals \$5,419,471.

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.

As of June 30, 2011, the governmental fund balance consisted of the following:

	GOVERNMENTAL FUNDS				
	General	Westwood Station	Library Project	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>					
Nonspendable:					
Permanent fund principal..... \$	- \$	- \$	- \$	346,050 \$	346,050 \$
Restricted for:					
Westwood station.....	-	116,853	-	-	116,853
Library project.....	-	-	9,327,992	-	9,327,992
Town grants and revolving funds.....	-	-	-	2,144,976	2,144,976
School lunch.....	-	-	-	121,608	121,608
Ambulance fund.....	-	-	-	779,386	779,386
School grants and revolving funds.....	-	-	-	3,610,349	3,610,349
Highway improvement fund.....	-	-	-	58,460	58,460
Expendable governmental trusts.....	-	-	-	104,520	104,520
Roadway improvements.....	-	-	-	459,336	459,336
School building renovations.....	-	-	-	584,883	584,883
Cemetery.....	-	-	-	8,628	8,628
Facilities renovations.....	-	-	-	268,193	268,193
Other expendable trust funds.....	-	-	-	183,990	183,990
Assigned to:					
General government.....	14,074	-	-	-	14,074
Public safety.....	4,482	-	-	-	4,482
Education.....	1,178,512	-	-	-	1,178,512
Public works.....	146,171	-	-	-	146,171
Human services.....	393	-	-	-	393
Culture and recreation.....	6,780	-	-	-	6,780
Capital outlay.....	850,479	-	-	-	850,479
Unassigned.....	4,568,530	-	-	-	4,568,530
<b>TOTAL FUND BALANCES..... \$</b>	<b><u>6,769,421</u></b>	<b><u>116,853</u></b>	<b><u>9,327,992</u></b>	<b><u>8,670,379</u></b>	<b><u>24,884,645</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 fiscal years.

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

The Town is a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town during fiscal year 2011 totaled \$161,115 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, 2011, and therefore is not reported.

The Town is self-insured for unemployment compensation. During fiscal year 2011, the Town appropriated \$87,000 to provide for anticipated costs of unemployment benefits. During fiscal year 2011, claims related to unemployment compensation totaled \$79,000. The liability for unemployment compensation was not material at June 30, 2011, and therefore is not reported.

#### **NOTE 11 – STABILIZATION FUND**

The Town has \$1.2 million in a stabilization fund classified as part of the general fund in the governmental funds financial statements. The stabilization fund may be used for general and/or capital purposes upon Town Meeting approval. During fiscal year 2011, the stabilization fund earned investment income of approximately \$3,500.

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

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

*Funding Policy* – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 60 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 40 percent of their premium costs. For fiscal year 2011, the Town contributed approximately \$1.2 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.....	\$ 4,502,956
Interest on net OPEB obligation.....	275,896
Amortization of net OPEB obligation.....	<u>(227,773)</u>
Annual OPEB cost (expense).....	4,551,079
Contributions made.....	<u>(1,156,674)</u>
Increase/(Decrease) in net OPEB obligation.....	3,394,405
Net OPEB obligation-beginning of year.....	<u>7,882,740</u>
Net OPEB obligation-end of year.....	<u>\$ 11,277,145</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2009, 2010 and 2011 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 4,551,079	25%	\$ 11,277,145
6/30/2010	4,289,421	25%	7,882,740
6/30/2009	5,973,531	22%	4,671,531

*Funded Status and Funding Progress* – As of June 30, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits totaled \$49,334,499, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$39,100,816, and the ratio of the UAAL to the covered payroll was 126.2 percent.

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, 2009 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 3.5% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 9% initially, graded to 5% over 7 years. The UAAL is being

amortized over a 30 year closed period using a level percentage of projected payroll with amortization payments increasing at 4.5% per year. The remaining amortization period at June 30, 2011 is 27 years.

### **NOTE 13 – COMMITMENTS**

#### Westwood Station:

The Town's high profile commercial development project, known as Westwood Station, has stalled in recent years due to the economic downturn. The project originally planned to include in excess of 4.5 million square feet of retail, office, residential, and hotel space to be sited on the Town's former industrial park known as University Ave Park. Subsequent to year end, an agreement was reached for the project to be purchased by a new developer in an effort to re-energize the project and move forward. Advancement of this project has the potential to significantly enhance the Town's tax base.

#### Library Construction:

During fiscal year 2010, the Town approved construction of a new 32,000 square foot main library located adjacent to the current library. The two-year project has an estimated cost of \$13.85 million, began in fiscal year 2011. The project includes relocating a historic building on this site, all costs associated with the construction of the new facility, and the demolition of the current library. During fiscal 2011, the Town financed \$9.3 million and received approximately \$2.2 million from the Massachusetts Library and Green Incentive Grant. The total grant is \$4 million and the remainder will be received in fiscal 2012. Also, the remainder of the project will be financed through private donations.

### **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, 2011, 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, 2011, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2011.

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

During fiscal year 2011, the following GASB pronouncements were implemented:

- GASB Statement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented in fiscal year 2011. Financial statements changes include new fund balance designations and the reclassification of stabilization funds from the special revenue fund to the general fund. Notes to the basic financial statements were changed to provide additional disclosure on the new designations of fund balance.

- GASB Statement #59, *Financial Instruments Omnibus*, was implemented in fiscal year 2011 and did not impact the financial statements

Future Implementation of GASB Pronouncements:

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013. Management expects that the implementation of this pronouncement will have an impact on the basic financial statements.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will not have a significant impact on the basic financial statements.
- The GASB issued Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will not have a significant impact on the basic financial statements.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will have a significant impact on the basic financial statements.
- The GASB issued Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*, which is required to be implemented in fiscal year 2012. Management does not believe that this pronouncement will require additional disclosure or impact the basic financial statements.

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# *Required Supplementary Information*

# *General Fund*

## *Budgetary Comparison Schedule*

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

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

FISCAL YEAR ENDED JUNE 30, 2011

	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.....	\$ 52,450,024	\$ 52,450,024	\$ 50,959,521	-	\$ (1,490,503)
Motor vehicle excise taxes.....	1,995,000	1,995,000	2,382,329	-	387,329
Penalties and interest on taxes.....	70,000	70,000	122,486	-	52,486
Fees.....	222,000	222,000	277,895	-	55,895
Licenses and permits.....	337,000	337,000	473,966	-	136,966
Fines and forfeitures.....	15,000	15,000	15,120	-	120
Intergovernmental.....	7,254,932	7,254,932	7,221,076	-	(33,856)
Departmental and other.....	253,000	253,000	258,126	-	5,126
Investment income.....	100,000	100,000	91,404	-	(8,596)
<b>TOTAL REVENUES.....</b>	<b>62,696,956</b>	<b>62,696,956</b>	<b>61,801,923</b>	<b>-</b>	<b>(895,033)</b>
<b>EXPENDITURES:</b>					
<b>SELECTMEN</b>					
Salaries.....	400,275	400,275	372,130	-	28,145
Expenditures.....	47,457	51,027	46,675	487	3,865
<b>TOTAL.....</b>	<b>447,732</b>	<b>451,302</b>	<b>418,805</b>	<b>487</b>	<b>32,010</b>
<b>FINANCE COMMISSION</b>					
Salaries.....	33,414	33,414	31,876	-	1,538
Expenditures.....	22,013	22,125	19,465	-	2,660
<b>TOTAL.....</b>	<b>55,427</b>	<b>55,539</b>	<b>51,341</b>	<b>-</b>	<b>4,198</b>
<b>ACCOUNTING</b>					
Salaries.....	169,791	171,487	171,340	-	147
Expenditures.....	4,800	4,800	3,647	380	773
<b>TOTAL.....</b>	<b>174,591</b>	<b>176,287</b>	<b>174,987</b>	<b>380</b>	<b>920</b>
<b>AUDIT-SCHOOL &amp; MUNICIPAL FINANCIALS</b>					
Professional Services.....	52,500	52,500	52,405	-	95
<b>ASSESSORS</b>					
Salaries.....	166,685	167,705	167,133	-	572
Expenditures.....	20,400	20,400	16,215	-	4,185
<b>TOTAL.....</b>	<b>187,085</b>	<b>188,105</b>	<b>183,348</b>	<b>-</b>	<b>4,757</b>
<b>TREASURER</b>					
Salaries.....	78,695	84,575	84,535	-	40
Expenditures.....	15,105	10,105	3,852	117	6,136
<b>TOTAL.....</b>	<b>93,800</b>	<b>94,680</b>	<b>88,387</b>	<b>117</b>	<b>6,176</b>
<b>COLLECTOR</b>					
Salaries.....	101,040	101,040	99,401	-	1,639
Expenditures.....	74,500	74,500	73,028	-	1,472
<b>TOTAL.....</b>	<b>175,540</b>	<b>175,540</b>	<b>172,429</b>	<b>-</b>	<b>3,111</b>
<b>LEGAL</b>					
Salaries.....	86,670	86,670	86,658	-	12
Expenditures.....	130,511	175,511	143,878	-	31,633
<b>TOTAL.....</b>	<b>217,181</b>	<b>262,181</b>	<b>230,536</b>	<b>-</b>	<b>31,645</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PERSONNEL BOARD</b>					
Salaries.....	134,167	135,876	135,765	-	111
Expenditures.....	8,643	8,643	7,073	-	1,570
TOTAL.....	142,810	144,519	142,838	-	1,681
<b>INFORMATION SYSTEMS</b>					
Salaries.....	208,001	208,001	205,098	-	2,903
Expenditures.....	231,612	238,000	227,998	-	10,002
TOTAL.....	439,613	446,001	433,096	-	12,905
<b>TOWN CLERK</b>					
Salaries.....	130,939	130,939	130,919	-	20
Expenditures.....	51,492	51,492	35,156	1,100	15,236
TOTAL.....	182,431	182,431	166,075	1,100	15,256
<b>CONSERVATION COMMISSION</b>					
Salaries.....	39,774	40,344	40,336	-	8
Expenditures.....	5,425	5,425	2,253	-	3,172
TOTAL.....	45,199	45,769	42,589	-	3,180
<b>PLANNING BOARD</b>					
Salaries.....	90,490	90,490	89,959	-	531
Expenditures.....	3,715	3,715	2,962	-	753
TOTAL.....	94,205	94,205	92,921	-	1,284
<b>ZONING BOARD OF APPEALS</b>					
Salaries.....	24,136	24,136	24,133	-	3
Expenditures.....	2,367	2,367	636	192	1,539
TOTAL.....	26,503	26,503	24,769	192	1,542
<b>ECONOMIC DEVELOPMENT TASK FORCE</b>					
Salaries.....	81,700	81,700	80,948	-	752
Expenditures.....	1,400	2,475	154	-	2,321
TOTAL.....	83,100	84,175	81,102	-	3,073
<b>OUTSIDE PROFESSIONAL SERVICES</b>					
Expenditures.....	38,000	38,000	22,756	11,798	3,446
<b>MASS HOUSING PARTNERSHIP</b>					
Expenditures.....	15,000	15,000	15,000	-	-
<b>HOUSING AUTHORITY</b>					
Expenditures.....	10,000	10,000	9,855	-	145
<b>OFFICE COMMUNICATIONS</b>					
Expenditures.....	121,000	121,000	120,262	-	738
<b>TRAINING</b>					
Expenditures.....	7,500	7,500	6,606	-	894
<b>CHARTER COMMISSION</b>					
Expenditures.....	41,000	41,000	28,721	-	12,279
Total General Government.....	2,650,217	2,712,237	2,558,828	14,074	139,335

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
<b>PUBLIC SAFETY</b>					
<b>POLICE DEPARTMENT</b>					
Salaries.....	2,500,900	2,600,900	2,657,266	-	(56,366)
Expenditures.....	217,306	224,086	195,436	4,482	24,168
<b>TOTAL.....</b>	<b>2,718,206</b>	<b>2,824,986</b>	<b>2,852,702</b>	<b>4,482</b>	<b>(32,198)</b>
<b>CAREER INCENTIVE PROGRAM.....</b>	<b>274,047</b>	<b>274,047</b>	<b>273,073</b>	<b>-</b>	<b>974</b>
<b>ANIMAL CONTROL</b>					
Salaries.....	41,927	42,531	42,035	-	496
Expenditures.....	7,500	7,500	6,741	-	759
<b>TOTAL.....</b>	<b>49,427</b>	<b>50,031</b>	<b>48,776</b>	<b>-</b>	<b>1,255</b>
<b>CROSSING GUARDS</b>					
Salaries.....	99,226	99,226	89,901	-	9,325
Expenditures.....	4,900	4,900	1,933	-	2,967
<b>TOTAL.....</b>	<b>104,126</b>	<b>104,126</b>	<b>91,834</b>	<b>-</b>	<b>12,292</b>
<b>FIRE DEPARTMENT</b>					
Salaries.....	2,393,239	2,393,239	2,390,994	-	2,245
Expenditures.....	174,950	174,950	174,820	-	130
<b>TOTAL.....</b>	<b>2,568,189</b>	<b>2,568,189</b>	<b>2,565,814</b>	<b>-</b>	<b>2,375</b>
<b>BUILDING INSPECTION</b>					
Salaries.....	240,675	240,675	237,688	-	2,987
Expenditures.....	33,450	36,274	24,720	-	11,554
<b>TOTAL.....</b>	<b>274,125</b>	<b>276,949</b>	<b>262,408</b>	<b>-</b>	<b>14,541</b>
<b>CIVIL DEFENSE.....</b>	<b>2,000</b>	<b>2,000</b>	<b>67</b>	<b>-</b>	<b>1,933</b>
<b>Total Public Safety.....</b>	<b>5,990,120</b>	<b>6,100,328</b>	<b>6,094,674</b>	<b>4,482</b>	<b>1,172</b>
<b>EDUCATION</b>					
<b>PUBLIC SCHOOLS</b>					
Salaries and expenditures.....	33,888,829	34,611,870	33,370,214	1,178,512	63,144
<b>BLUE HILLS REGIONAL.....</b>	<b>185,683</b>	<b>185,683</b>	<b>183,946</b>	<b>-</b>	<b>1,737</b>
<b>Total Education.....</b>	<b>34,074,512</b>	<b>34,797,553</b>	<b>33,554,160</b>	<b>1,178,512</b>	<b>64,881</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	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-administration.....	182,795	184,216	151,525	-	32,691
Salaries-operations.....	1,283,595	1,356,744	1,266,783	-	89,961
Expenditures.....	427,675	427,675	427,155	-	520
<b>TOTAL.....</b>	<b>1,894,065</b>	<b>1,968,635</b>	<b>1,845,463</b>	<b>-</b>	<b>123,172</b>
<b>BUILDING MAINTENANCE</b>					
Expenditures.....	610,766	610,766	576,434	33,208	1,124
<b>MUNICIPAL &amp; SCHOOL FIELD MAINTENANCE</b>					
Expenditures.....	112,044	112,044	112,044	-	-
<b>SNOW &amp; ICE</b>					
Expenditures.....	250,000	463,000	559,959	-	(96,959)
<b>STREET LIGHTING</b>					
Expenditures.....	121,000	121,000	97,338	18,436	5,226
<b>WASTE/COLLECTION/DISPOSAL</b>					
Expenditures.....	1,225,000	1,225,000	1,046,303	94,527	84,170
<b>Total Public Works.....</b>	<b>4,212,875</b>	<b>4,500,445</b>	<b>4,237,541</b>	<b>146,171</b>	<b>116,733</b>
<b>HEALTH AND HUMAN SERVICES</b>					
<b>HEALTH DIVISION</b>					
Salaries.....	175,356	176,859	176,834	-	25
Expenditures.....	10,085	10,085	8,831	161	1,093
<b>TOTAL.....</b>	<b>185,441</b>	<b>186,944</b>	<b>185,665</b>	<b>161</b>	<b>1,118</b>
<b>OUTSIDE HEALTH AGENCIES.....</b>	<b>14,316</b>	<b>14,316</b>	<b>11,036</b>	<b>-</b>	<b>3,280</b>
<b>DISABILITY COMMISSION</b>					
Expenditures.....	500	500	51	-	449
<b>COUNCIL ON AGING</b>					
Salaries.....	197,415	214,415	207,412	-	7,003
Expenditures.....	25,535	26,695	23,483	-	3,212
<b>TOTAL.....</b>	<b>222,950</b>	<b>241,110</b>	<b>230,895</b>	<b>-</b>	<b>10,215</b>
<b>YOUTH COMMISSION</b>					
Salaries.....	154,285	155,546	154,694	-	852
Expenditures.....	15,878	15,878	15,497	232	149
<b>TOTAL.....</b>	<b>170,163</b>	<b>171,424</b>	<b>170,191</b>	<b>232</b>	<b>1,001</b>
<b>VETERANS SERVICES</b>					
Salaries.....	25,623	25,623	25,595	-	28
Expenditures.....	83,800	83,800	86,202	-	(2,402)
<b>TOTAL.....</b>	<b>109,423</b>	<b>109,423</b>	<b>111,797</b>	<b>-</b>	<b>(2,374)</b>
<b>Total Health and Human Services.....</b>	<b>702,793</b>	<b>723,717</b>	<b>709,635</b>	<b>393</b>	<b>13,689</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	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.....	234,621	236,816	236,671	-	145
Expenditures.....	39,654	39,654	39,652	-	2
<b>TOTAL.....</b>	<b>274,275</b>	<b>276,470</b>	<b>276,323</b>	<b>-</b>	<b>147</b>
<b>PUBLIC LIBRARY</b>					
Salaries.....	747,839	749,191	748,736	-	455
Expenditures.....	210,635	210,635	202,660	6,780	1,195
<b>TOTAL.....</b>	<b>958,474</b>	<b>959,826</b>	<b>951,396</b>	<b>6,780</b>	<b>1,650</b>
<b>MEMORIAL DAY</b>					
Expenditures.....	6,700	6,700	6,618	-	82
<b>Total Culture and Recreation.....</b>	<b>1,239,449</b>	<b>1,242,996</b>	<b>1,234,337</b>	<b>6,780</b>	<b>1,879</b>
<b>WESTWOOD STATION</b>					
Expenditures.....	-	53,912	52,995	-	917
<b>PENSION BENEFITS</b>					
Contributory Pension.....	2,417,943	2,417,943	2,417,221	-	722
Non-Contributory Pension.....	58,076	58,076	56,382	-	1,694
<b>Total Pension Benefits.....</b>	<b>2,476,019</b>	<b>2,476,019</b>	<b>2,473,603</b>	<b>-</b>	<b>2,416</b>
<b>INSURANCE</b>					
General Liability.....	402,000	327,000	271,221	-	55,779
<b>CAPITAL OUTLAY.....</b>	<b>1,924,843</b>	<b>2,015,843</b>	<b>1,165,364</b>	<b>850,479</b>	<b>-</b>
<b>EMPLOYEE BENEFITS.....</b>	<b>6,101,244</b>	<b>6,101,244</b>	<b>5,616,358</b>	<b>-</b>	<b>484,886</b>
<b>RESERVE FUND.....</b>	<b>625,000</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>150,000</b>
<b>STATE AND COUNTY ASSESSMENTS.....</b>	<b>554,546</b>	<b>554,546</b>	<b>539,989</b>	<b>-</b>	<b>14,557</b>
<b>DEBT SERVICE PRINCIPAL.....</b>	<b>4,290,000</b>	<b>4,290,000</b>	<b>4,290,000</b>	<b>-</b>	<b>-</b>
<b>DEBT SERVICE INTEREST.....</b>	<b>1,609,598</b>	<b>1,609,598</b>	<b>1,609,598</b>	<b>-</b>	<b>-</b>
<b>TOTAL EXPENDITURES.....</b>	<b>66,853,216</b>	<b>67,655,438</b>	<b>64,408,303</b>	<b>2,200,891</b>	<b>1,046,244</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(4,156,260)</b>	<b>(4,958,482)</b>	<b>(2,606,380)</b>	<b>(2,200,891)</b>	<b>151,211</b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Transfers in.....	724,140	790,140	790,140	-	-
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(3,432,120)</b>	<b>(4,168,342)</b>	<b>(1,816,240)</b>	<b>(2,200,891)</b>	<b>151,211</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>5,115,982</b>	<b>5,115,982</b>	<b>5,115,982</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 1,683,862</b>	<b>\$ 947,640</b>	<b>\$ 3,299,742</b>	<b>\$ (2,200,891)</b>	<b>\$ 151,211</b>

See notes to required supplementary information.

(Concluded)

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

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

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



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

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

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

See notes to required supplementary information.

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

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

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

See notes to required supplementary information.

# *Other Postemployment Benefits Plan Schedules*

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

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

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

**OTHER POSTEMPLOYMENT BENEFIT 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)
6/30/2009	\$ -	\$ 49,334,499	\$ 49,334,499	0%	\$ 39,100,816	126.2%
7/1/2006	-	53,091,156	53,091,156	0%	29,437,171	180.4%

**Schedule of Employer Contributions**

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

See notes to required supplementary information.

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

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Actuarial Methods:

Valuation date.....	June 30, 2009
Actuarial cost method.....	Projected credit unit
Amortization method.....	30 year level percent of pay assuming a 4.5% annual increase, closed.
Remaining amortization period.....	27 years as of June 30, 2011

Actuarial Assumptions:

Investment rate of return.....	3.5%, pay-as-you-go scenario
Medical/drug cost trend rate.....	8.5%, graded to 5% over 7 years.

Plan Membership:

Current retirees, beneficiaries, and dependents.....	317
Current active members.....	<u>623</u>
Total.....	<u>940</u>

See notes to required supplementary information.

**NOTE A – BUDGETARY BASIS OF ACCOUNTING**

1. Budgetary Information

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

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

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original fiscal year 2011 approved budget for the General Fund authorized approximately \$64.2 million in appropriations and other amounts to be raised and \$2.6 million in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2011, the Town increased the original budget by \$802,000, which was primarily due to the supplementary appropriations to fund the education department budget, and to the department of public works’ snow and ice budget.

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

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the General Fund for the fiscal year ended June 30, 2011, is presented below:

Net change in fund balance - budgetary basis.....	\$ (1,816,240)
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	3,576
<u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	2,933,307
Net change in expenditure accruals.....	229,307
Recognition of revenue for on-behalf payments.....	5,591,873
Recognition of expenditures for on-behalf payments.....	<u>(5,591,873)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 1,349,950</u>

**3. Appropriation Deficits**

During fiscal year 2011, the Town reported appropriation deficits in the police department salary budget, the veterans' services expense budget and in the snow and ice budget. These deficits will be raised on the Towns future year tax recapitulation sheet.

**NOTE B – PENSION PLAN**

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

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

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

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

Actuarial Assumptions:

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

Plan Membership:

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

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

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

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



# *Other Supplementary Information*

# *Combining and Individual Fund Statements and Schedules*

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

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

# *Nonmajor Governmental Funds*

## ***Special Revenue Funds***

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

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

## ***Capital Projects Funds***

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

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

### ***Permanent Funds***

Permanent Funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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

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**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2011

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants/ Other Revolving	Expendable Governmental Trusts	Highway Improvement		
<b>ASSETS</b>								
Cash and cash equivalents.....	\$ 121,838	\$ 779,386	\$ 2,175,362	\$ 3,635,506	\$ 104,520	\$ 68,939	\$ 6,885,551	
Investments.....	-	-	-	-	-	-	-	
Receivables, net of uncollectibles:								
Departmental and other.....	-	126,836	3,650	-	-	-	130,486	
Intergovernmental.....	-	-	-	-	-	932,139	932,139	
<b>TOTAL ASSETS.....</b>	<u>\$ 121,838</u>	<u>\$ 906,222</u>	<u>\$ 2,179,012</u>	<u>\$ 3,635,506</u>	<u>\$ 104,520</u>	<u>\$ 1,001,078</u>	<u>\$ 7,948,176</u>	
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES:</b>								
Warrants payable.....	\$ 230	\$ -	\$ 30,386	\$ 25,157	\$ -	\$ 10,479	\$ 66,252	
Deferred revenues.....	-	126,836	3,650	-	-	932,139	1,062,625	
<b>TOTAL LIABILITIES.....</b>	<u>230</u>	<u>126,836</u>	<u>34,036</u>	<u>25,157</u>	<u>-</u>	<u>942,618</u>	<u>1,128,877</u>	
<b>FUND BALANCES:</b>								
Nonspendable.....	-	-	-	-	-	-	-	
Restricted.....	121,608	779,386	2,144,976	3,610,349	104,520	58,460	6,819,299	
<b>TOTAL FUND BALANCES.....</b>	<u>121,608</u>	<u>779,386</u>	<u>2,144,976</u>	<u>3,610,349</u>	<u>104,520</u>	<u>58,460</u>	<u>6,819,299</u>	
<b>TOTAL LIABILITIES AND FUND BALANCES...</b>	<u>\$ 121,838</u>	<u>\$ 906,222</u>	<u>\$ 2,179,012</u>	<u>\$ 3,635,506</u>	<u>\$ 104,520</u>	<u>\$ 1,001,078</u>	<u>\$ 7,948,176</u>	

(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	
\$ 459,336	\$ 584,883	\$ 268,193	\$ 1,312,412	\$ 346,063	\$ 180,165	\$ 526,228	\$ 8,724,191
-	-	-	-	-	12,453	12,453	12,453
-	-	-	-	2,100	-	2,100	132,586
-	-	-	-	-	-	-	932,139
<u>\$ 459,336</u>	<u>\$ 584,883</u>	<u>\$ 268,193</u>	<u>\$ 1,312,412</u>	<u>\$ 348,163</u>	<u>\$ 192,618</u>	<u>\$ 540,781</u>	<u>\$ 9,801,369</u>
\$ -	\$ -	\$ -	\$ -	\$ 13	\$ -	\$ 13	\$ 66,265
-	-	-	-	2,100	-	2,100	1,064,725
-	-	-	-	2,113	-	2,113	1,130,990
-	-	-	-	337,422	8,628	346,050	346,050
459,336	584,883	268,193	1,312,412	8,628	183,990	192,618	8,324,329
459,336	584,883	268,193	1,312,412	346,050	192,618	538,668	8,670,379
<u>\$ 459,336</u>	<u>\$ 584,883</u>	<u>\$ 268,193</u>	<u>\$ 1,312,412</u>	<u>\$ 348,163</u>	<u>\$ 192,618</u>	<u>\$ 540,781</u>	<u>\$ 9,801,369</u>

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2011

**Special Revenue Funds**

	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants/ Other Revolving	Expendable Governmental Trusts	Highway Improvement	Sub-total
<b>REVENUES:</b>							
Charges for services.....	\$ 917,404	\$ 548,618	\$ 757,865	\$ 2,364,781	\$ -	\$ -	\$ 4,588,668
Intergovernmental.....	97,959	-	91,987	2,503,984	-	263,314	2,957,244
Departmental and other.....	-	-	372,653	-	-	-	372,653
Contributions.....	-	-	109,269	129,272	-	-	238,541
Investment income.....	-	-	-	-	239	-	239
<b>TOTAL REVENUES.....</b>	<b>1,015,363</b>	<b>548,618</b>	<b>1,331,774</b>	<b>4,998,037</b>	<b>239</b>	<b>263,314</b>	<b>8,157,345</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	-	-	101,266	-	-	-	101,266
Public safety.....	-	-	121,895	-	-	-	121,895
Education.....	937,177	-	-	4,312,410	-	-	5,249,587
Public works.....	-	-	1,449	-	-	338,983	340,432
Human services.....	-	-	64,577	-	-	-	64,577
Culture and recreation.....	-	-	701,127	-	-	-	701,127
<b>TOTAL EXPENDITURES.....</b>	<b>937,177</b>	<b>-</b>	<b>990,314</b>	<b>4,312,410</b>	<b>-</b>	<b>338,983</b>	<b>6,578,884</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>78,186</b>	<b>548,618</b>	<b>341,460</b>	<b>685,627</b>	<b>239</b>	<b>(75,669)</b>	<b>1,578,461</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Premium from issuance of bonds.....	-	-	217,365	-	-	-	217,365
Transfers out.....	-	(442,500)	(46,662)	-	-	-	(489,162)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>-</b>	<b>(442,500)</b>	<b>170,703</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(271,797)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>78,186</b>	<b>106,118</b>	<b>512,163</b>	<b>685,627</b>	<b>239</b>	<b>(75,669)</b>	<b>1,306,664</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>43,422</b>	<b>673,268</b>	<b>1,632,813</b>	<b>2,924,722</b>	<b>104,281</b>	<b>134,129</b>	<b>5,512,635</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 121,608</b>	<b>\$ 779,386</b>	<b>\$ 2,144,976</b>	<b>\$ 3,610,349</b>	<b>\$ 104,520</b>	<b>\$ 58,460</b>	<b>\$ 6,819,299</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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,588,668
-	-	-	-	-	-	-	2,957,244
-	-	-	-	-	-	-	372,653
-	-	-	-	18,200	-	18,200	256,741
-	-	-	-	428	3,714	4,142	4,381
-	-	-	-	18,628	3,714	22,342	8,179,687
-	-	14,603	14,603	-	-	-	115,869
-	-	-	-	-	-	-	121,895
-	-	-	-	-	-	-	5,249,587
18,478	-	-	18,478	-	-	-	358,910
-	-	-	-	-	-	-	64,577
-	-	10,724	10,724	-	543	543	712,394
18,478	-	25,327	43,805	-	543	543	6,623,232
(18,478)	-	(25,327)	(43,805)	18,628	3,171	21,799	1,556,455
-	-	-	-	-	-	-	217,365
-	-	-	-	(10,000)	-	(10,000)	(499,162)
-	-	-	-	(10,000)	-	(10,000)	(281,797)
(18,478)	-	(25,327)	(43,805)	8,628	3,171	11,799	1,274,658
477,814	584,883	293,520	1,356,217	337,422	189,447	526,869	7,395,721
\$ 459,336	\$ 584,883	\$ 268,193	\$ 1,312,412	\$ 346,050	\$ 192,618	\$ 538,668	\$ 8,670,379

(Concluded)

# *Agency Fund*

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

**AGENCY FUND**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

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	July 1, 2010	Additions	Deletions	June 30, 2011
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 326,466	\$ 1,360,193	\$ (806,798)	\$ 879,861
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	76,662	296,222	(350,056)	22,828
<b>TOTAL ASSETS.....</b>	<b>\$ 403,128</b>	<b>\$ 1,656,415</b>	<b>\$ (1,156,854)</b>	<b>\$ 902,689</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 1,984	\$ 134	\$ (1,984)	\$ 134
Liabilities due depositors - Student Activities.....	216,028	463,085	(472,042)	207,071
Liabilities due depositors - Planning Deposits.....	185,116	1,193,196	(682,828)	695,484
<b>TOTAL LIABILITIES.....</b>	<b>\$ 403,128</b>	<b>\$ 1,656,415</b>	<b>\$ (1,156,854)</b>	<b>\$ 902,689</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*



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

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

# *Statistical Section*

This part of the Town of Westwood comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

## **Financial Trends**

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

## **Revenue Capacity**

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

## **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

## **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

*SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

**Net Assets By Component**

**Last Nine Fiscal Years**

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

Changes in Net Assets

Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
Governmental activities:									
General government.....	\$ 3,462,155	\$ 3,635,830	\$ 3,637,013	\$ 4,050,919	\$ 6,876,348	\$ 8,392,072	\$ 7,984,596	\$ 4,745,598	\$ 4,670,650
Public safety.....	5,979,119	6,932,516	6,788,670	6,681,974	7,571,002	7,851,039	8,778,769	8,490,129	8,969,089
Education.....	33,748,282	33,726,237	37,194,249	40,436,635	41,522,952	45,462,795	52,088,397	52,200,467	52,489,520
Public works.....	6,047,156	6,497,815	7,106,772	6,870,792	6,025,150	7,193,036	7,037,271	7,425,668	7,472,604
Human services.....	657,325	686,770	769,618	676,238	844,529	833,985	942,357	1,052,991	1,047,144
Culture and recreation.....	1,470,450	1,660,585	1,714,349	1,476,621	1,880,631	2,376,794	2,468,819	2,378,042	2,371,894
Interest.....	1,300,036	2,887,074	2,280,112	2,115,474	1,966,558	1,983,060	1,692,305	1,750,493	1,475,733
Total government activities expenses.....	<u>52,664,523</u>	<u>56,026,827</u>	<u>59,490,783</u>	<u>62,308,653</u>	<u>66,687,170</u>	<u>74,092,781</u>	<u>80,992,514</u>	<u>78,043,388</u>	<u>78,496,634</u>
Business-type activities:									
Sewer.....	3,531,101	3,346,728	3,670,564	3,472,503	3,944,791	3,734,283	3,761,813	3,670,498	3,653,546
Total primary government expenses.....	<u>\$ 56,195,624</u>	<u>\$ 59,373,555</u>	<u>\$ 63,161,347</u>	<u>\$ 65,781,156</u>	<u>\$ 70,631,961</u>	<u>\$ 77,827,064</u>	<u>\$ 84,754,327</u>	<u>\$ 81,713,886</u>	<u>\$ 82,150,180</u>
<b>Program Revenues</b>									
Governmental activities:									
Education charges for services.....	\$ 938,178	\$ 1,362,860	\$ 1,570,591	\$ 2,266,074	\$ 2,281,378	\$ 2,448,952	\$ 2,187,026	\$ 2,360,978	\$ 2,364,662
Public Safety charges for services.....	719,892	824,255	1,117,709	978,855	1,032,522	1,208,295	1,282,996	1,064,513	1,218,831
Other charges for services.....	738,635	745,324	897,929	1,674,457	4,098,574	5,601,007	4,866,297	1,810,492	1,705,581
Operating grants and contributions.....	9,583,746	10,228,691	10,538,810	11,286,009	11,341,858	13,597,090	15,435,834	14,179,816	14,570,871
Capital grant and contributions.....	8,850,868	10,228,896	206,689	3,890,753	255,834	405,154	404,240	416,865	2,752,205
Total government activities program revenues.....	<u>20,831,319</u>	<u>23,390,026</u>	<u>14,331,728</u>	<u>20,096,148</u>	<u>19,010,166</u>	<u>23,260,498</u>	<u>24,176,393</u>	<u>19,832,664</u>	<u>22,612,150</u>
Business-type activities:									
Charges for services.....	3,673,919	3,657,703	3,402,779	3,682,473	3,788,725	4,276,856	3,623,588	3,756,083	3,895,027
Operating grants and contributions.....	130,477	114,779	174,094	76,158	72,022	200,163	54,547	-	45,563
Capital grant and contributions.....	-	-	-	-	-	52,688	47,675	96,182	40,912
Total business-type activities program revenues.....	<u>3,804,396</u>	<u>3,772,482</u>	<u>3,576,873</u>	<u>3,758,631</u>	<u>3,860,747</u>	<u>4,529,707</u>	<u>3,725,810</u>	<u>3,852,265</u>	<u>3,981,502</u>
Total primary government program revenues.....	<u>\$ 24,635,715</u>	<u>\$ 27,162,508</u>	<u>\$ 17,908,601</u>	<u>\$ 23,854,779</u>	<u>\$ 22,870,913</u>	<u>\$ 27,790,205</u>	<u>\$ 27,902,203</u>	<u>\$ 23,684,929</u>	<u>\$ 26,593,652</u>
<b>Net (Expense)/Program Revenue</b>									
Governmental activities.....	\$ (29,874,293)	\$ (30,677,590)	\$ (43,199,844)	\$ (40,253,294)	\$ (47,677,004)	\$ (50,832,283)	\$ (56,816,121)	\$ (58,210,724)	\$ (55,884,484)
Business-type activities.....	273,295	425,754	(93,691)	286,128	96,396	795,424	(36,003)	181,767	327,956
Total primary government net (expense)/program revenue..	<u>\$ (29,600,998)</u>	<u>\$ (30,251,836)</u>	<u>\$ (43,293,535)</u>	<u>\$ (39,967,166)</u>	<u>\$ (47,580,608)</u>	<u>\$ (50,036,859)</u>	<u>\$ (56,852,124)</u>	<u>\$ (58,028,957)</u>	<u>\$ (55,556,528)</u>
<b>General Revenues and other Changes in Net Assets</b>									
Governmental activities:									
Real estate and personal property taxes, net of tax refunds payable.....	\$ 37,137,655	\$ 42,923,460	\$ 42,580,416	\$ 41,634,700	\$ 43,748,150	\$ 48,295,949	\$ 49,761,536	\$ 51,462,011	\$ 53,365,772
Motor vehicle excise taxes.....	2,417,791	2,167,086	2,401,439	2,226,361	2,138,434	2,245,316	2,164,294	2,152,241	2,408,095
Penalties and interest on taxes.....	965,211	109,524	80,853	55,045	67,239	96,970	96,949	105,602	122,486
Grants and contributions not restricted to specific programs.....	724,330	700,468	703,263	789,487	945,762	962,617	882,855	723,159	647,232
Unrestricted investment income.....	731,824	494,065	402,355	688,030	707,268	615,900	280,678	111,156	91,404
Miscellaneous.....	473,967	511,355	6,810	69,957	69,531	84,833	-	-	-
Transfers.....	212,000	-	-	-	-	-	-	290,978	290,978
Total governmental activities.....	<u>42,662,778</u>	<u>46,905,958</u>	<u>46,175,136</u>	<u>45,463,580</u>	<u>47,676,384</u>	<u>52,301,585</u>	<u>53,186,312</u>	<u>54,845,147</u>	<u>56,925,967</u>
Business-type activities:									
Transfers.....	(212,000)	-	-	-	-	-	-	(290,978)	(290,978)
Total primary government general revenues and other changes in net assets.....	<u>\$ 42,450,778</u>	<u>\$ 46,905,958</u>	<u>\$ 46,175,136</u>	<u>\$ 45,463,580</u>	<u>\$ 47,676,384</u>	<u>\$ 52,301,585</u>	<u>\$ 53,186,312</u>	<u>\$ 54,554,169</u>	<u>\$ 56,634,989</u>
<b>Changes in Net Assets</b>									
Governmental activities.....	\$ 12,788,485	\$ 16,228,368	\$ 2,975,292	\$ 5,210,286	\$ (620)	\$ 1,469,302	\$ (3,629,809)	\$ (3,365,577)	\$ 1,041,483
Business-type activities.....	61,295	425,754	(93,691)	286,128	96,396	795,424	(36,003)	(109,211)	36,978
Total primary government changes in net assets.....	<u>\$ 12,849,780</u>	<u>\$ 16,654,122</u>	<u>\$ 2,881,601</u>	<u>\$ 5,496,414</u>	<u>\$ 95,776</u>	<u>\$ 2,264,726</u>	<u>\$ (3,665,812)</u>	<u>\$ (3,474,788)</u>	<u>\$ 1,078,461</u>



**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Assigned.....	\$ 1,103,884	\$ 972,309	\$ 1,363,820	\$ 919,078	\$ 545,225	\$ 795,859	\$ 1,041,648	\$ 1,450,831	\$ 1,855,781	\$ 2,200,891
Unassigned.....	2,416,165	2,464,039	3,576,642	2,845,975	3,111,460	2,383,588	3,148,155	2,939,926	2,347,670	4,568,530
<b>Total general fund.....</b>	<b>\$ 3,520,049</b>	<b>\$ 3,436,348</b>	<b>\$ 4,940,462</b>	<b>\$ 3,765,053</b>	<b>\$ 3,656,685</b>	<b>\$ 3,179,447</b>	<b>\$ 4,189,803</b>	<b>\$ 4,390,757</b>	<b>\$ 4,203,451</b>	<b>\$ 6,769,421</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ -	\$ 282,479	\$ 260,154	\$ 264,878	\$ 276,663	\$ 292,110	\$ 300,298	\$ 314,274	\$ 325,949	\$ -
Unreserved, reported in:										
Special revenue funds.....	3,600,812	5,007,313	5,275,639	5,113,969	5,513,725	5,402,561	6,408,669	6,945,755	6,867,072	-
Capital projects funds.....	(2,119,012)	21,943,519	6,064,002	(687,108)	736,508	(686,881)	1,661,627	4,536,063	1,356,217	-
Permanent funds.....	-	188,960	219,535	96,550	104,165	205,104	214,874	210,544	200,920	-
Nonspendable.....	-	-	-	-	-	-	-	-	-	346,050
Restricted.....	-	-	-	-	-	-	-	-	-	17,769,174
<b>Total all other governmental funds....</b>	<b>\$ 1,481,800</b>	<b>\$ 27,422,271</b>	<b>\$ 11,819,330</b>	<b>\$ 4,788,289</b>	<b>\$ 6,631,061</b>	<b>\$ 5,212,894</b>	<b>\$ 8,585,468</b>	<b>\$ 12,006,636</b>	<b>\$ 8,750,158</b>	<b>\$ 18,115,224</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.  
 Fiscal year 2002 excludes Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 33,058,505	\$ 37,231,915	\$ 42,985,534	\$ 42,597,265	\$ 41,656,689	\$ 43,390,323	\$ 48,329,364	\$ 49,655,987	\$ 50,545,249	\$ 53,892,828
Motor vehicle and excise taxes.....	2,130,210	2,268,563	2,273,692	2,309,888	2,298,852	2,135,754	2,213,371	2,242,922	2,131,252	2,382,329
Charges for Service.....	5,347,532	2,136,492	2,651,950	3,117,619	3,935,558	4,126,579	4,391,067	4,366,363	4,671,063	4,588,668
Westwood station guaranteed tax payment.....	-	-	-	-	-	-	-	1,750,000	615,000	-
Westwood station building permits.....	-	-	-	-	-	-	-	811,079	-	-
Penalties and interest on taxes.....	80,919	95,211	109,524	80,853	55,045	67,239	96,970	96,949	105,602	122,486
Fees and rentals.....	157,769	194,161	193,562	139,377	159,315	310,687	279,096	251,898	233,430	277,895
Licenses and permits.....	402,773	389,218	390,896	488,924	563,180	438,345	479,822	378,525	403,405	473,966
Fines and forfeitures.....	20,968	22,131	20,103	19,535	20,233	20,030	16,825	16,982	17,521	15,120
Intergovernmental.....	10,384,817	9,538,368	9,278,949	11,003,129	18,939,179	14,204,828	15,026,293	15,663,177	15,877,013	18,448,749
Departmental and other.....	448,278	824,161	315,548	510,053	423,943	989,160	1,130,706	962,412	522,101	630,779
Departmental and other - Westwood Station.....	-	-	-	-	695,000	2,214,230	3,853,037	2,508,971	424,882	168,734
Special assessments.....	302,343	2,635	2,279	2,196	227	219	94	91	-	-
Contributions.....	101,472	254,579	292,751	198,012	278,475	209,027	1,232,407	257,657	293,161	256,741
Investment income.....	603,882	764,835	526,102	462,815	737,541	875,775	788,518	318,376	121,794	99,361
<b>Total Revenue.....</b>	<b>53,039,468</b>	<b>53,722,269</b>	<b>59,040,890</b>	<b>60,929,666</b>	<b>69,763,237</b>	<b>68,982,196</b>	<b>77,837,570</b>	<b>79,281,389</b>	<b>75,961,473</b>	<b>81,357,656</b>
<b>Expenditures:</b>										
General government.....	2,714,855	2,409,292	2,375,437	2,325,420	2,198,819	2,733,190	2,650,320	3,496,046	2,670,152	2,786,584
General government - Westwood Station.....	-	-	-	-	573,703	2,758,642	4,438,354	2,328,458	458,553	190,298
Public safety.....	5,156,328	5,048,020	5,553,718	5,319,769	5,532,508	5,864,064	6,028,392	6,152,929	5,920,912	6,263,893
Education.....	26,054,543	26,417,335	27,272,432	29,837,234	31,290,271	32,129,154	34,626,723	36,684,935	37,717,356	37,617,989
Public works.....	4,673,091	3,624,461	3,826,652	4,371,327	4,160,299	3,259,828	4,365,544	3,672,775	4,178,898	4,130,176
Human services.....	494,694	583,656	553,891	591,063	542,579	679,913	677,563	685,177	788,912	754,398
Culture and recreation.....	1,352,756	1,320,645	1,387,503	1,426,902	1,226,874	1,607,006	2,097,742	2,079,125	1,969,701	1,931,934
Pension benefits.....	4,527,122	4,623,294	4,914,630	5,532,520	6,087,190	6,521,911	6,705,488	7,294,027	7,557,081	8,065,476
Property and liability insurance.....	194,098	241,297	273,966	298,824	324,298	335,255	371,053	317,418	278,318	271,221
Employee benefits.....	2,465,611	2,872,277	3,073,485	3,318,828	3,962,780	4,349,031	4,788,339	5,323,520	5,453,428	5,616,358
State and MWRA assessments.....	2,154,608	538,506	513,867	496,131	496,993	508,634	514,316	521,780	536,238	539,989
Capital outlay.....	7,058,760	18,893,055	19,309,906	8,895,320	5,327,301	4,163,245	3,920,736	3,574,654	6,075,252	5,167,049
Capital outlay - Westwood Station.....	-	-	-	-	-	-	-	792,600	18,400	-
Debt service.....	-	-	-	-	-	-	-	-	-	-
Principal.....	2,140,102	2,360,000	4,028,000	4,415,000	4,165,000	4,165,000	4,165,000	4,515,000	4,295,000	4,290,000
Interest.....	1,052,316	834,458	3,258,430	2,307,778	2,140,218	1,988,350	1,959,070	1,810,846	1,778,034	1,609,598
<b>Total Expenditures.....</b>	<b>60,038,884</b>	<b>69,766,296</b>	<b>76,341,917</b>	<b>69,136,116</b>	<b>68,028,833</b>	<b>71,063,223</b>	<b>77,308,640</b>	<b>79,249,290</b>	<b>79,696,235</b>	<b>79,234,963</b>
Excess of revenues over (under) expenditures.....	(6,999,416)	(16,044,027)	(17,301,027)	(8,206,450)	1,734,404	(2,081,027)	528,930	32,099	(3,734,762)	2,122,693
<b>Other Financing Sources (Uses)</b>										
Issuance of debt.....	16,600,000	39,841,000	2,262,000	-	-	-	3,830,000	3,500,000	-	9,300,000
Premium from issuance of bonds.....	-	-	511,354	-	-	-	-	90,023	-	217,365
Capital lease financing.....	-	869,865	428,846	-	-	185,622	24,000	-	-	-
Transfers in.....	1,200,917	1,202,728	1,197,433	1,523,180	543,198	433,671	535,221	676,859	1,598,609	790,140
Transfers out.....	(1,104,062)	(990,728)	(1,197,433)	(1,523,180)	(543,198)	(433,671)	(535,221)	(676,859)	(1,307,631)	(499,162)
<b>Total other financing sources (uses).....</b>	<b>16,696,855</b>	<b>40,922,865</b>	<b>3,202,200</b>	<b>-</b>	<b>-</b>	<b>185,622</b>	<b>3,854,000</b>	<b>3,590,023</b>	<b>290,978</b>	<b>9,808,343</b>
<b>Net change in fund balance.....</b>	<b>\$ 9,697,439</b>	<b>\$ 24,878,838</b>	<b>\$ (14,098,827)</b>	<b>\$ (8,206,450)</b>	<b>\$ 1,734,404</b>	<b>\$ (1,895,405)</b>	<b>\$ 4,382,930</b>	<b>\$ 3,622,122</b>	<b>\$ (3,443,784)</b>	<b>\$ 11,931,036</b>
Debt service as a percentage of noncapital expenditures...	6.03%	6.28%	12.78%	11.16%	10.06%	9.20%	8.34%	8.36%	8.25%	7.97%

**Notes:**

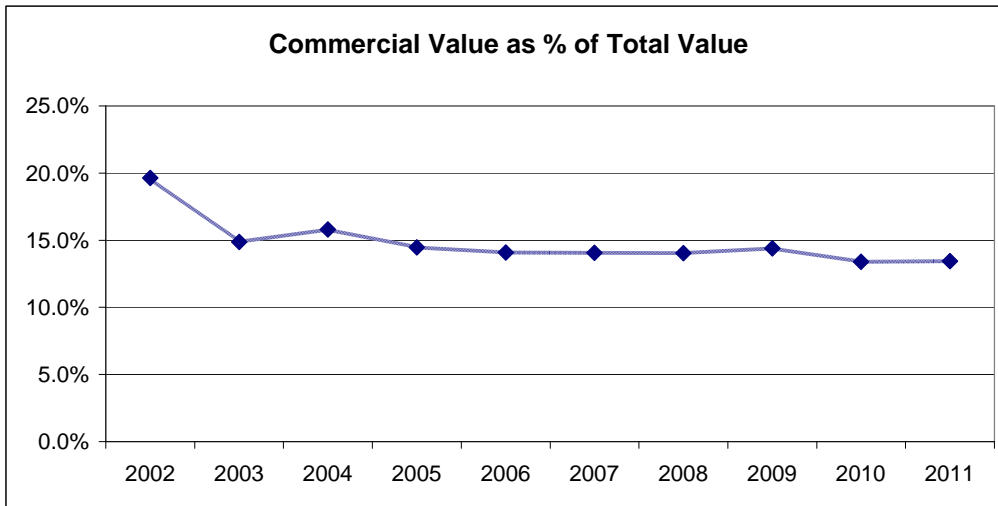
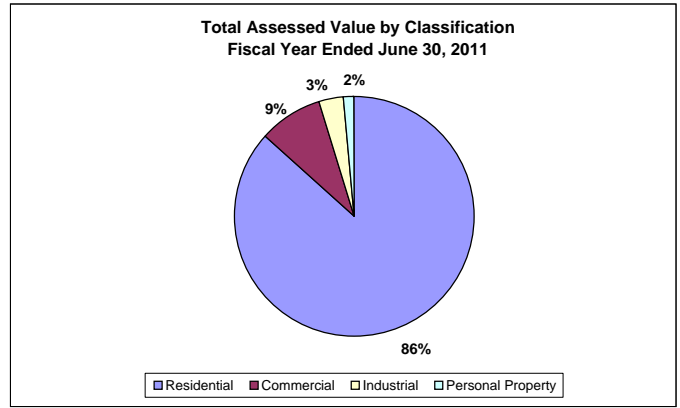
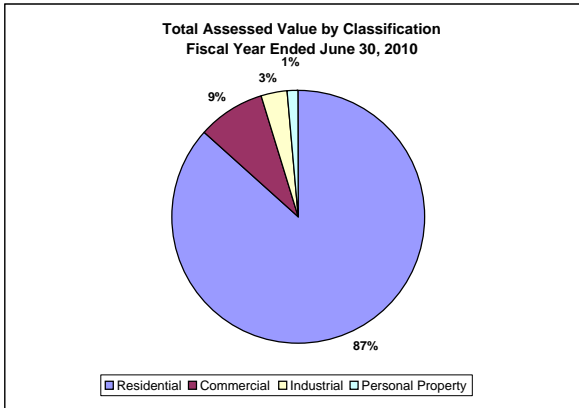
Fiscal year 2002 excludes Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.  
 In fiscal year 2003, sewer charges for services were reclassified to the Sewer Enterprise Fund which was established in accordance with GASB 34.

Town of Westwood, Massachusetts

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

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2002	\$1,731,760,550	\$13.87	\$205,967,250	\$185,038,900	\$32,480,313	\$423,486,463	\$21.52	19.6%	\$15.37	\$2,155,247,013
2003 (1)	\$2,471,698,300	\$11.45	\$217,111,450	\$186,762,200	\$28,226,499	\$432,100,149	\$20.80	14.9%	\$12.84	\$2,903,798,449
2004	\$2,485,356,400	\$12.96	\$220,942,100	\$190,054,500	\$55,705,658	\$466,702,258	\$23.36	15.8%	\$14.60	\$2,952,058,658
2005	\$2,777,182,391	\$11.97	\$257,451,131	\$175,306,750	\$36,935,683	\$469,693,564	\$20.97	14.5%	\$13.27	\$3,246,875,955
2006 (1)	\$3,135,347,507	\$10.37	\$270,425,345	\$192,667,650	\$50,618,745	\$513,711,740	\$18.85	14.1%	\$11.56	\$3,649,059,247
2007	\$3,147,514,446	\$10.73	\$271,807,104	\$190,849,800	\$51,962,800	\$514,619,704	\$19.81	14.1%	\$12.01	\$3,662,134,150
2008	\$3,175,772,814	\$11.74	\$272,818,535	\$193,747,600	\$51,955,500	\$518,521,635	\$21.67	14.0%	\$13.13	\$3,694,294,449
2009 (1)	\$3,197,768,457	\$12.01	\$325,730,795	\$164,387,500	\$47,764,400	\$537,882,695	\$22.25	14.4%	\$13.48	\$3,735,651,152
2010	\$3,088,616,907	\$12.87	\$313,502,764	\$116,181,450	\$48,381,800	\$478,066,014	\$25.51	13.4%	\$14.56	\$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



(1) Revaluation year.

Source: Assessor's Department, Town of Westwood

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

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

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

Town of Westwood, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

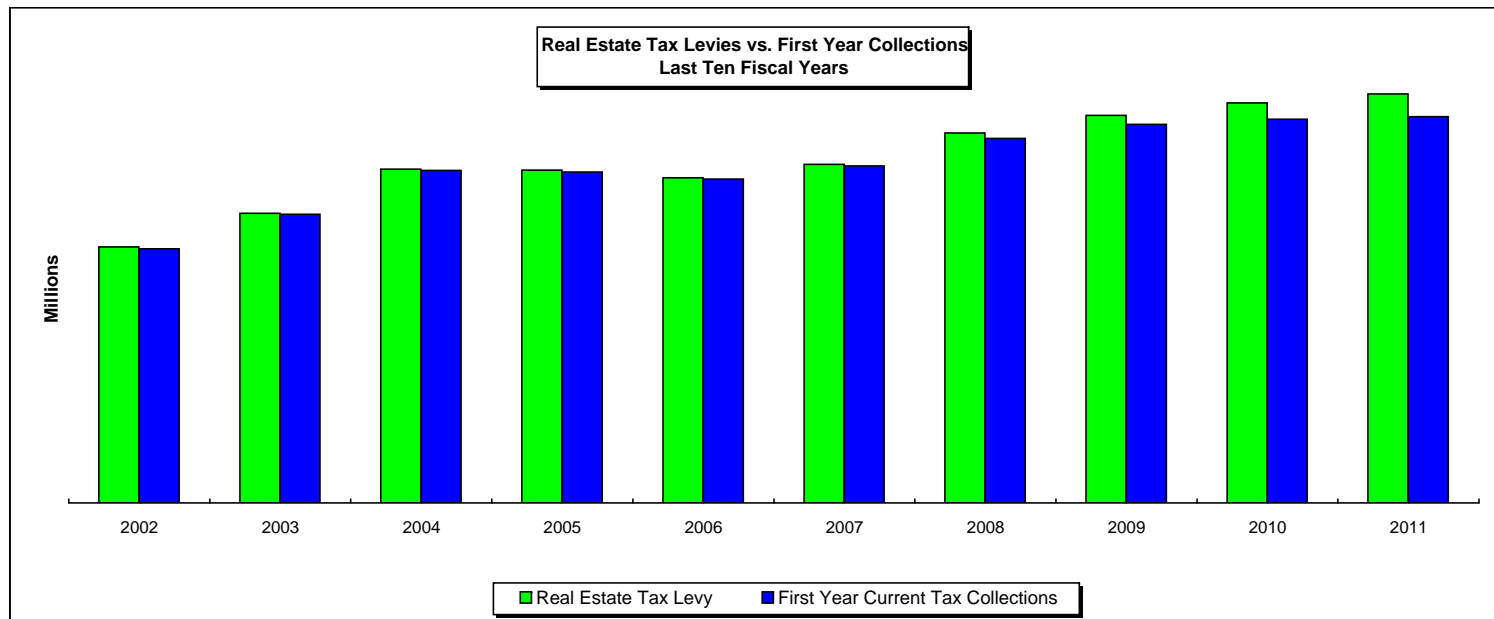
Name	Nature of Business	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CFRI/Doherty Westwood Station	Office Building/Warehouse	\$ 104,930,750	1	1.9%	-	-	-
Medical Information Tech Inc.	Office Building/Medical Info	\$ 488,166,650	2	2.3%	\$ 55,405,000	2	3.9%
Nstar	Office Building	\$ 48,120,100	4	2.3%	-	-	-
Foxhill	Residential Community	\$ 79,337,300	3	2.1%	\$ 71,792,430	1	3.2%
GR-Highland/Westwood Glen LP	Residential Community	\$ 42,173,800	5	1.1%	-	-	-
CRP holdings 690Canton LLC	Office/Research & Development	\$ 17,156,950	6	0.8%	-	-	-
346 University LLC	Office	\$ 9,897,350	7	0.5%	-	-	-
Fairlane Westwood LLC	Office	\$ 9,357,100	8	0.4%	-	-	-
AMR Real Estate Holdings LLC	Auto Sales	\$ 9,259,850	9	0.4%	-	-	-
Uniave Two Limited Partnership	Office	\$ 7,459,650	10	0.4%	-	-	-
Perry and Walker	Office Building/Financial Services	-	-	-	\$ 43,441,000	3	3.1%
Beacon Properties, LP	Office Building/Financial & Professional	-	-	-	\$ 24,430,000	4	1.7%
Worldwide Real Estate GMC	Office Building	-	-	-	\$ 12,310,000	5	0.9%
Glacier Limited Partnership	Office Building	-	-	-	\$ 10,000,000	6	0.7%
Uniave One Ltd. Partnership	Office Building/Research & Development	-	-	-	\$ 9,881,000	7	0.7%
Mortimer B. Zuckerman	Office Building/Warehouse	-	-	-	\$ 8,712,000	8	0.6%
Wells Ave Sr. Holdings LLC	Office Building/Research & Development	-	-	-	\$ 8,589,000	9	0.6%
Osborne Corp., Trustees	Office Building	-	-	-	\$ 7,564,000	10	0.5%
<b>Totals</b>		<b>\$815,859,500</b>		<b>12.2%</b>	<b>\$252,124,430</b>		<b>16.0%</b>
Source: Town of Westwood, Assessor Department							

Town of Westwood, Massachusetts

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2002	\$33,126,601	\$309,793	\$32,816,808	\$32,592,848	99.32%	\$200,000	\$32,792,848	99.93%
2003 (1)	\$37,288,629	\$128,647	\$37,159,982	\$37,036,617	99.67%	\$96,832	\$37,133,449	99.93%
2004	\$43,112,384	\$304,176	\$42,808,208	\$42,644,456	99.62%	\$73,971	\$42,718,427	99.79%
2005	\$43,092,347	\$398,683	\$42,693,664	\$42,455,987	99.44%	\$13,692	\$42,469,679	99.48%
2006 (1)	\$42,197,020	\$492,206	\$41,704,814	\$41,549,899	99.63%	\$207,375	\$41,757,274	100.13%
2007	\$43,967,446	\$535,530	\$43,431,916	\$43,236,824	99.55%	\$353,812	\$43,590,636	100.37%
2008	\$48,519,937	\$1,084,368	\$47,435,569	\$46,745,693	98.55%	\$320,455	\$47,066,148	99.22%
2009 (1)	\$50,373,089	\$688,159	\$49,684,930	\$48,566,011	97.75%	\$192,656	\$48,758,667	98.14%
2010	\$51,832,246	\$523,010	\$51,309,236	\$49,220,471	95.93%	\$367,183	\$49,587,654	96.64%
2011	\$53,571,227	\$1,121,203	\$52,450,024	\$49,535,302	94.44%	\$0	\$49,535,302	94.44%



(1) Revaluation year.

(2) Includes tax liens.

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

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2002	14,807	\$527,521,635	\$2,155,247,013	\$18,955,000	\$ -	\$1,280	3.59%	0.88%
2003	14,885	\$588,211,056	\$2,903,798,449	\$16,595,000	\$ -	\$1,115	2.82%	0.57%
2004	15,165	\$598,643,683	\$2,952,058,658	\$54,670,000	\$ 869,865	\$3,662	9.28%	1.88%
2005	15,229	\$632,810,637	\$3,246,875,955	\$50,255,000	\$ 605,479	\$3,340	8.04%	1.57%
2006	15,418	\$700,529,904	\$3,649,059,247	\$46,090,000	\$ 245,668	\$3,005	6.61%	1.27%
2007	15,485	\$714,127,717	\$3,662,134,150	\$41,925,000	\$ 185,622	\$2,719	5.90%	1.15%
2008	15,648	\$732,469,524	\$3,694,294,449	\$41,590,000	\$ 146,004	\$2,667	5.70%	1.13%
2009	15,680	\$744,976,928	\$3,735,651,152	\$40,575,000	\$ 74,737	\$2,592	5.46%	1.09%
2010	15,715	\$757,839,420	\$3,566,682,921	\$36,280,000	\$ -	\$2,309	4.79%	1.02%
2011	14,618	\$715,511,810	\$3,482,416,355	\$41,290,000	\$ -	\$2,825	5.77%	1.19%

Fiscal Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2002	\$6,786,885	\$ -	\$25,741,885	\$1,738	4.88%	1.19%
2003	\$5,805,810	\$ -	\$22,400,810	\$1,505	3.81%	0.77%
2004	\$4,823,582	\$ -	\$60,363,447	\$3,980	10.08%	2.04%
2005	\$3,854,664	\$ -	\$54,715,143	\$3,593	8.65%	1.69%
2006	\$3,440,498	\$ -	\$49,776,166	\$3,228	7.11%	1.36%
2007	\$3,022,828	\$ -	\$45,133,450	\$2,915	6.32%	1.23%
2008	\$2,600,875	\$ -	\$44,336,879	\$2,833	6.05%	1.20%
2009	\$2,175,125	\$ -	\$42,824,862	\$2,731	5.75%	1.15%
2010	\$1,865,287	\$ -	\$38,145,287	\$2,427	5.03%	1.07%
2011	\$1,550,600	\$ -	\$42,840,600	\$2,931	5.99%	1.23%

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

**Town of Westwood, Massachusetts**

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2011**

<u>Town of Westwood, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Norfolk County.....\$	800,000	3.16%	\$ 25,264
Blue Hills Regional Vocational School District.....	170,000	1.2%	<u>2,040</u>
Subtotal, overlapping debt.....			27,304
Town direct debt.....			<u>41,290,000</u>
Total direct and overlapping debt.....			<u>\$ 41,317,304</u>

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

Town of Westwood, Massachusetts

Computation of Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Equalized Valuation.....	\$ 2,795,016,900	\$ 2,795,016,900	\$ 3,415,448,600	\$ 3,415,448,600	\$ 3,834,008,100	\$ 3,834,008,100	\$ 3,906,162,100	\$ 3,906,162,100	\$ 3,845,002,400	\$ 3,845,002,400
Debt Limit -5% of Equalized Valuation.....	\$ 139,750,845	\$ 139,750,845	\$ 170,772,430	\$ 170,772,430	\$ 191,700,405	\$ 191,700,405	\$ 195,308,105	\$ 195,308,105	\$ 192,250,120	\$ 192,250,120
Less:										
Outstanding debt applicable to limit.....	\$ 25,741,858	\$ 22,400,810	\$ 59,493,582	\$ 54,109,664	\$ 49,530,498	\$ 44,947,828	\$ 44,190,875	\$ 42,750,125	\$ 38,145,287	\$ 42,840,600
Authorized and unissued debt.....	\$ 47,986,340	\$ 9,183,640	\$ 5,833,340	\$ 7,023,340	\$ 3,445,000	\$ 3,865,000	\$ 4,535,000	\$ 1,150,000	\$ 9,450,000	\$ 910,000
Legal debt margin.....	\$ 66,022,647	\$ 108,166,395	\$ 105,445,508	\$ 109,639,426	\$ 138,724,907	\$ 142,887,577	\$ 146,582,230	\$ 151,407,980	\$ 144,654,833	\$ 148,499,520
Total debt applicable to the limit as a percentage of debt limit.....	52.76%	22.60%	38.25%	35.80%	27.63%	25.46%	24.95%	22.48%	24.76%	22.76%

Source: Town of Westwood, Finance Department



**Town of Westwood, Massachusetts**  
**Demographic and Economic Statistics**

**Last Ten Fiscal Years**

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income (a)	Median Age	School Enrollment	Unemployment Rate
2002	14,805	\$ 633,786,348	\$ 42,809	41.0	2,698	3.4%
2003	14,885	\$ 646,769,229	\$ 43,451	41.0	2,761	3.6%
2004	15,165	\$ 668,819,563	\$ 44,103	41.0	2,830	2.1%
2005	15,229	\$ 681,716,777	\$ 44,764	41.0	2,867	3.3%
2006	15,418	\$ 700,529,904	\$ 45,436	41.0	2,915	2.7%
2007	15,485	\$ 714,127,717	\$ 46,117	41.0	3,023	3.0%
2008	15,648	\$ 732,469,524	\$ 46,809	41.0	3,008	2.7%
2009	15,680	\$ 744,976,928	\$ 47,511	41.0	3,012	5.7%
2010	15,715	\$ 757,839,420	\$ 48,224	41.0	3,184	6.1%
2011	14,618	\$ 715,511,810	\$ 48,947	41.0	3,180	4.5%

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

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

Employer	Nature of Business	2011			2002		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Nstar	Power Company	1,115	1	17%	400	4	6%
State Street Bank	Financial Services	700	2	11%	800	2	12%
Meditech, Inc.	Medical Information	435	3	7%	1,326	1	20%
New York Life Insurance	Life Insurance	325	4	5%	-		-
Roche Brothers	Supermarkets	280	5	4%	390	6	6%
Turnbine, Inc.	Video Games	250	6	4%	-		-
ADE Corporation	Measurement Technology	200	7	3%	-		-
MIB	Medical Information	176	8	3%	200	10	3%
Northrop Grumman	Military Electronics	150	9	2%	-		-
Clair Motors	Car Dealer	111	10	2%	-		-
RCN	Communications	-		-	500	3	-
LTX Corporation	Test Equipment for Computer Components	-		-	350	7	5%
Output Technologies	Printing Technology Product	-		-	300	8	4%
Cellular Wireless	Communications	-		-	400	5	6%
General Motors Corp	Auto Parts Distribution	-		-	200	9	3%
<b>Total</b>		<u>3,742</u>		<u>57%</u>	<u>4,866</u>		<u>65%</u>

Source: Massachusetts Workplace Development

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government.....	19	19	18	20	20	21	21	22	22	22
Public Safety.....	68	68	68	68	66	69	69	70	70	70
Education.....	367	391	379	396	431	488	493	513	512	476
Public works.....	29	29	28	28	28	28	29	29	29	29
Human services.....	6	6	6	6	6	6	6	6	6	6
Culture and recreation.....	9	9	9	9	9	9	9	10	10	10
<b>Total .....</b>	<b>498</b>	<b>522</b>	<b>508</b>	<b>527</b>	<b>560</b>	<b>621</b>	<b>627</b>	<b>650</b>	<b>649</b>	<b>613</b>

Source: Town Records

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

Function/Program	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
Population.....	14,745	14,807	14,885	15,196	15,418	15,485	15,648	15,680	15,584	14,618
Registered Voters, Annual Town Election.....	9,212	9,000	9,032	8,999	9,323	9,353	9,584	10,040	10,182	9,450
<b>Town Clerk</b>										
Births.....	180	173	176	152	135	158	143	117	113	94
Marriages.....	56	46	49	41	53	44	36	42	36	47
Deaths.....	161	142	153	141	146	145	145	156	163	154
Dogs licensed.....	989	963	997	1,109	1,000	1,138	1,098	1,239	1,213	1,331
<b>Police</b>										
Documented calls for police services.....	13,909	15,088	15,408	15,858	15,300	15,993	16,234	12,819	14,464	12,913
Uniform crimes reported.....	164	177	210	262	214	238	263	237	254	259
Arrests.....	126	105	147	NA	126	155	153	90	76	89
Traffic citations issued.....	1,148	1,081	1,804	NA	1,666	2,042	2,583	1,816	2,191	988
Parking tickets issued.....	208	144	343	356	82	129	74	4	46	14
False burglary alarms.....	2,121	1,371	1,261	1,245	1,135	1,091	846	829	788	843
Total number of animal complaints.....	991	883	888	861	621	572	458	467	938	372
<b>Fire</b>										
Inspections.....	826	818	840	852	839	939	840	716	701	736
Plan reviews.....	118	112	111	125	96	105	106	75	69	81
Permits/certificates issued.....	507	371	563	547	408	418	242	362	330	405
Emergency responses.....	3,178	2,819	2,658	2,793	2,798	2,680	2,767	3,015	2,841	3,039
<b>Building Department</b>										
Permits issued.....	1,631	1,736	1,764	1,782	1,784	1,992	1,899	1,897	1,601	1,821
<b>Education</b>										
Public school enrollment.....	2,556	2,698	2,573	2,720	2,867	3,023	3,008	3,024	3,079	3,178
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	46	43	26	47	60	36	51	32	54	32
interments.....	65	61	52	68	68	62	66	72	76	69
Recycling/tons.....	1,490	1,709	1,840	1,807	1,764	1,656	1,595	1,501	1,329	1,324
Hazardous Waste Day Participants.....	353	567	360	479	513	336	344	276	292	343
<b>Human Services</b>										
<b>Board of Health</b>										
Permits issued.....	362	353	348	359	343	354	375	324	317	356
Inspections.....	450	496	475	427	426	505	422	431	321	300
<b>Council on Aging</b>										
Home delivered meals served.....	15,759	16,987	15,040	14,625	15,898	19,603	19,576	19,878	19,988	19,638
Medical-van trips.....	1,980	3,186	2,832	2,945	2,347	4,182	7,561	6,088	8,422	6,876
<b>Libraries</b>										
Volumes in collection.....	97,566	104,078	112,017	119,325	109,304	111,646	120,148	115,214	111,114	115,131
Circulation.....	239,114	241,796	235,300	247,321	243,811	235,964	242,464	265,772	288,241	280,422
Program attendance.....	13,364	13,351	12,500	14,907	12,274	11,217	11,136	11,522	10,824	10,058
<b>Youth &amp; Family Services</b>										
Misc resident clinical consultation hours.....	900	1,397	1,268	1,320	1,500	683	822	726	677	889
<b>Recreation</b>										
Participants.....	6,982	6,711	7,105	6,832	6,950	7,967	7,327	7,877	8,327	8,013

NA Information not available  
Note: 2011 information not available  
Source: Various Town Departments

**Capital Asset Statistics by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
General Government										
Number of Buildings.....	1	1	3	3	3	3	3	3	3	3
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	N/A	N/A	N/A	N/A	N/A	700	700	700	700	700

Source: Various Town Departments

## How Does Westwood Compare with Other Communities?

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

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

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

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

Source: MA Department of Revenue

Municipality	Miles from Westwood	2010 Population	2010 EQV Per Capita	2000 Income Per Capita
Canton	8	21,561	\$195,971	\$33,510
Concord	24	17,668	\$316,412	\$51,477
Holliston	14	13,547	\$153,190	\$32,116
Medfield	6	12,024	\$198,507	\$42,891
Sharon	9	17,612	\$165,534	\$41,323
Sudbury	21	17,659	\$240,264	\$53,285
Wayland	17	12,994	\$243,503	\$52,717
Weston	15	11,261	\$484,979	\$79,640
<b>Westwood</b>		<b>14,618</b>	<b>268,318</b>	<b>41,553</b>

Fiscal Year 2011				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	11.55	23.04	\$56,595,429	68.73
Concord	13.19	13.19	\$66,545,397	81.89
Holliston	17.94	17.94	\$35,590,640	65.49
Medfield	15.02	15.04	\$33,736,559	66.41
Sharon	19.47	19.47	\$50,635,150	72.21
Sudbury	17.03	22.27	\$67,418,506	81.92
Wayland	19.35	19.35	\$56,128,013	81.26
Weston	11.39	11.39	\$59,920,567	75.87
<b>Westwood</b>	<b>13.83</b>	<b>25.38</b>	<b>\$53,571,227</b>	<b>76.89</b>

Municipality	Fiscal Year 2011			Fiscal Year 2010	December, 2010
	Average Single Family Tax Bill	State Hi-Lo Rank	Free Cash	Stabilization Fund	Moody's Bond Rating*
Canton	\$5,344	78	\$990,878	\$3,234,212	Aa1
Concord	\$11,074	7	\$8,635,340	\$3,331,060	Aaa
Holliston	\$6,754	43	\$604,887	\$788,182	Aa2
Medfield	\$8,477	22	\$1,311,875	\$2,935,418	Aa1
Sharon	\$8,029	27	\$1,183,614	\$11,435	Aa2
Sudbury	\$10,695	9	\$249,418	\$1,910,114	Aa1
Wayland	\$11,471	6	\$8,536,596	\$1,526,907	Aaa
Weston	\$15,835	1	\$4,255,473	\$0	Aaa
<b>Westwood</b>	<b>\$8,594</b>	<b>20</b>	<b>\$985,616</b>	<b>\$1,216,019</b>	<b>Aa1</b>

## Some Facts About Westwood

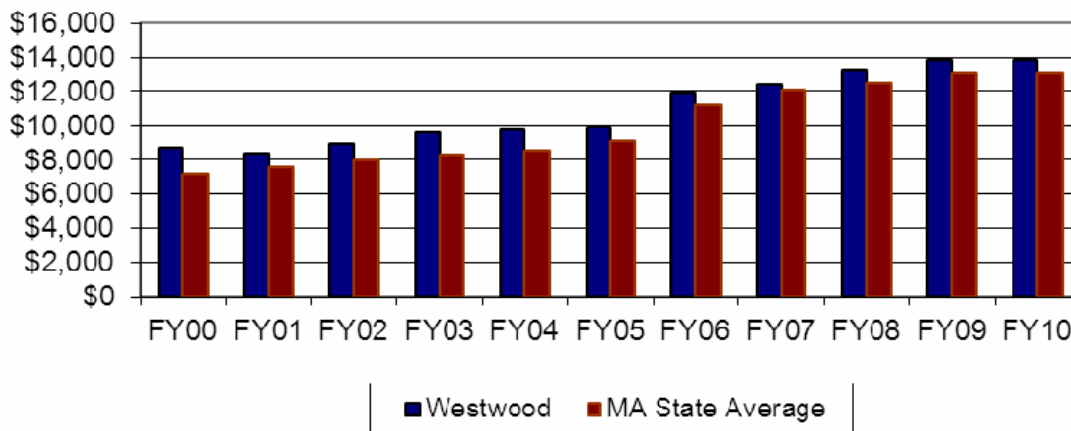
<b>Form of Government</b>	Board of Selectmen, Town Administrator, Open Town Meeting			
<b>Population Trends</b>	<b>2000</b>		<b>2010</b>	
	14,117		14,618	
<b>Registered Voters (2010)</b>	<b>Total</b>	<b>Democrats</b>	<b>Republicans</b>	<b>Unenrolled/Other</b>
	9,450	2,574	1,494	5,382

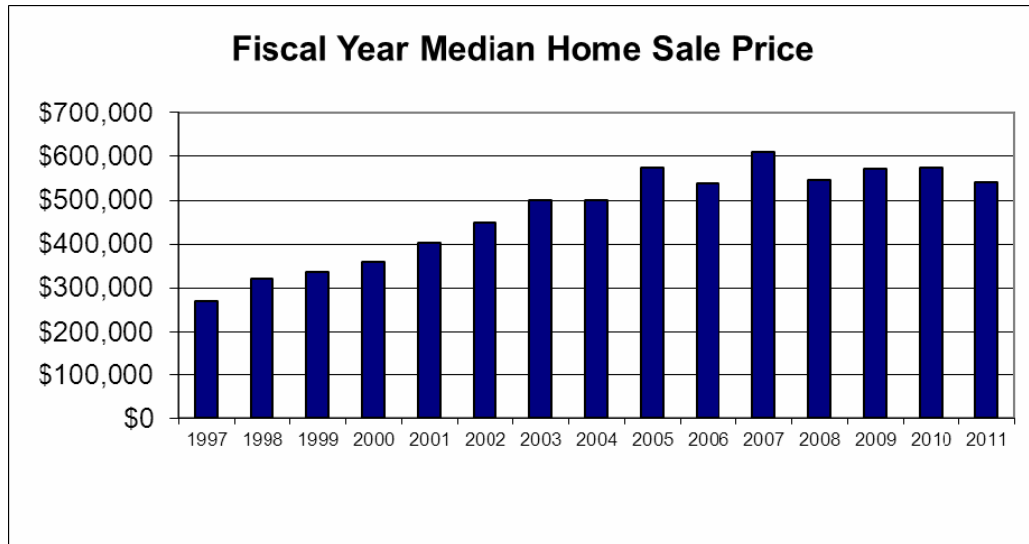
### Westwood Schools

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

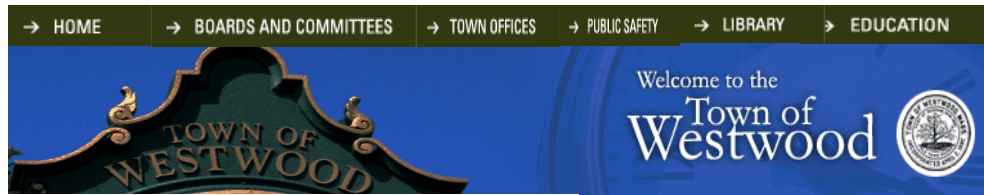


#### Total Per Pupil Expenditures



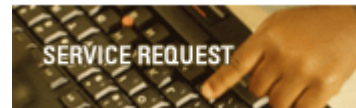


**Visit Westwood's Web Site!**  
<http://www.townhall.westwood.ma.us/>



**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



Questions/Comments?  
 Contact us online....

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