

Appendix A

Comprehensive Annual Financial Report

Comprehensive Annual Financial Report

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Westwood, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Westwood, Massachusetts, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Comprehensive Annual Financial Report

Other Matters

Required Supplementary Information

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

Other Information

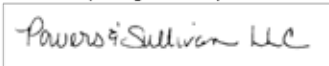
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Westwood, Massachusetts' basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2014, on our consideration of the Town of Westwood, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Westwood, Massachusetts' internal control over financial reporting and compliance.



October 1, 2014

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Westwood, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2014. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Financial Highlights

- The governmental assets of the Town of Westwood exceeded its liabilities at the close of the most recent year by \$100.8 million (net position).
- At the close of the current year, the Town of Westwood's general fund reported an ending fund balance of \$15.6 million, an increase of \$6 million in comparison with the prior year. Total fund balance represents 20% of total general fund expenditures. Approximately \$8.8 million of this total amount is available for appropriation at the government's discretion, \$5.4 million is committed for capital articles approved by Town Meeting and \$1.4 million is assigned for encumbrances carried forward to the subsequent year.
- The Town of Westwood's total governmental debt decreased by \$2.3 million during the current year. The Town issued \$1.4 million for various roadway, equipment and drainage projects and paid \$3.7 million in principal payments.
- The Town received \$5.3 million in mitigation and permit revenue from the University Station project. Approximately \$900,000 was expended and \$4.4 million has been carried over to be expended in future years.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Westwood's basic financial statements. The Town of Westwood's basic financial statements are comprised of three components: 1) government-wide financial statements 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus on the individual components of the Town government, reporting the 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

Comprehensive Annual Financial Report

accountability. An additional part of the basic financial statements are the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

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

In accordance with accounting standards, the Town reports fund balance components as nonspendable, restricted, committed, assigned and unassigned. Additionally, the Town's stabilization fund is reported within the general fund as unassigned. The Town of Westwood adopts an annual appropriated budget for its general fund. A budgetary comparison schedule is included as required supplementary information for the general fund to demonstrate compliance with this budget.

Comprehensive Annual Financial Report

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Westwood, government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$116.6 million at the close of year 2014.

Net position of \$107.4 million (92%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Westwood's net position \$1.7 million (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position \$7.5 million (6%) may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities:	Balance at June 30, 2014	Balance at June 30, 2013
Assets:		
Current assets.....	\$ 32,993,859	\$ 27,611,258
Noncurrent assets (excluding capital).....	10,094,615	11,207,142
Capital assets, not being depreciated.....	5,858,382	5,858,382
Capital assets, net of accumulated depreciation.....	<u>112,982,360</u>	<u>114,387,912</u>
Total assets.....	<u>161,929,216</u>	<u>159,064,694</u>
Liabilities:		
Current liabilities (excluding debt).....	5,292,738	5,573,172
Noncurrent liabilities (excluding debt).....	20,596,909	18,128,398
Current debt.....	3,632,917	3,817,917
Noncurrent debt.....	<u>31,603,159</u>	<u>33,401,249</u>
Total liabilities.....	<u>61,125,723</u>	<u>60,920,736</u>
Net Position:		
Net investment in capital assets.....	95,611,881	96,462,678
Restricted.....	1,655,112	1,806,455
Unrestricted.....	<u>3,536,500</u>	<u>(125,175)</u>
Total net position.....	<u>\$ 100,803,493</u>	<u>\$ 98,143,958</u>

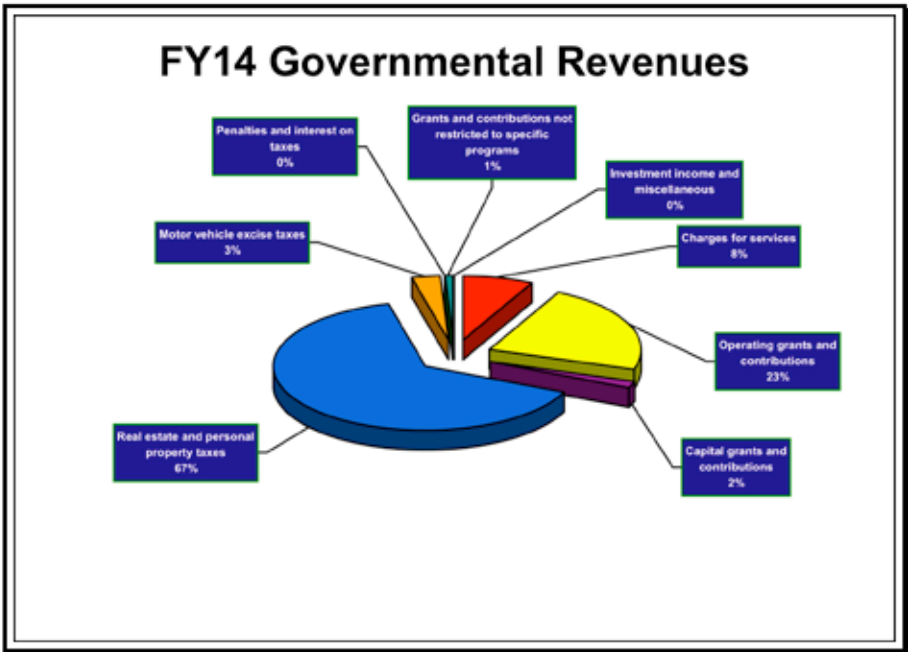
Comprehensive Annual Financial Report

Governmental activities. The governmental activities net position increased by approximately \$2.7 million during the current year. The underlying reason for the increase in net position is \$5.3 million in mitigation payments and building permit fees received for the university station project which was offset by the increase in the other postemployment benefits (OPEB) liability of \$2.5 million this year. The increase in the OPEB liability is also the reason for the increase in noncurrent liabilities (excluding debt).

Governmental Activities:	Year Ended June 30, 2014	Year Ended June 30, 2013
Program revenues:		
Charges for services.....	\$ 5,417,971	\$ 5,615,240
Operating grants and contributions.....	22,271,886	16,218,998
Capital grants and contributions.....	1,474,068	682,003
General revenues:		
Real estate and personal property taxes.....	59,098,869	57,531,776
Motor vehicle excise taxes.....	2,770,941	2,591,759
Penalties and interest on taxes.....	118,681	180,465
Nonrestricted grants and contributions.....	712,014	639,972
Unrestricted investment income.....	25,929	45,831
Gain on sale of capital assets.....	-	290,000
Total revenues.....	91,890,359	83,796,044
Expenses:		
General government.....	4,921,812	4,840,467
Public safety.....	10,215,841	9,735,929
Education.....	58,068,384	57,774,167
Public works.....	8,697,469	8,351,807
University Station.....	1,947,259	1,310,832
Human services.....	1,138,997	1,218,894
Culture and recreation.....	3,394,657	2,801,155
Interest.....	1,137,383	1,216,381
Total expenses.....	89,521,802	87,249,632
Excess (Deficiency) before transfers.....	2,368,557	(3,453,588)
Transfers.....	290,978	290,978
Change in net position.....	2,659,535	(3,162,610)
Net position - beginning.....	98,143,958	101,306,568
Net position - ending.....	\$ 100,803,493	\$ 98,143,958

- Charges for services represent about 8% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Board of Selectmen are included in this category. Most of these resources apply to public safety and education operations, such as building permits, ambulance revenue, athletic receipts, kindergarten revenue and bus fees.

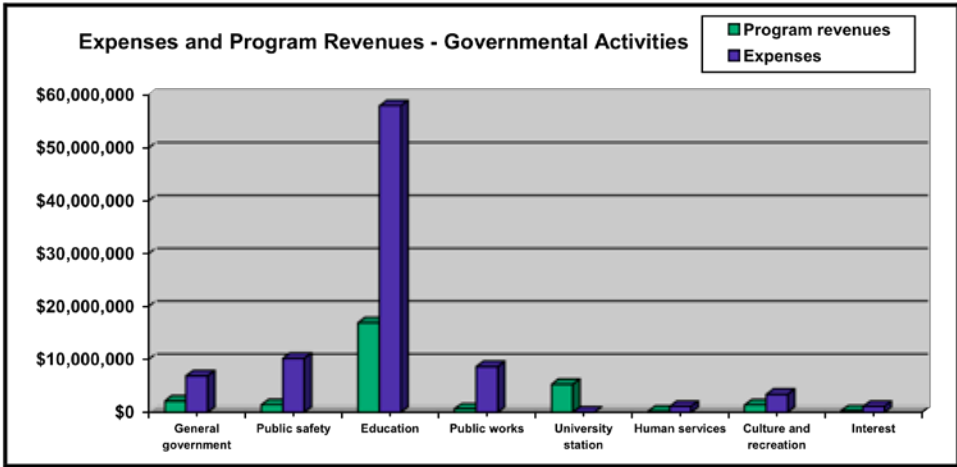
- Operating grants and contributions account for 23% of the governmental activities resources. Most of these resources apply to university station and education operations. The current year increase is due to the \$5.3 million received from university station.
- Capital grants and contributions account for 2% of the governmental activities resources. The increase from the prior year can be attributable to the Town receiving \$531,000 in private donations to be used for the new library project.



- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 67% of all resources. Real estate and personal property tax collections increased 3% from the prior year. In Massachusetts, proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Other taxes and other revenues comprised a total of 4% of the governmental activities resources. These primarily include excise taxes, nonrestricted grants, and investment earnings.
- Education is by far the largest governmental activity of the Town with 65% of total governmental expenses. Program revenues of \$17 million provided direct support to education and \$41.1 million in taxes and other general revenue were needed to cover the remaining year 2014 operating expenses.

Comprehensive Annual Financial Report

- General government, public safety, public works and university station are significant activities of the Town. Program revenues for general government of \$2.2 million, public safety of \$1.5 million, public works of \$693,000 and \$5.3 in university station directly supported \$6.9 million, \$10.2 million and \$8.7 million of operating expenses, respectively. Taxes and other general revenue of \$21.5 million were needed to cover the remaining year 2014 operating expenses for general government, public safety and public works. Combined, they represent 29% of governmental activity expenses.



Business-type activities. For sewer business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$15.8 million at the close of year 2014. Net investment in capital assets totaled \$11.8 million (75%) while unrestricted net position totaled \$4 million (25%). There was a net decrease of \$621,000 in net position reported in connection with the sewer enterprise. Charges for services increased from prior year by \$206,000 which was primarily due to increases in sewer usage. Operating and capital grants experienced a slight decrease from the prior year. The sewer fund also reported an increase in its operating costs and a decrease in its liability for other postemployment benefits totaling \$10,000, which is a result of per-funding a portion of the OPEB liability in accordance with GASB Statement #45.

Comprehensive Annual Financial Report

Business-Type Activities:	Balance at June 30, 2014	Balance at June 30, 2013
Assets:		
Current assets.....	\$ 5,519,437	\$ 4,103,179
Noncurrent assets (excluding capital).....	201,611	248,407
Capital assets, not being depreciated.....	-	350,850
Capital assets, net of accumulated depreciation.....	<u>13,472,462</u>	<u>13,268,797</u>
Total assets.....	<u>19,193,510</u>	<u>17,971,233</u>
Liabilities:		
Current liabilities (excluding debt).....	543,961	42,261
Noncurrent liabilities (excluding debt).....	227,403	237,244
Current debt.....	384,060	218,760
Noncurrent debt.....	<u>2,277,620</u>	<u>1,091,680</u>
Total liabilities.....	<u>3,433,044</u>	<u>1,589,945</u>
Net Position:		
Net investment in capital assets.....	11,776,682	12,309,207
Unrestricted.....	<u>3,983,784</u>	<u>4,072,081</u>
Total net position.....	<u>\$ 15,760,466</u>	<u>\$ 16,381,288</u>

Business-Type Activities:	Year Ended June 30, 2014	Year Ended June 30, 2013
Program revenues:		
Charges for services.....	\$ 3,731,776	\$ 3,525,289
Operating grants and contributions.....	32,115	85,164
Capital grants and contributions.....	<u>41,516</u>	<u>45,115</u>
Total revenues.....	<u>3,805,407</u>	<u>3,655,568</u>
Expenses:		
Sewer.....	<u>4,135,251</u>	<u>3,913,703</u>
Excess (Deficiency) before transfers.....	(329,844)	(258,135)
Transfers.....	<u>(290,978)</u>	<u>(290,978)</u>
Change in net position.....	(620,822)	(549,113)
Net position - beginning.....	<u>16,381,288</u>	<u>16,930,401</u>
Net position - ending.....	<u>\$ 15,760,466</u>	<u>\$ 16,381,288</u>

Financial Analysis of the Government's Funds

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

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

Comprehensive Annual Financial Report

As of the end of the current year, governmental funds reported combined ending fund balances of \$25 million, an increase of \$5.2 from the prior year. The majority of this increase \$6 million is reported in the general fund due to the Town receiving \$5.3 million of mitigation payments and building permit fees for the university station project. The university station special revenue fund reported an increase of \$393,000 as the receipts from this major project have not been fully utilized and the nonmajor governmental funds reported a decrease of \$1.3 million related mainly to capital projects for road improvements, and facility renovations. Most of the construction costs were financed with bond proceeds and bond premiums received in the current year as well as the prior year. For fund based reporting bond proceeds and premiums are reported as other financing sources.

The general fund is the Town's chief operating fund. The ending fund balance increased by \$6 million in comparison with prior year. The primary reason for the increase is due to mitigation payments and building permit fees collected for the university station project. The Town expended some of the mitigation funds and has reserved the remainder in the general fund. Also contributing to the increase was stronger than expected motor vehicle excise tax collections due to an increase in the assessed value of registered motor vehicles supplied by the Commonwealth. Real estate and personal property tax collections increased 3% from the prior year. In Massachusetts, proposition 2 ½ allows municipalities to increase tax rates up to 2 ½ percent of the prior levy limit adjusted for new construction and certain approved debt service. Also, during the current year residents paid their taxes in a timely manner. Another contributing factor was budgetary turn-backs in employee benefits, and the reserve fund. Benefit turn-backs are in line with budget predictions as health insurance costs are included in this function and can fluctuate during the year. The reserve fund was able to turn-back funds due to the Town's use of free cash to cover the snow and ice deficit, as opposed to using reserve funds, due to the severe winter. These increases were offset by the Town's planned use of available fund balance.

At the end of the current year, unassigned fund balance of the general fund totaled \$8.8 million, while total fund balance totaled \$15.6 million. The \$5.4 million of committed fund balance represents amounts that have been appropriated for specific purposes. The \$1.4 million of assigned fund balance represents amounts that have been encumbered at year end to meet contractual obligations at year end. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11% of total general fund expenditures, while total fund balance represents 20% of that same amount.

The Town also maintains a stabilization fund, which has been classified within the unassigned general fund balance in the governmental funds financial statements to remain compliant with GASB 54. The stabilization fund has a year-end balance of \$2.7 million which represents 3.5% of general fund expenditures. These funds can be used for general or capital purposes upon Town Meeting approval. Please refer to Note 12 for additional information on the Town's stabilization fund.

The university station project fund is used to account for funds received in connection with the university station project. At June 30, 2014, the university station project fund had a year-end balance of \$741,000. This balance increased by \$393,000 from prior year as the Town recognized \$1.4 million in revenue and recorded \$1 million in project expenditures.

General Fund Budgetary Highlights

The final general fund appropriation budget totaled \$78.5 million, which included \$2.3 million in encumbrances and articles carried over from the prior year. The final budget also included the use of \$1.1 million in available funds and \$5.3 million in university station mitigation funds which netted with positive budgetary results for an increase of \$6 million on a budgetary basis.

Comprehensive Annual Financial Report

General fund revenues came in over budget by \$1.3 million. The majority of this surplus \$709,000 (56%) was generated from motor vehicle excise taxes and \$272,000 (21%) was generated through licenses and permits.

Actual general fund expenditures and encumbrances are lower than final budget by \$1.3 million (2%), with the majority of the variance occurring in employee benefits where expenditures were lower than the final budget by approximately \$387,000, which is the result of health insurance plan design changes implemented by the Town in an effort to control costs in this area. Additionally, the reserve fund turned back \$425,000, as reserve funds were not fully required to fund unanticipated events.

The \$5.9 million increase between the original budget and the final amended budget was primarily from \$5.3 million in university station mitigation fees and permits appropriated and reserved within the general fund. Budgetary changes also included supplementary appropriations from free cash to fund the Town's snow and ice budget and appropriations from the ambulance fund, the reserve fund and from a release of overlay surplus to fund the capital outlay budget, the public safety budget, the public works budget, and various salary increases. Additionally the Town voted several transfers within budgetary line items during the year.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming year as well as summary information for the following four years to identify current projections of what level of capital outlay will be required in future years. As part of the capital plan the Town has historically financed the acquisition of some capital assets from current revenue. This policy will continue to improve the financial position as net position will increase by the amount of acquisitions less the current depreciation.

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

Outstanding long-term debt of the general government, as of June 30, 2014, totaled \$34.1 million of which, \$7.9 million is related to library projects, \$21.8 million is related to school projects, \$2.7 million is related to roadway improvements and \$2.1 million for department equipment.

The enterprise fund has \$2.7 million in sewer enterprise debt outstanding that is fully supported by the rates and does not rely on a general fund subsidy.

The most significant capital asset additions during the year included various school building improvements, public safety and public works vehicles, school computers and equipment, and roadway improvements. Also, current year expenditures for the new library have been capitalized as building improvements as of June 30, 2014.

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

Comprehensive Annual Financial Report

CAPITAL ASSETS

	Cost of Capital Assets	Accumulated Depreciation at end of year	Capital Assets, net
Governmental activities:			
Land.....	\$ 5,858,382	\$ -	\$ 5,858,382
Buildings and improvements.....	108,128,925	(33,775,911)	74,353,014
Vehicles.....	8,233,798	(4,889,807)	3,343,991
Machinery and equipment.....	12,259,279	(9,942,572)	2,316,707
Infrastructure.....	88,625,294	(55,656,646)	32,968,648
Total governmental activities.....	<u>223,105,678</u>	<u>(104,264,936)</u>	<u>118,840,742</u>
Business-type activities:			
Land.....	350,850	-	350,850
Plant and infrastructure.....	27,074,977	(16,930,446)	10,144,531
Other buildings and improvements...	6,339,070	(3,605,255)	2,733,815
Vehicles.....	448,343	(411,176)	37,167
Machinery and equipment.....	510,212	(304,113)	206,099
Total business-type activities.....	<u>34,723,452</u>	<u>(21,250,990)</u>	<u>13,472,462</u>
Total capital assets.....	\$ <u>257,829,130</u>	\$ <u>(125,515,926)</u>	\$ <u>132,313,204</u>

GOVERNMENTAL BONDS PAYABLE

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds of 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 2,105,000	\$ -	\$ (335,000)	\$ 1,770,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,800,000	-	(175,000)	2,625,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	8,370,000	-	(465,000)	7,905,000
Municipal Purpose Refunding Bonds of 2012.....	2023	61,198,000	2.00 - 4.00	18,995,000	-	(2,300,000)	16,695,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	4,170,000	-	(465,000)	3,705,000
Municipal Purpose Bonds of 2014.....	2024	2,970,000	2.00 - 2.50	-	1,400,000	-	1,400,000
Total Governmental Activities.....				\$ 36,440,000	\$ 1,400,000	\$ (3,740,000)	\$ 34,100,000

ENTERPRISE BONDS PAYABLE

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds of 1998 (MCWT).....	2019	\$ 3,220,700	3.88	\$ 1,140,600	\$ -	\$ (176,300)	\$ 964,300
MWRA Notes of 2013.....	2017	212,300	0.00	169,840	-	(42,460)	127,380
Municipal Purpose Bonds of 2014.....	2024	1,570,000	2.00 - 2.50	-	1,570,000	-	1,570,000
Total Enterprise Bonds Payable.....				\$ 1,310,440	\$ 1,570,000	\$ (218,760)	\$ 2,661,680

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

Comprehensive Annual Financial Report

Other Postemployment Benefits

In accordance with GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB)*, the government-wide activities have accumulated a liability for other postemployment benefits totaling \$20.3 million as of June 30, 2014 and have pre-funded future obligations totaling approximately \$505,000 during year 2014. The total assets set aside in trust for future benefits amounted to approximately \$1.1 million at year-end.

Economic Factors and Next Year's Budget and Rates

For the year 2015 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 our state aid is scheduled to slightly increase in the Chapter 70 education account. Economic driven local receipts; such as motor vehicle excise payments and buildings permits, have also been slightly increased for 2015 after improved collections in recent years.

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

- The Town provided for an approximate 3-4% increase for the 2015 school and municipal operating budgets.
- Favorable settlement of labor contracts allowed the Town and Schools to remain within this increase while maintaining current staffing levels.
- The 2015 budget has increased capital budgets through additional use of free cash.
- The 2015 budget provides for a \$100,000 appropriation to the stabilization reserve account. This is an ongoing appropriation funded within the budget.
- The 2015 budget provides for a \$550,000 appropriation to the OPEB Trust account. This is an ongoing appropriation funded with the budget.
- The 2015 commercial and residential tax rates are not yet finalized, but are expected to increase approximately 2.7%.

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

Basic Financial Statements

Comprehensive Annual Financial Report

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 28,573,095	\$ 3,805,961	\$ 32,379,056
Investments.....	19,681	-	19,681
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	560,036	-	560,036
Tax liens.....	927,836	-	927,836
Motor vehicle excise taxes.....	316,331	-	316,331
User charges.....	-	1,666,680	1,666,680
Departmental and other.....	262,914	-	262,914
Intergovernmental.....	2,334,166	46,796	2,380,962
Total Current Assets.....	32,993,859	5,519,437	38,513,296
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	10,094,615	201,611	10,296,226
Capital assets, not being depreciated.....	5,858,382	-	5,858,382
Capital assets, net of accumulated depreciation.....	112,982,360	13,472,462	126,454,822
Total Noncurrent Assets.....	128,935,357	13,674,073	142,609,430
TOTAL ASSETS.....	161,929,216	19,193,510	181,122,726
LIABILITIES			
CURRENT:			
Warrants payable.....	1,642,148	499,290	2,141,438
Accrued payroll.....	1,731,721	15,736	1,747,457
Accrued interest.....	240,289	11,935	252,224
Other liabilities.....	470,195	-	470,195
Capital lease obligations.....	144,385	-	144,385
Compensated absences.....	1,064,000	17,000	1,081,000
Bonds payable.....	3,632,917	384,060	4,016,977
Total Current Liabilities.....	8,925,655	928,021	9,853,676
NONCURRENT:			
Capital lease obligations.....	434,827	-	434,827
Compensated absences.....	528,000	-	528,000
Other postemployment benefits.....	20,068,909	227,403	20,296,312
Bonds payable.....	31,168,332	2,277,620	33,445,952
Total Noncurrent Liabilities.....	52,200,068	2,505,023	54,705,091
TOTAL LIABILITIES.....	61,125,723	3,433,044	64,558,767
NET POSITION			
Net investment in capital assets.....	95,611,881	11,776,682	107,388,563
Restricted for:			
Permanent funds:			
Expendable.....	100,189	-	100,189
Nonexpendable.....	349,547	-	349,547
Gifts.....	305,370	-	305,370
Grants.....	900,006	-	900,006
Unrestricted.....	3,536,500	3,983,784	7,520,284
TOTAL NET POSITION.....	\$ 100,803,493	\$ 15,760,466	\$ 116,563,959

See notes to basic financial statements.

Comprehensive Annual Financial Report

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 4,921,812	\$ 531,642	\$ 61,758	\$ -	\$ (4,328,412)
Public safety.....	10,215,841	1,370,625	121,099	-	(8,724,117)
Education.....	58,068,384	2,463,005	14,515,510	-	(41,089,869)
Public works.....	8,697,469	31,943	143,849	517,694	(8,003,983)
University Station.....	1,947,259	-	6,896,682	-	4,949,423
Human services.....	1,138,997	88,449	117,403	-	(933,145)
Culture and recreation.....	3,394,657	932,307	91,309	956,374	(1,414,667)
Interest.....	1,137,383	-	324,276	-	(813,107)
Total Governmental Activities.....	<u>89,521,802</u>	<u>5,417,971</u>	<u>22,271,886</u>	<u>1,474,068</u>	<u>(60,357,877)</u>
<i>Business-Type Activities:</i>					
Sewer.....	<u>4,135,251</u>	<u>3,731,776</u>	<u>32,115</u>	<u>41,516</u>	<u>(329,844)</u>
Total Primary Government.....	<u>\$ 93,657,053</u>	<u>\$ 9,149,747</u>	<u>\$ 22,304,001</u>	<u>\$ 1,515,584</u>	<u>\$ (60,687,721)</u>

See notes to basic financial statements.

(Continued)

Comprehensive Annual Financial Report

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (60,357,877)	\$ (329,844)	\$ (60,687,721)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	59,098,869	-	59,098,869
Motor vehicle excise taxes.....	2,770,941	-	2,770,941
Penalties and interest on taxes.....	118,681	-	118,681
Grants and contributions not restricted to specific programs.....	712,014	-	712,014
Unrestricted investment income.....	25,929	-	25,929
Transfers, net.....	290,978	(290,978)	-
Total general revenues and transfers.....	63,017,412	(290,978)	62,726,434
Change in net position.....	2,659,535	(620,822)	2,038,713
<i>Net Position:</i>			
Beginning of year.....	98,143,958	16,381,288	114,525,246
End of year.....	\$ 100,803,493	\$ 15,760,466	\$ 116,563,959

See notes to basic financial statements.

(Concluded)

Comprehensive Annual Financial Report

GOVERNMENTAL FUNDS BALANCE SHEET

JUNE 30, 2014

	General	University Station Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 18,721,660	\$ 741,360	\$ 9,110,075	\$ 28,573,095
Investments.....	-	-	19,681	19,681
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	560,036	-	-	560,036
Tax liens.....	927,636	-	-	927,636
Motor vehicle excise taxes.....	316,331	-	-	316,331
Departmental and other.....	9,882	133,844	119,188	262,914
Intergovernmental.....	11,207,000	-	1,221,781	12,428,781
TOTAL ASSETS.....	\$ 31,742,545	\$ 875,204	\$ 10,470,725	\$ 43,088,474
LIABILITIES				
Warrants payable.....	\$ 1,135,838	\$ -	\$ 506,310	\$ 1,642,148
Accrued payroll.....	1,722,881	-	8,840	1,731,721
Other liabilities.....	470,195	-	-	470,195
TOTAL LIABILITIES.....	3,328,914	-	515,150	3,844,064
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues.....	12,796,350	133,844	1,340,969	14,271,163
FUND BALANCES				
Nonspendable.....	-	-	349,547	349,547
Restricted.....	-	741,360	8,265,059	9,006,419
Committed.....	5,431,729	-	-	5,431,729
Assigned.....	1,385,604	-	-	1,385,604
Unassigned.....	8,799,948	-	-	8,799,948
TOTAL FUND BALANCES.....	15,617,281	741,360	8,614,606	24,973,247
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 31,742,545	\$ 875,204	\$ 10,470,725	\$ 43,088,474

See notes to basic financial statements.

Comprehensive Annual Financial Report

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

JUNE 30, 2014

Total governmental fund balances.....		\$ 24,973,247
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		118,840,742
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		14,271,163
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(240,289)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(34,801,249)	
Capital lease obligations.....	(579,212)	
Other postemployment benefits.....	(20,068,909)	
Compensated absences.....	<u>(1,592,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(57,041,370)</u>
Net position of governmental activities.....		\$ <u>100,803,493</u>

See notes to basic financial statements.

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	General	University Station Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 58,918,129	\$ -	\$ -	\$ 58,918,129
Motor vehicle excise taxes.....	2,844,489	-	-	2,844,489
Charges for services.....	-	-	4,774,815	4,774,815
University Station mitigation.....	4,400,000	-	-	4,400,000
University Station building permits.....	925,000	-	-	925,000
Penalties and interest on taxes.....	118,681	-	-	118,681
Fees and rentals.....	341,562	-	-	341,562
Licenses and permits.....	643,568	-	-	643,568
Fines and forfeitures.....	18,587	-	-	18,587
Intergovernmental.....	13,149,360	-	3,246,263	16,395,623
Departmental and other.....	298,525	1,437,838	382,823	2,119,186
Contributions.....	-	-	782,122	782,122
Investment income.....	30,807	-	4,158	34,965
TOTAL REVENUES.....	81,688,708	1,437,838	9,190,181	92,316,727
EXPENDITURES:				
Current:				
General government.....	2,790,924	-	345,122	3,136,046
Public safety.....	7,421,121	-	218,276	7,639,397
Education.....	36,269,527	-	6,377,628	42,647,155
Public works.....	4,727,689	-	2,507,960	7,235,649
University Station.....	902,343	1,044,916	-	1,947,259
Human services.....	763,475	-	48,586	812,061
Culture and recreation.....	1,392,475	-	1,575,141	2,967,616
Pension benefits.....	9,356,600	-	-	9,356,600
Property and liability insurance.....	290,897	-	-	290,897
Employee benefits.....	6,574,999	-	-	6,574,999
State and county charges.....	574,743	-	-	574,743
Capital outlay.....	1,437,805	-	-	1,437,805
Debt service:				
Principal.....	3,740,000	-	-	3,740,000
Interest.....	1,236,197	-	-	1,236,197
TOTAL EXPENDITURES.....	77,478,795	1,044,916	11,072,713	89,596,424
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	4,209,913	392,922	(1,882,532)	2,720,303
OTHER FINANCING SOURCES (USES):				
Issuance of long-term debt.....	-	-	1,400,000	1,400,000
Capital lease financing.....	748,083	-	-	748,083
Transfers in.....	1,087,606	-	-	1,087,606
Transfers out.....	-	-	(796,628)	(796,628)
TOTAL OTHER FINANCING SOURCES (USES).....	1,835,689	-	603,372	2,439,061
NET CHANGE IN FUND BALANCES.....	6,045,602	392,922	(1,279,160)	5,159,364
FUND BALANCES AT BEGINNING OF YEAR.....	9,571,679	348,438	9,893,766	19,813,883
FUND BALANCES AT END OF YEAR.....	\$ 15,617,281	\$ 741,360	\$ 8,614,606	\$ 24,973,247

See notes to basic financial statements.

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds.....	\$	5,159,364
<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.....		5,813,248
Depreciation expense.....		<u>(7,218,800)</u>
Net effect of reporting capital assets.....		(1,405,552)
<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 unavailable revenue.....</p>		
		(426,368)
<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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Capital lease financing.....		(748,083)
Capital lease principal payments.....		168,871
Proceeds from bonds and notes.....		(1,400,000)
Debt service principal payments.....		<u>3,740,000</u>
Net effect of reporting long-term debt.....		1,760,788
<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.....		(70,000)
Net change in accrued interest on long-term debt.....		98,814
Net change in other postemployment benefits.....		<u>(2,457,511)</u>
Net effect of recording long-term liabilities.....		<u>(2,428,697)</u>
Change in net position of governmental activities.....	\$	<u>2,659,535</u>

See notes to basic financial statements.

Comprehensive Annual Financial Report

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2014

	<u>Business-type Sewer Enterprise</u>
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 3,805,961
Receivables, net of allowance for uncollectibles:	
User fees.....	1,666,680
Intergovernmental.....	<u>46,796</u>
Total current assets.....	<u>5,519,437</u>
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	201,611
Capital assets, not being depreciated.....	350,850
Capital assets, net of accumulated depreciation.....	<u>13,121,612</u>
Total noncurrent assets.....	<u>13,674,073</u>
TOTAL ASSETS.....	<u>19,193,510</u>
LIABILITIES	
CURRENT:	
Warrants payable.....	499,290
Accrued payroll.....	15,736
Accrued interest.....	11,935
Compensated absences.....	17,000
Bonds payable.....	<u>384,060</u>
Total current liabilities.....	<u>928,021</u>
NONCURRENT:	
Other postemployment benefits.....	227,403
Bonds payable.....	<u>2,277,620</u>
Total noncurrent liabilities.....	<u>2,505,023</u>
TOTAL LIABILITIES.....	<u>3,433,044</u>
NET POSITION	
Net invested in capital assets.....	11,776,682
Unrestricted.....	<u>3,983,784</u>
TOTAL NET POSITION.....	<u>\$ 15,760,466</u>

See notes to basic financial statements.

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	Business-type Sewer Enterprise
<u>OPERATING REVENUES:</u>	
Charges for services	\$ 3,731,776
<u>OPERATING EXPENSES:</u>	
Cost of services and administration	962,988
MWRA assessment.....	2,362,136
Depreciation.....	757,698
TOTAL OPERATING EXPENSES	4,082,822
OPERATING INCOME (LOSS).....	(351,046)
<u>NONOPERATING REVENUES (EXPENSES):</u>	
Interest expense.....	(52,429)
Intergovernmental.....	32,115
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(20,314)
INCOME/(LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....	(371,360)
<u>CAPITAL CONTRIBUTIONS:</u>	
Sewer betterments.....	41,516
<u>TRANSFERS:</u>	
Transfers out.....	(290,978)
CHANGE IN NET POSITION.....	(620,822)
NET POSITION AT BEGINNING OF YEAR.....	16,381,288
NET POSITION AT END OF YEAR.....	\$ 15,760,466

See notes to basic financial statements.

Comprehensive Annual Financial Report

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

YEAR ENDED JUNE 30, 2014

	Business-type Sewer Enterprise
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 3,790,335
Payments to vendors.....	(2,862,991)
Payments to employees.....	<u>(345,239)</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>582,105</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers out.....	<u>(290,978)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds and notes.....	1,570,000
Acquisition and construction of capital assets.....	(239,853)
Capital contributions.....	41,516
Principal payments on bonds and notes.....	(170,817)
Interest expense.....	<u>(16,009)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>1,184,837</u>
NET CHANGE IN CASH EQUIVALENTS.....	1,475,964
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	<u>2,329,997</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ <u>3,805,961</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ (351,046)
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	757,698
Changes in assets and liabilities:	
User fees.....	58,559
Warrants payable.....	115,911
Accrued payroll.....	9,824
Accrued compensated absences.....	1,000
Other postemployment benefits.....	<u>(9,841)</u>
Total adjustments.....	<u>933,151</u>
NET CASH FROM OPERATING ACTIVITIES.....	\$ <u>582,105</u>
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Intergovernmental debt service subsidy.....	\$ <u>80,058</u>

See notes to basic financial statements.

Comprehensive Annual Financial Report

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS			
Cash and cash equivalents.....	\$ 1,117,304	\$ 303,709	\$ 744,211
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	89,002
TOTAL ASSETS.....	1,117,304	303,709	833,213
LIABILITIES			
Warrants payable.....	-	-	25
Liabilities due depositors.....	-	-	833,188
TOTAL LIABILITIES.....	-	-	833,213
NET POSITION			
Held in trust for OPEB and other purposes.....	\$ 1,117,304	\$ 303,709	\$ -

See notes to basic financial statements.

Comprehensive Annual Financial Report

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2014

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer.....	\$ 435,000	\$ -
Private donations.....	-	57,105
Total contributions.....	435,000	57,105
Net investment income:		
Interest.....	1,976	1,990
TOTAL ADDITIONS.....	504,976	59,095
DEDUCTIONS:		
Educational scholarships.....	-	90,450
TOTAL DEDUCTIONS.....	-	90,450
CHANGE IN NET POSITION.....	504,976	(31,355)
NET POSITION AT BEGINNING OF YEAR.....	612,328	335,064
NET POSITION AT END OF YEAR.....	\$ 1,117,304	\$ 303,709

See notes to basic financial statements.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Notes to Basic Financial Statements

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, 2014, the District has no significant unassigned fund balance and has no outstanding long-term bonds. The following is the address where the District's financial statements are available, its purpose, and the assessment paid by the Town during year 2014.

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2014 Assessment</u>
Blue Hills Regional Technical School District 800 Randolph Street, Canton, MA 02021	To provide vocational education	<u>\$ 101,646</u>

The Town has no equity interest in the District.

Jointly Governed Organizations

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

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

Comprehensive Annual Financial Report

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

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

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

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

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

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

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

Comprehensive Annual Financial Report

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

The following major proprietary fund is reported:

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

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

The following fiduciary fund types are reported:

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

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

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

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

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

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

Motor Vehicle Excise Taxes

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

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

User Fees

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

Departmental and Other

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

Intergovernmental

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

Comprehensive Annual Financial Report

F. Inventories

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

G. Capital Assets

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

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

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

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

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

H. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

Governmental Fund Financial Statements

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

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

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

Net position has been "restricted for" the following:

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

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

M. 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.

N. 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.

O. Use of Estimates

Government-Wide and Fund Financial Statements

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

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

P. 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 year-end, the carrying amount of deposits totaled \$28,004,722 and the bank balance totaled

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

\$28,183,294. Of the bank balance, \$2,000,000 was covered by Federal Depository Insurance, \$2,183,130 was covered by the Depositors Insurance Fund, \$53,710 was covered by the Share Insurance Fund, \$15,891,274 was collateralized and \$8,055,180 was subject to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2014, the Town had the following investments:

Equity Mutual Funds.....	\$	19,681
MMDT.....		<u>5,422,254</u>
Total Investments.....	\$	<u>5,441,935</u>

In addition to the Town's investments reported above, the OPEB Trust held \$1,117,304 at June 30, 2014, which was invested in MMDT.

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, 2014, 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, 2014.

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.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

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, 2014, the Town did not have more than 5% of the Town's investments in with any one issuer.

NOTE 3 – RECEIVABLES

At June 30, 2014, receivables for the individual major governmental funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes.....	\$ 560,036	\$ -	\$ 560,036
Tax liens.....	927,636	-	927,636
Motor vehicle excise taxes.....	392,331	(76,000)	316,331
Departmental and other.....	279,914	(17,000)	262,914
Intergovernmental.....	12,428,781	-	12,428,781
Total.....	\$ 14,588,698	\$ (93,000)	\$ 14,495,698

At June 30, 2014, receivables for the fiduciary funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Details.....	\$ 89,002	\$ -	\$ 89,002

At June 30, 2014, receivables for the enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Sewer fees.....	\$ 1,666,680	\$ -	\$ 1,666,680
Intergovernmental.....	248,407	-	248,407
Total.....	\$ 1,915,087	\$ -	\$ 1,915,087

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

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

Receivable type:	General Fund	Nonmajor Governmental Funds	Total
Real estate and personal property taxes.....	\$ 335,501	\$ -	\$ 335,501
Tax liens.....	927,636	-	927,636
Motor vehicle excise taxes.....	316,331	-	316,331
Departmental and other.....	9,882	253,032	262,914
Intergovernmental.....	<u>11,207,000</u>	<u>1,221,781</u>	<u>12,428,781</u>
Total.....	<u>\$ 12,796,350</u>	<u>\$ 1,474,813</u>	<u>\$ 14,271,163</u>

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended June 30, 2014, are summarized as follows:

Transfers Out:	Transfers In:
	General Fund
Nonmajor Governmental Fund.....	\$ 43,128 (A)
Nonmajor Governmental Fund.....	17,000 (B)
Nonmajor Governmental Fund.....	665,500 (C)
Nonmajor Governmental Fund.....	70,000 (D)
Nonmajor Governmental Fund.....	1,000 (E)
Sewer Enterprise Fund.....	<u>290,978 (F)</u>
Total.....	<u>\$ 1,087,606</u>

(A) - Transfer from Special Revenue Bond Premiums Fund to support debt service expenditures.

(B) - Transfer from Special Revenue Revolving Funds to support conservation expenditures.

(C) - Transfer from Special Revenue Ambulance Receipts for ambulance operations.

(D) - Transfer from Special Revenue Sale of Lots for cemetery operations.

(E) - Transfer from Cemetery Perpetual Care Fund to support cemetery expenditures.

(F) - Transfer from Sewer Fund to the General Fund 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

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

payments totaled approximately \$6,458,000 for the year ended June 30, 2014, 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 years ended June 30, 2014, 2013, and 2012 were \$2,865,520, \$2,749,247, and \$2,619,736, which equaled its required contribution for each 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.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 5,858,382	\$ -	\$ -	\$ 5,858,382
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	107,088,893	1,427,018	(386,986)	108,128,925
Vehicles.....	7,332,090	1,263,916	(362,208)	8,233,798
Machinery and equipment.....	11,115,625	1,143,654	-	12,259,279
Infrastructure.....	86,646,634	1,978,660	-	88,625,294
Total capital assets being depreciated.....	<u>212,183,242</u>	<u>5,813,248</u>	<u>(749,194)</u>	<u>217,247,296</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(31,125,727)	(3,037,170)	386,986	(33,775,911)
Vehicles.....	(4,372,913)	(879,102)	362,208	(4,889,807)
Machinery and equipment.....	(9,036,207)	(906,365)	-	(9,942,572)
Infrastructure.....	<u>(53,260,483)</u>	<u>(2,396,163)</u>	<u>-</u>	<u>(55,656,646)</u>
Total accumulated depreciation.....	<u>(97,795,330)</u>	<u>(7,218,800)</u>	<u>749,194</u>	<u>(104,264,936)</u>
Total capital assets being depreciated, net.....	<u>114,387,912</u>	<u>(1,405,552)</u>	<u>-</u>	<u>112,982,360</u>
Total governmental activities capital assets, net.....	<u>\$ 120,246,294</u>	<u>\$ (1,405,552)</u>	<u>\$ -</u>	<u>\$ 118,840,742</u>

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 350,850	\$ -	\$ -	\$ 350,850
<u>Capital assets being depreciated:</u>				
Plant and infrastructure.....	26,464,464	610,513	-	27,074,977
Other buildings and improvements.....	6,374,393	-	(35,323)	6,339,070
Vehicles.....	489,316	-	(40,973)	448,343
Machinery and equipment.....	510,212	-	-	510,212
Total capital assets being depreciated.....	33,838,385	610,513	(76,296)	34,372,602
<u>Less accumulated depreciation for:</u>				
Plant and infrastructure.....	(16,389,572)	(540,874)	-	(16,930,446)
Other buildings and improvements.....	(3,503,258)	(137,320)	35,323	(3,605,255)
Vehicles.....	(405,711)	(46,438)	40,973	(411,176)
Machinery and equipment.....	(271,047)	(33,066)	-	(304,113)
Total accumulated depreciation.....	(20,569,588)	(757,698)	76,296	(21,250,990)
Total capital assets being depreciated, net.....	13,268,797	(147,185)	-	13,121,612
Total business-type activities capital assets, net.....	\$ 13,619,647	\$ (147,185)	\$ -	\$ 13,472,462

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

Governmental Activities:

General government.....	\$ 168,001
Public safety.....	404,539
Education.....	2,937,764
Public works.....	3,013,504
Human services.....	30,082
Culture and recreation.....	664,910

Total depreciation expense - governmental activities..... \$ 7,218,800

Business-Type Activities:

Sewer.....	\$ 757,698
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Comprehensive Annual Financial Report

NOTE 7 – CAPITAL LEASES

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

The asset acquired through a capital lease is as follows:

	Governmental Activities
<u>Asset:</u>	
Vehicles.....	\$ 748,083
Accumulated depreciation.....	(74,808)
Total.....	\$ 673,275

The future minimum lease obligation and the net present value of these minimum lease payments as of June 30, 2014, are as follows:

<u>Years Ending June 30</u>	Governmental Activities
2015.....	\$ 151,043
2016.....	151,043
2017.....	151,043
2018.....	151,042
Total minimum lease payments.....	604,171
Less: amounts representing interest.....	(24,959)
Present value of minimum lease payments.....	\$ 579,212

NOTE 8 – SHORT-TERM FINANCING

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

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

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

The Town did not have any short-term debt activity during year 2014.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

NOTE 9 – LONG-TERM DEBT

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

Details related to the Town's outstanding general obligation indebtedness at June 30, 2014, and the debt service requirements follow.

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds of 2008.....	2023	\$ 3,830,000	3.50 - 4.00	\$ 2,105,000	\$ -	\$ (335,000)	\$ 1,770,000
Municipal Purpose Bonds of 2009.....	2029	3,500,000	2.13 - 5.00	2,800,000	-	(175,000)	2,625,000
Municipal Purpose Bonds of 2010.....	2031	9,300,000	3.25 - 4.00	8,370,000	-	(465,000)	7,905,000
Municipal Purpose Refunding Bonds of 2012....	2023	19,095,000	2.00 - 4.00	18,995,000	-	(2,300,000)	16,695,000
Municipal Purpose Bonds of 2013.....	2022	4,635,000	2.00 - 3.00	4,170,000	-	(465,000)	3,705,000
Municipal Purpose Bonds of 2014.....	2024	1,400,000	2.00 - 2.50	-	1,400,000	-	1,400,000
Total Future Debt Service Requirements.....				36,440,000	1,400,000	(3,740,000)	34,100,000
Unamortized Premium on Bonds.....				779,166	-	(77,917)	701,249
Total Governmental Bonds Payable.....				37,219,166	1,400,000	(3,817,917)	34,801,249
Municipal Purpose Bonds of 1998 (MCWT).....	2019	3,220,700	3.88	1,140,600	-	(176,300)	964,300
MWRA Notes 2013.....	2017	212,300	0.00	169,840	-	(42,460)	127,380
Municipal Purpose Bonds of 2014.....	2024	1,570,000	2.00 - 2.50	-	1,570,000	-	1,570,000
Total Enterprise Bonds Payable.....				1,310,440	1,570,000	(218,760)	2,661,680
Total General Obligation Bonds Payable.....				\$ 38,529,606	\$ 2,970,000	\$ (4,036,677)	\$ 37,462,929

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

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

Year	Principal	Interest	Total
2015.....	\$ 3,555,000	\$ 1,146,460	\$ 4,701,460
2016.....	3,470,000	1,058,665	4,528,665
2017.....	3,445,000	954,643	4,399,643
2018.....	3,280,000	832,652	4,112,652
2019.....	3,225,000	720,241	3,945,241
2020.....	3,210,000	590,491	3,800,491
2021.....	3,190,000	472,441	3,662,441
2022.....	3,150,000	370,311	3,520,311
2023.....	2,665,000	274,031	2,939,031
2024.....	780,000	191,138	971,138
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>34,100,000</u>	\$ <u>7,240,515</u>	\$ <u>41,340,515</u>

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

Year	Principal	Interest	Total
2015.....	\$ 384,060	\$ 74,067	\$ 458,127
2016.....	389,560	61,142	450,702
2017.....	395,260	48,904	444,164
2018.....	358,500	32,639	391,139
2019.....	359,300	24,096	383,396
2020.....	155,000	15,888	170,888
2021.....	155,000	12,788	167,788
2022.....	155,000	9,688	164,688
2023.....	155,000	6,588	161,588
2024.....	155,000	3,488	158,488
Total.....	\$ <u>2,661,680</u>	\$ <u>289,283</u>	\$ <u>2,950,963</u>

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During year 2014, approximately \$1,401,000 of such assistance was received. Approximately \$12,611,000 will be received in future years. Of this amount, approximately \$1,405,000 represents reimbursement of long-term interest costs, and approximately \$11,207,000 represents reimbursement of approved construction costs. Accordingly, a \$11,207,000 intergovernmental receivable and corresponding unavailable revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$248,407 and interest costs for \$93,183. The principal subsidies are guaranteed and therefore a \$248,407 intergovernmental receivable has been recorded in the sewer enterprise fund at June 30, 2014. Net MCWT loan repayments, including interest, are scheduled to be \$736,618. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. During year 2014 the principal subsidy totaled \$47,943 and the interest subsidy totaled \$32,115.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The Town has \$127,380 in loans outstanding at year 2014. The imputed interest on this loan is immaterial and has not been recognized by the Town.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2014, the Town did not have any authorized and unissued debt

Changes in Long-Term Liabilities

During the year ended June 30, 2014, the following changes occurred in long-term liabilities:

	Balance at June 30, 2013	Additions	Retirements and Other	Balance at June 30, 2014	Current Portion
Governmental Activities:					
Long-Term Bonds.....	\$ 36,440,000	\$ 1,400,000	\$ (3,740,000)	\$ 34,100,000	\$ 3,555,000
Unamortized Premium on Bonds.....	779,166	-	(77,917)	701,249	77,917
Other Postemployment Benefits.....	17,611,398	4,803,599	(2,346,088)	20,068,909	-
Capital Lease Obligations.....	-	748,083	(168,871)	579,212	144,385
Compensated Absences.....	1,522,000	1,075,000	(1,005,000)	1,592,000	1,064,000
Total Governmental Activities.....	<u>56,352,564</u>	<u>8,026,682</u>	<u>(7,337,876)</u>	<u>57,041,370</u>	<u>4,841,302</u>
Business-Type Activities:					
Long-Term Bonds.....	1,310,440	1,570,000	(218,760)	2,661,680	384,060
Other Postemployment Benefits.....	237,244	148,565	(158,406)	227,403	-
Compensated Absences.....	16,000	17,000	(16,000)	17,000	17,000
Total Business-Type Activities.....	<u>1,563,684</u>	<u>1,735,565</u>	<u>(393,166)</u>	<u>2,906,083</u>	<u>401,060</u>
Total.....	<u>\$ 57,916,248</u>	<u>\$ 9,762,247</u>	<u>\$ (7,731,042)</u>	<u>\$ 59,947,453</u>	<u>\$ 5,242,362</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 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balances according to the constraints imposed on the use of those resources. There are two major types of fund balances, which are nonspendable and spendable.

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

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

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

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

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

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

As of June 30, 2014, the governmental fund balance consisted of the following:

	GOVERNMENTAL FUNDS			
	General	University Station	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 349,547	\$ 349,547
Restricted for:				
University station.....	-	741,360	-	741,360
Town grants and revolving funds.....	-	-	2,615,454	2,615,454
School lunch.....	-	-	89,485	89,485
Ambulance fund.....	-	-	696,940	696,940
School grants and revolving funds.....	-	-	3,747,953	3,747,953
Highway improvement fund.....	-	-	825	825
Expendable governmental trusts.....	-	-	80,132	80,132
Roadway improvements.....	-	-	56,006	56,006
School building renovations.....	-	-	23,349	23,349
Facility renovations.....	-	-	854,726	854,726
Cemetery.....	-	-	24,735	24,735
Other expendable trust funds.....	-	-	75,454	75,454
Committed to:				
General government.....	4,767,890	-	-	4,767,890
Public safety.....	431,201	-	-	431,201
Public works.....	232,638	-	-	232,638
Assigned to:				
General government.....	66,817	-	-	66,817
Public safety.....	88,399	-	-	88,399
Education.....	1,193,911	-	-	1,193,911
Public works.....	27,528	-	-	27,528
Human services.....	2,040	-	-	2,040
Culture and recreation.....	5,881	-	-	5,881
Employee benefits.....	1,028	-	-	1,028
Unassigned.....	8,799,948	-	-	8,799,948
TOTAL FUND BALANCES.....	\$ 15,617,281	\$ 741,360	\$ 8,614,606	\$ 24,973,247

NOTE 11 – RISK FINANCING

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

The Town provides health insurance to its employees through its participation in the West Suburban Health Group (the Group), a non-profit trust comprised of eleven towns, one school district and two educational collaboratives. The Group is self-sustaining through member premiums. The Town recognizes the cost of providing health insurance by recording its share of insurance premiums paid to the Group in the General Fund in the 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 prorata share of a deficit, should one exist.

The Town negotiated to require every employee to move to cost-saver plans offered by West Suburban Health Group and to share the cost savings with the employees. The percentages paid by the Town and employees will be adjusted each year in a manner that would allow any excess savings to the Town to be shared with the

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

employees. To accomplish this, the health insurance split for 2014 was increased from 65/35 (Town/employee) to a 66/34 percent split.

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

The Town is a member of the Massachusetts Interlocal Insurance Association (MIIA), a public entity risk pool currently operating as a common risk management and insurance program for workers' compensation benefits for employees other than uniformed police and fire personnel. MIIA is self-sustaining through member premiums and reinsures through commercial companies for stop loss insurance. The total premiums assessed by MIIA to the Town during year 2014 totaled \$202,000 and are recorded in the General Fund.

The Town is self-insured for the workers' compensation claims of police officers and firefighters and are paid on a pay-as-you-go basis from the General Fund. The estimated liability for workers' compensation claims is based on history and injury type. The Town's liability is not material at June 30, 2014, and therefore is not reported.

The Town is self-insured for unemployment compensation. During year 2014, the Town appropriated \$112,000 to provide for anticipated costs of unemployment benefits. During year 2014, claims related to unemployment compensation totaled \$39,000. The liability for unemployment compensation was not material at June 30, 2014, and therefore is not reported.

NOTE 12 – STABILIZATION FUND

The Town has \$2.7 million in a stabilization fund classified as part of the general fund in the governmental funds financial statements. The stabilization fund may be used for general and/or capital purposes upon Town Meeting approval. During year 2014, the stabilization fund earned investment income of approximately \$4,900.

NOTE 13 – 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 year 2014, the Town contributed approximately \$2.5 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.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

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.....	\$	4,737,069
Interest on net OPEB obligation.....		937,054
Amortization of net OPEB obligation.....		<u>(721,959)</u>
Annual OPEB cost (expense).....		4,952,164
Contributions made.....		<u>(2,504,494)</u>
Increase/(Decrease) in net OPEB obligation.....		2,447,670
Net OPEB obligation-beginning of year.....		<u>17,848,642</u>
Net OPEB obligation-end of year.....	\$	<u>20,296,312</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for years 2012, 2013 and 2014 were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 4,952,164	51%	\$ 20,296,312
6/30/2013	5,240,423	36%	17,848,642
6/30/2012	4,966,914	35%	14,492,233

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

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

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

In the June 30, 2013 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. Plan membership includes 421 active members and 400 retirees, beneficiaries and dependents. The

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

actuarial assumptions included a discount rate of 5.25%; a 7.75% asset rate of return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date; and an annual healthcare cost trend rate of 7.5% initially, graded to 5.0% inflation rate over 5 years; and a 6.0% increase per year in the part B premium trend rate. The 5.25% partially funded discount rate is based on the blending of a funded discount rate of 7.75% and a pay-as-you-go discount rate of 4.00%. The UAAL is being amortized over a 30 year open period using a level percentage of projected payroll with amortization payments increasing at 4.0% per year. The asset valuation method used is market value. The remaining amortization period at June 30, 2014 is 30 years.

NOTE 14 – COMMITMENTS

University Station Project

University Station, the Town's high profile commercial development project, significantly advanced in 2014. The project is scheduled to include over two million square feet of new mixed use development including residential, commercial, hotel, office, and retail components. The developer demolished all the existing structures and completed the installation of all utilities and layouts of the new road systems. At year end, construction of residential and retail units is well under way. Retail openings are scheduled to occur in the spring of 2015. Advancement of this project will significantly enhance the Town's tax base.

NOTE 15 – 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, 2014, 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, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2014.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During year 2014, the following GASB pronouncements were implemented:

- GASB Statement #65, Items Previously Reported as Assets and Liabilities. Financial statement changes include the presentation of deferred outflows and inflows in the Statement of Net Position and Balance Sheet. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- GASB Statement #70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The implementation of this pronouncement did not impact the basic financial statements.

Comprehensive Annual Financial Report

Notes to Basic Financial Statements

Year Ended June 30, 2014

The following GASB pronouncements will be implemented in future years:

- The GASB issued Statement #67, *Financial Reporting for Pension Plans*, which is required to be implemented in 2015.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in 2015.
- The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is required to be implemented simultaneously with GASB Statement #68 in 2015.

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

Required Supplementary Information

Required Supplementary Information

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General Fund Budgetary Comparison Schedule

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

General Fund Budgetary Comparison Schedule

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 58,848,611	\$ 58,848,611	\$ 58,923,432	\$ -	\$ 74,821
Motor vehicle excise taxes.....	2,135,000	2,135,000	2,844,489	-	709,489
University Station mitigation funds.....	-	4,400,000	4,400,000	-	-
University Station permits.....	-	925,000	925,000	-	-
Penalties and interest on taxes.....	80,000	80,000	118,681	-	38,681
Fees and rentals.....	222,000	222,000	341,562	-	119,562
Licenses and permits.....	372,000	372,000	643,568	-	271,568
Fines and forfeitures.....	10,000	10,000	18,587	-	8,587
Intergovernmental.....	6,527,532	6,688,976	6,691,199	-	2,223
Departmental and other.....	233,000	233,000	298,525	-	65,525
Investment income.....	40,000	40,000	25,929	-	(14,071)
TOTAL REVENUES.....	68,468,143	73,954,587	75,230,972	-	1,276,385
EXPENDITURES:					
SELECTMEN					
Salaries.....	421,009	431,262	431,210	-	52
Expenditures.....	47,668	47,668	45,321	653	1,694
TOTAL.....	468,677	478,930	476,531	653	1,746
FINANCE COMMISSION					
Salaries.....	39,308	56,889	56,878	-	11
Expenditures.....	21,763	21,763	21,333	-	430
TOTAL.....	61,071	78,652	78,211	-	441
ACCOUNTING					
Salaries.....	198,689	204,522	198,946	-	5,576
Expenditures.....	5,500	5,500	3,021	-	2,479
TOTAL.....	204,189	210,022	201,967	-	8,055
AUDIT-SCHOOL & MUNICIPAL FINANCIALS					
Professional Services.....	57,750	57,750	49,505	-	8,245
ASSESSORS					
Salaries.....	184,156	187,512	183,907	-	3,605
Expenditures.....	21,120	21,120	16,525	4,232	363
TOTAL.....	205,276	208,632	200,432	4,232	3,968
TREASURER					
Salaries.....	97,797	97,797	88,714	-	9,083
Expenditures.....	12,250	12,250	9,185	-	3,065
TOTAL.....	110,047	110,047	97,899	-	12,148
COLLECTOR					
Salaries.....	107,349	109,272	109,260	-	12
Expenditures.....	74,900	74,900	73,310	-	1,590
TOTAL.....	182,249	184,172	182,570	-	1,602
LEGAL					
Salaries.....	91,113	93,465	93,464	-	1
Expenditures.....	103,500	103,500	95,483	4,151	3,866
TOTAL.....	194,613	196,965	188,947	4,151	3,867

(Continued)

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PERSONNEL BOARD					
Salaries.....	165,693	168,720	168,530	-	190
Expenditures.....	8,400	8,400	5,990	-	2,410
TOTAL.....	174,093	177,120	174,520	-	2,600
INFORMATION SYSTEMS					
Salaries.....	251,701	257,583	256,541	-	1,042
Expenditures.....	262,785	262,785	261,182	1,402	201
TOTAL.....	514,486	520,368	517,723	1,402	1,243
TOWN CLERK					
Salaries.....	139,085	141,810	134,326	-	7,484
Expenditures.....	55,500	55,500	36,059	152	19,289
TOTAL.....	194,585	197,310	170,385	152	26,773
CONSERVATION COMMISSION					
Salaries.....	45,223	46,055	45,110	-	945
Expenditures.....	7,862	7,862	1,611	5,184	1,067
TOTAL.....	53,085	53,917	46,721	5,184	2,012
PLANNING BOARD					
Salaries.....	107,264	108,449	97,772	-	10,677
Expenditures.....	3,050	3,050	2,011	-	1,039
TOTAL.....	110,314	111,499	99,783	-	11,716
ZONING BOARD OF APPEALS					
Salaries.....	26,981	27,478	26,608	-	870
Expenditures.....	1,867	1,867	556	-	1,311
TOTAL.....	28,828	29,345	27,164	-	2,181
ECONOMIC DEVELOPMENT TASK FORCE					
Salaries.....	105,849	65,849	64,113	-	1,736
Expenditures.....	2,000	42,000	1,805	40,000	195
TOTAL.....	107,849	107,849	65,918	40,000	1,931
OUTSIDE PROFESSIONAL SERVICES					
Expenditures.....	40,000	40,000	28,447	11,000	553
MASS HOUSING PARTNERSHIP/ HOUSING AUTHORITY					
Salaries.....	23,400	24,405	23,507	-	898
Expenditures.....	1,000	1,000	979	-	21
	24,400	25,405	24,486	-	919
OFFICE COMMUNICATIONS					
Expenditures.....	130,000	130,000	129,745	43	212
TRAINING					
Expenditures.....	6,750	6,750	5,000	-	1,750
CHARTER COMMISSION					
Expenditures.....	25,000	25,000	24,970	-	30
Total General Government.....	2,893,262	2,949,733	2,790,924	66,817	91,992

(Continued)

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PUBLIC SAFETY					
POLICE DEPARTMENT					
Salaries.....	2,855,372	2,955,499	2,955,426	-	73
Expenditures.....	222,685	222,685	222,374	-	311
TOTAL.....	3,078,057	3,178,184	3,177,800	-	384
ANIMAL CONTROL					
Salaries.....	47,638	48,499	48,471	-	28
Expenditures.....	7,750	7,750	4,403	-	3,347
TOTAL.....	55,388	56,249	52,874	-	3,375
CROSSING GUARDS					
Salaries.....	107,064	107,064	106,341	-	723
Expenditures.....	4,900	4,900	2,366	-	2,534
TOTAL.....	111,964	111,964	108,707	-	3,257
FIRE DEPARTMENT					
Salaries.....	2,862,486	2,950,541	2,854,211	88,399	7,931
Expenditures.....	186,075	186,075	185,198	-	877
TOTAL.....	3,048,561	3,136,616	3,039,409	88,399	8,808
BUILDING INSPECTION					
Salaries.....	269,904	274,933	268,878	-	6,055
Expenditures.....	34,025	34,025	23,414	-	10,611
TOTAL.....	303,929	308,958	292,292	-	16,666
CIVIL DEFENSE.....					
	2,000	2,000	1,956	-	44
Total Public Safety.....	6,599,899	6,793,971	6,673,038	88,399	32,534
EDUCATION					
PUBLIC SCHOOLS					
Salaries and expenditures.....	37,205,300	37,352,158	36,152,531	1,193,911	5,716
BLUE HILLS REGIONAL.....					
	101,646	101,646	101,646	-	-
Total Education.....	37,306,946	37,453,804	36,254,177	1,193,911	5,716

(Continued)

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
PUBLIC WORKS					
DEPARTMENT OF PUBLIC WORKS					
Salaries.....	1,524,801	1,677,689	1,622,836	26,726	28,127
Expenditures.....	477,970	477,970	471,656	24	6,290
TOTAL.....	2,002,771	2,155,659	2,094,492	26,750	34,417
BUILDING MAINTENANCE					
Expenditures.....	646,729	646,729	644,239	778	1,712
MUNICIPAL & SCHOOL FIELD MAINTENANCE					
Expenditures.....	114,000	114,000	113,291	-	709
SNOW & ICE					
Expenditures.....	250,000	630,000	589,871	-	40,129
STREET LIGHTING					
Expenditures.....	140,000	140,000	105,797	-	34,203
WASTE/COLLECTION/DISPOSAL					
Expenditures.....	1,180,000	1,180,000	1,180,000	-	-
Total Public Works.....	4,333,500	4,866,388	4,727,690	27,528	111,170
HEALTH AND HUMAN SERVICES					
HEALTH DIVISION					
Salaries.....	209,687	215,637	211,520	-	4,117
Expenditures.....	8,973	8,973	8,254	-	719
TOTAL.....	218,660	224,610	219,774	-	4,836
OUTSIDE HEALTH AGENCIES.....					
	13,416	13,416	12,226	-	1,190
DISABILITY COMMISSION					
Expenditures.....	500	500	-	-	500
COUNCIL ON AGING					
Salaries.....	230,189	237,515	235,579	-	1,936
Expenditures.....	25,285	25,285	18,056	247	6,982
TOTAL.....	255,474	262,800	253,635	247	8,918
YOUTH COMMISSION					
Salaries.....	180,933	185,154	178,673	-	6,481
Expenditures.....	15,441	15,441	11,628	1,793	2,020
TOTAL.....	196,374	200,595	190,301	1,793	8,501
VETERANS SERVICES					
Salaries.....	28,349	28,815	25,913	-	2,902
Expenditures.....	88,800	88,800	62,067	-	26,733
TOTAL.....	117,149	117,615	87,980	-	29,635
Total Health and Human Services.....	801,573	819,536	763,916	2,040	53,580

(Continued)

Comprehensive Annual Financial Report

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Original Budget	Final Budget			
CULTURE AND RECREATION					
RECREATION					
Salaries.....	267,235	272,153	269,864	-	2,289
Expenditures.....	38,784	38,784	38,781	-	3
TOTAL.....	306,019	310,937	308,645	-	2,292
PUBLIC LIBRARY					
Salaries.....	833,756	851,530	851,177	-	353
Expenditures.....	231,546	231,546	222,428	5,856	3,262
Lost Books.....	1,500	1,500	1,010	25	465
TOTAL.....	1,066,802	1,084,576	1,074,615	5,881	4,080
MEMORIAL DAY					
Expenditures.....	10,675	10,675	8,774	-	1,901
Total Culture and Recreation.....	1,383,496	1,406,188	1,392,034	5,881	8,273
PENSION BENEFITS					
Contributory Pension.....	2,865,520	2,865,520	2,865,520	-	-
Non-Contributory Pension.....	33,000	33,000	32,919	-	81
Total Pension Benefits.....	2,898,520	2,898,520	2,898,439	-	81
INSURANCE					
General Liability.....	402,000	342,000	290,897	-	51,103
UNIVERSITY STATION.....	-	5,325,000	902,343	4,422,657	-
CAPITAL OUTLAY.....	2,355,998	2,457,968	1,437,805	1,009,072	11,121
EMPLOYEE BENEFITS.....	6,963,368	6,963,368	6,574,999	1,028	387,341
RESERVE FUND.....	882,000	425,000	-	-	425,000
STATE AND COUNTY ASSESSMENTS.....	580,817	580,817	574,743	-	6,074
DEBT SERVICE PRINCIPAL.....	3,890,000	3,890,000	3,740,000	-	150,000
DEBT SERVICE INTEREST.....	1,236,338	1,236,338	1,236,197	-	141
TOTAL EXPENDITURES.....	72,527,717	78,408,661	70,257,202	6,817,333	1,334,126
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,059,574)	(4,454,074)	4,973,770	(6,817,333)	2,610,511
OTHER FINANCING SOURCES (USES):					
Transfers in.....	978,606	1,087,606	1,087,606	-	-
Transfers out.....	(100,000)	(100,000)	(100,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	878,606	987,606	987,606	-	-
NET CHANGE IN FUND BALANCE.....	(3,180,968)	(3,466,468)	5,961,376	(6,817,333)	2,610,511
BUDGETARY FUND BALANCE, Beginning of year.....	7,776,144	7,776,144	7,776,144	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 4,595,176	\$ 4,309,676	\$ 13,737,520	\$ (6,817,333)	\$ 2,610,511

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.

Retirement System Schedules

Comprehensive Annual Financial Report

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)
01/01/12	\$ 608,235,096	\$ 1,128,960,288	\$ 520,725,192	53.9%	\$ 229,095,409	227.3%
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, 2012, is approximately 6.44%.

See notes to required supplementary information.

Comprehensive Annual Financial Report

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
2013	\$ 44,800,000	\$ 44,800,000	100%	\$ 2,865,520	6.40%
2012	42,714,639	42,714,639	100%	2,749,247	6.44%
2011	41,206,587	41,206,587	100%	2,619,736	6.36%
2010	39,749,857	39,749,857	100%	2,417,220	6.08%
2009	38,920,499	38,920,499	100%	2,329,423	5.99%
2008	33,104,903	33,104,903	100%	2,135,190	6.45%
2007	32,877,890	32,877,890	100%	1,852,100	5.63%
2006	31,755,708	31,755,708	100%	1,810,830	5.70%
2005	28,238,996	28,238,996	100%	1,590,774	5.63%

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

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

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.

Comprehensive Annual Financial Report

OTHER POSTEMPLOYMENT BENEFITS PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2013	\$ 612,433	\$ 56,528,705	\$ 55,916,272	1%	\$ 40,499,858	138.1%
6/30/2011	-	59,054,291	59,054,291	0%	37,620,046	157.0%
6/30/2009	-	49,334,499	49,334,499	0%	39,100,816	126.2%
7/1/2006	-	53,091,156	53,091,156	0%	29,437,171	180.4%

Schedule of Employer Contributions

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

See notes to required supplementary information.

Comprehensive Annual Financial Report

OTHER POSTEMPLOYMENT BENEFITS PLAN ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

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

Actuarial Assumptions:

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

Plan Membership:

Current retirees, beneficiaries, and dependents.....	400
Current active members.....	<u>421</u>
 Total.....	 <u>821</u>

See notes to required supplementary information.

Comprehensive Annual Financial Report

Notes to Required Supplementary Information

Year Ended June 30, 2014

NOTE A – BUDGETARY BASIS OF ACCOUNTING

Notes to Required Supplementary Information

1. Budgetary Information

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

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

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original year 2014 approved budget for the General Fund authorized approximately \$70 million in appropriations and other amounts to be raised and \$2.3 million in encumbrances and appropriations carried over from previous years. During year 2014, the Town increased the original budget by \$5.9 million, which was primarily due to the appropriation of \$5.3 million in mitigation and permit funds received from the University Station project which are appropriated for project mitigation costs and unspent appropriations have been reserved in the general fund for capital outlay.

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

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts (Commonwealth)) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the General Fund for the year ended June 30, 2014, is presented below:

Comprehensive Annual Financial Report

Notes to Required Supplementary Information

Year Ended June 30, 2014

Net change in fund balance - budgetary basis.....	\$ 5,961,376
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	104,878
<u>Basis of accounting differences:</u>	
Net change in recording 60-day receipts accrual.....	(5,303)
Net change in expenditure accruals.....	(15,349)
Recognition of revenue for on-behalf payments.....	6,458,161
Recognition of expenditures for on-behalf payments.....	<u>(6,458,161)</u>
Net change in fund balance - GAAP basis.....	\$ <u>6,045,602</u>

NOTE B – PENSION PLAN

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

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

Comprehensive Annual Financial Report

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

Actuarial Methods and Assumptions:

Valuation Date.....	January 1, 2012
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, 2012
Asset Valuation Method.....	The actuarial value of assets is determined using five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.

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.....	2,613
Inactive participants.....	2,154
Disabled.....	328
Active participants.....	<u>5,008</u>
Total.....	<u><u>10,103</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

Other Supplementary Information

Combining and Individual Fund Statements and Schedules

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

Capital Projects Funds

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

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

Permanent Funds

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

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

Comprehensive Annual Financial Report

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

JUNE 30, 2014

	Special Revenue Funds							Sub-total
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	
ASSETS								
Cash and cash equivalents.....	\$ 91,805	\$ 696,940	\$ 2,655,430	\$ 828,006	\$ 3,023,696	\$ 80,132	\$ 825	\$ 7,376,834
Investments.....	-	-	-	-	-	-	-	-
Receivables, net of uncollectibles:								
Departmental and other.....	-	119,188	-	-	-	-	-	119,188
Intergovernmental.....	-	-	-	-	-	-	1,221,781	1,221,781
TOTAL ASSETS.....	\$ 91,805	\$ 816,128	\$ 2,655,430	\$ 828,006	\$ 3,023,696	\$ 80,132	\$ 1,222,606	\$ 8,717,803
LIABILITIES								
Warrants payable.....	\$ 2,320	\$ -	\$ 39,976	\$ 8,034	\$ 86,875	\$ -	\$ -	\$ 137,205
Accrued payroll.....	-	-	-	-	8,840	-	-	8,840
TOTAL LIABILITIES.....	2,320	-	39,976	8,034	95,715	-	-	146,045
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenues.....	-	119,188	-	-	-	-	1,221,781	1,340,969
FUND BALANCES								
Nonspendable.....	-	-	-	-	-	-	-	-
Restricted.....	89,485	696,940	2,615,454	819,972	2,927,981	80,132	825	7,230,789
TOTAL FUND BALANCES.....	89,485	696,940	2,615,454	819,972	2,927,981	80,132	825	7,230,789
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES...	\$ 91,805	\$ 816,128	\$ 2,655,430	\$ 828,006	\$ 3,023,696	\$ 80,132	\$ 1,222,606	\$ 8,717,803

(Continued)

Comprehensive Annual Financial Report

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	
\$ 355,291	\$ 87,649	\$ 860,246	\$ 1,303,186	\$ 374,282	\$ 55,773	\$ 430,055	\$ 9,110,075
-	-	-	-	-	19,681	19,681	19,681
-	-	-	-	-	-	-	119,188
-	-	-	-	-	-	-	1,221,781
<u>\$ 355,291</u>	<u>\$ 87,649</u>	<u>\$ 860,246</u>	<u>\$ 1,303,186</u>	<u>\$ 374,282</u>	<u>\$ 75,454</u>	<u>\$ 449,736</u>	<u>\$ 10,470,725</u>
\$ 299,285	\$ 64,300	\$ 5,520	\$ 369,105	\$ -	\$ -	\$ -	\$ 506,310
-	-	-	-	-	-	-	8,840
<u>299,285</u>	<u>64,300</u>	<u>5,520</u>	<u>369,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,150</u>
-	-	-	-	-	-	-	1,340,969
-	-	-	-	349,547	-	349,547	349,547
<u>56,006</u>	<u>23,349</u>	<u>854,726</u>	<u>934,081</u>	<u>24,735</u>	<u>75,454</u>	<u>100,189</u>	<u>8,265,059</u>
<u>56,006</u>	<u>23,349</u>	<u>854,726</u>	<u>934,081</u>	<u>374,282</u>	<u>75,454</u>	<u>449,736</u>	<u>8,614,606</u>
<u>\$ 355,291</u>	<u>\$ 87,649</u>	<u>\$ 860,246</u>	<u>\$ 1,303,186</u>	<u>\$ 374,282</u>	<u>\$ 75,454</u>	<u>\$ 449,736</u>	<u>\$ 10,470,725</u>

(Concluded)

Comprehensive Annual Financial Report

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2014

	Special Revenue Funds							
	School Lunch	Ambulance	Departmental Grants/ Other Revolving	Educational Grants	Educational Revolving	Expendable Governmental Trusts	Highway Improvement	Sub-total
REVENUES:								
Charges for services.....	\$ 956,301	\$ 567,537	\$ 787,972	\$ -	\$ 2,463,005	\$ -	\$ -	\$ 4,774,815
Intergovernmental.....	140,884	-	362,830	2,317,175	-	-	-	2,820,889
Departmental and other.....	-	-	382,823	-	-	-	-	382,823
Contributions.....	-	-	131,512	-	106,285	-	-	237,797
Investment income.....	-	-	-	-	-	152	-	152
TOTAL REVENUES.....	1,097,185	567,537	1,665,137	2,317,175	2,569,290	152	-	8,216,476
EXPENDITURES:								
Current:								
General government.....	-	-	345,122	-	-	-	-	345,122
Public safety.....	-	-	193,347	-	-	24,929	-	218,276
Education.....	1,089,828	-	-	2,289,611	2,985,846	-	-	6,365,285
Public works.....	-	-	169,728	-	-	-	121,825	291,553
Human services.....	-	-	48,586	-	-	-	-	48,586
Culture and recreation.....	-	-	742,540	-	-	-	-	742,540
TOTAL EXPENDITURES.....	1,089,828	-	1,499,323	2,289,611	2,985,846	24,929	121,825	8,011,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	7,357	567,537	165,814	27,564	(416,556)	(24,777)	(121,825)	205,114
OTHER FINANCING SOURCES (USES):								
Proceeds from bonds and notes.....	-	-	-	-	-	-	-	-
Transfers out.....	-	(665,500)	(130,128)	-	-	-	-	(795,628)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(665,500)	(130,128)	-	-	-	-	(795,628)
NET CHANGE IN FUND BALANCES.....	7,357	(97,963)	35,686	27,564	(416,556)	(24,777)	(121,825)	(590,514)
FUND BALANCES AT BEGINNING OF YEAR.....	82,128	794,903	2,579,768	792,408	3,344,537	104,909	122,650	7,821,303
FUND BALANCES AT END OF YEAR.....	\$ 89,485	\$ 696,940	\$ 2,615,454	\$ 819,972	\$ 2,927,981	\$ 80,132	\$ 825	\$ 7,230,789

(Continued)

Comprehensive Annual Financial Report

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,774,815
-	-	425,374	425,374	-	-	-	3,246,263
-	-	-	-	-	-	-	382,823
-	-	531,000	531,000	13,325	-	13,325	782,122
-	-	-	-	36	3,970	4,006	4,158
-	-	956,374	956,374	13,361	3,970	17,331	9,190,181
-	-	-	-	-	-	-	345,122
-	-	-	-	-	-	-	218,276
-	12,343	-	12,343	-	-	-	6,377,628
1,857,734	-	358,673	2,216,407	-	-	-	2,507,960
-	-	-	-	-	-	-	48,586
-	-	716,280	716,280	-	116,321	116,321	1,575,141
1,857,734	12,343	1,074,953	2,945,030	-	116,321	116,321	11,072,713
(1,857,734)	(12,343)	(118,579)	(1,988,656)	13,361	(112,351)	(98,990)	(1,882,532)
900,000	-	500,000	1,400,000	-	-	-	1,400,000
-	-	-	-	(1,000)	-	(1,000)	(796,628)
900,000	-	500,000	1,400,000	(1,000)	-	(1,000)	603,372
(957,734)	(12,343)	361,421	(588,656)	12,361	(112,351)	(99,990)	(1,279,160)
1,013,740	35,692	473,305	1,522,737	361,921	187,805	549,726	9,893,766
\$ 56,006	\$ 23,349	\$ 854,726	\$ 934,081	\$ 374,282	\$ 75,454	\$ 449,736	\$ 8,614,606

(Concluded)

Agency Fund

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.

Comprehensive Annual Financial Report

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2014

	July 1, 2013	Additions	Deletions	June 30, 2014
ASSETS				
Cash and cash equivalents.....	\$ 694,070	\$ 1,115,380	(1,065,239)	\$ 744,211
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	80,233	672,982	(664,213)	89,002
TOTAL ASSETS	\$ 774,303	\$ 1,788,362	\$ (1,729,452)	\$ 833,213
LIABILITIES				
Warrants payable.....	\$ 1,015	\$ 25	\$ (1,015)	\$ 25
Liabilities due depositors - Student Activities.....	201,350	416,813	(396,623)	221,540
Liabilities due depositors - Planning Deposits.....	571,938	1,371,524	(1,331,814)	611,648
TOTAL LIABILITIES	\$ 774,303	\$ 1,788,362	\$ (1,729,452)	\$ 833,213

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Statistical Section

*Ten Year History of the Following
Major Categories:*

*Expenditures
Revenues
Property Tax Collections
Debt*

Town Demographics and Economic Information

General Information



Westwood Town Hall

Statistical Section

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.

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts

Net Position By Component

Last Ten Years

	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Invested in capital assets.....	\$ 95,230,650	\$ 98,408,025	\$ 98,291,275	\$ 98,219,632	\$ 97,986,113	\$ 97,375,492	\$ 99,380,376	\$ 99,367,799	\$ 96,462,678	\$ 95,611,881
Restricted.....	2,040,497	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,906,455	1,655,112
Unrestricted.....	6,906,276	7,056,149	6,676,163	8,255,277	4,689,882	2,354,269	1,827,050	60,536	(125,175)	3,536,500
Total governmental activities net position.....	\$ 104,177,423	\$ 107,428,498	\$ 107,427,878	\$ 108,897,180	\$ 105,267,371	\$ 101,901,794	\$ 102,943,277	\$ 101,306,568	\$ 98,143,958	\$ 100,803,493
Business-type activities:										
Invested in capital assets, net of related debt.....	13,031,429	13,291,362	13,471,826	13,521,282	13,678,560	13,318,644	12,996,106	12,371,623	12,309,207	11,776,682
Unrestricted.....	3,125,801	3,151,996	3,067,928	3,813,896	3,620,615	3,871,320	4,228,836	4,558,778	4,072,081	3,983,784
Total business-type activities net position.....	\$ 16,157,230	\$ 16,443,358	\$ 16,539,754	\$ 17,335,178	\$ 17,299,175	\$ 17,189,964	\$ 17,226,942	\$ 16,930,401	\$ 16,381,288	\$ 15,760,466
Primary government:										
Invested in capital assets.....	108,262,079	111,699,387	111,763,101	111,740,914	111,664,673	110,684,136	112,378,482	111,739,422	108,771,885	107,368,563
Restricted.....	2,040,497	1,964,324	2,460,440	2,422,271	2,591,376	2,172,033	1,735,851	1,878,233	1,906,455	1,655,112
Unrestricted.....	10,032,077	10,206,145	9,744,691	12,068,173	8,310,487	6,225,589	6,035,686	4,919,314	3,946,908	7,520,284
Total primary government net position.....	\$ 120,334,653	\$ 123,871,856	\$ 123,967,832	\$ 126,232,358	\$ 122,566,546	\$ 119,091,758	\$ 120,170,219	\$ 118,236,969	\$ 114,525,246	\$ 116,565,959

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts

Changes in Net Position

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities										
General and special services	\$ 3,637,013	\$ 4,560,919	\$ 6,776,348	\$ 8,392,072	\$ 7,884,566	\$ 4,745,566	\$ 4,670,650	\$ 5,135,896	\$ 6,161,269	\$ 4,957,812
Public safety	6,786,870	6,881,974	7,571,007	7,851,059	8,490,129	8,490,129	8,969,889	9,391,010	9,726,529	10,215,841
Education	37,194,249	40,436,635	41,522,952	45,662,795	52,088,397	52,300,467	52,489,520	54,472,071	57,774,467	58,003,584
Health and human services	1,186,712	6,870,105	6,625,111	7,150,312	7,037,311	7,423,618	7,472,616	7,200,462	8,379,487	8,507,259
Human services	769,618	676,238	844,429	833,885	942,357	1,052,991	1,047,144	1,157,238	1,218,884	1,138,997
Police and fire	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Interest	2,280,112	2,115,074	1,960,558	1,983,600	1,692,305	1,759,463	1,475,733	1,542,158	2,116,381	1,127,383
Total government activities expenses	\$ 59,490,783	\$ 62,308,683	\$ 65,687,170	\$ 74,092,311	\$ 80,992,614	\$ 78,043,388	\$ 74,696,034	\$ 81,289,490	\$ 97,249,632	\$ 89,352,892
Business-type activities										
Sewer	\$ 3,670,664	\$ 3,472,603	\$ 3,484,291	\$ 3,724,483	\$ 3,761,813	\$ 3,670,668	\$ 3,663,246	\$ 4,149,246	\$ 3,913,702	\$ 4,135,251
Total primary government expenses	\$ 63,161,347	\$ 65,781,156	\$ 70,631,981	\$ 77,827,094	\$ 84,754,327	\$ 81,713,889	\$ 82,150,180	\$ 85,438,906	\$ 91,163,325	\$ 93,667,693
Program Revenues										
Education charges for services	\$ 1,570,991	\$ 2,296,074	\$ 2,281,278	\$ 2,448,852	\$ 2,187,026	\$ 2,360,978	\$ 2,384,462	\$ 2,455,708	\$ 2,444,072	\$ 2,463,005
Public safety charges for services	1,117,709	878,855	1,032,522	1,208,295	1,208,295	1,044,513	1,217,831	1,177,894	1,414,033	1,370,025
Health and human services	10,538,810	11,296,009	11,341,658	13,097,600	15,435,834	14,179,816	14,570,871	14,155,121	14,817,537	22,271,886
Operating grants and contributions	206,689	3,890,753	255,634	495,154	495,440	418,885	2,752,205	1,110,679	882,063	1,474,688
Total government activities program revenues	\$ 14,331,728	\$ 20,986,148	\$ 19,010,166	\$ 23,260,448	\$ 24,176,393	\$ 19,832,664	\$ 22,611,150	\$ 20,801,116	\$ 22,516,541	\$ 26,163,625
Business-type activities										
Operating grants and contributions	\$ 3,602,719	\$ 3,862,173	\$ 3,788,725	\$ 4,279,856	\$ 3,623,988	\$ 3,796,883	\$ 3,898,027	\$ 3,677,221	\$ 3,525,289	\$ 3,271,778
Operating grants and contributions	174,094	76,158	72,022	200,163	54,547	45,563	31,638	31,638	85,164	32,115
Capital grant and contributions	-	-	57,688	57,688	47,675	96,182	40,912	222,624	45,115	4,518
Total business-type activities program revenues	\$ 3,776,813	\$ 3,788,313	\$ 3,860,347	\$ 4,529,307	\$ 3,726,110	\$ 3,852,205	\$ 3,961,562	\$ 3,961,483	\$ 3,655,568	\$ 3,306,402
Total primary government program revenues	\$ 17,808,541	\$ 23,654,479	\$ 22,870,513	\$ 27,789,755	\$ 27,892,503	\$ 23,684,869	\$ 26,592,652	\$ 24,732,606	\$ 26,171,809	\$ 29,669,932
Net (Expense)/Program Revenue	\$ (43,199,844)	\$ (40,253,294)	\$ (47,077,004)	\$ (50,052,283)	\$ (58,116,121)	\$ (58,210,249)	\$ (53,884,464)	\$ (60,488,144)	\$ (64,733,491)	\$ (60,352,977)
Governmental activities	(60,821)	(88,152)	(80,882)	(76,824)	(80,683)	(81,197)	(87,856)	(80,683)	(88,152)	(80,821)
Business-type activities	(43,203,555)	(40,253,555)	(47,206,166)	(50,096,459)	(58,035,438)	(58,129,052)	(53,802,607)	(60,407,467)	(64,645,339)	(60,272,156)
General Revenues and other Changes in Net Position										
Governmental activities										
Real estate and personal property taxes	\$ 42,800,116	\$ 41,634,700	\$ 43,748,150	\$ 48,293,649	\$ 49,281,536	\$ 51,482,011	\$ 53,365,772	\$ 55,088,302	\$ 57,531,776	\$ 59,098,869
Motor vehicle excise taxes	2,491,439	2,138,634	2,236,316	2,243,216	2,164,294	2,152,241	2,408,095	2,335,496	2,591,759	2,770,841
Privileges and interest on taxes	80,853	55,045	67,239	96,070	95,849	105,602	122,486	294,092	180,465	118,681
Grants and contributions not refunded to specific programs	703,263	789,487	945,762	962,617	862,655	723,159	647,232	748,204	639,072	712,014
Unrefunded investment income	492,355	688,030	707,288	615,900	280,878	111,156	91,604	74,274	45,831	25,209
Miscellaneous	6,810	68,957	68,531	84,833	-	-	-	50,000	290,000	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 46,175,136	\$ 45,653,896	\$ 47,676,384	\$ 52,391,685	\$ 53,186,312	\$ 54,845,147	\$ 55,925,967	\$ 58,851,435	\$ 61,570,781	\$ 63,017,412
Business-type activities										
Transfers	-	-	-	-	-	-	-	-	-	-
Total primary government general revenues and other changes in net position	\$ 46,175,136	\$ 45,653,896	\$ 47,676,384	\$ 52,391,685	\$ 53,186,312	\$ 54,845,149	\$ 55,924,009	\$ 58,965,457	\$ 61,570,803	\$ 62,776,314
Changes in Net Position	\$ 2,975,292	\$ 5,210,288	\$ (2,020)	\$ 1,469,302	\$ (3,029,809)	\$ (3,365,277)	\$ 1,041,483	\$ (1,630,709)	\$ (3,162,610)	\$ 2,669,635
Governmental activities	(60,821)	(88,152)	(80,882)	(76,824)	(80,683)	(81,197)	(87,856)	(80,683)	(88,152)	(80,821)
Business-type activities	2,881,691	5,298,440	5,776	2,946,126	(3,055,126)	(3,474,080)	1,078,461	(1,933,256)	(3,211,222)	2,038,713
Total primary government changes in net position	\$ 2,881,691	\$ 5,298,440	\$ 5,776	\$ 2,946,126	\$ (3,055,126)	\$ (3,474,080)	\$ 1,078,461	\$ (1,933,256)	\$ (3,211,222)	\$ 2,038,713

Comprehensive Annual Financial Report

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Town of Westwood, Massachusetts										
Fund Balances, Governmental Funds										
Last Ten Years										
General Fund										
Committed.....	\$ 919,078	\$ 545,225	\$ 795,859	\$ 1,041,648	\$ 1,450,831	\$ 1,855,781	\$ 1,350,412	\$ 1,518,171	\$ 1,237,464	\$ 5,431,729
Assigned.....	2,845,975	3,111,460	2,383,588	3,148,155	2,939,926	2,347,670	4,568,530	1,172,866	1,085,504	1,385,604
Unassigned.....								5,650,222	7,248,711	8,799,948
Total general fund.....	\$ 3,765,053	\$ 3,656,685	\$ 3,179,447	\$ 4,189,803	\$ 4,390,757	\$ 4,203,451	\$ 6,769,421	\$ 8,241,259	\$ 9,571,679	\$ 15,617,281
All Other Governmental Funds										
Reserved.....	\$ 264,878	\$ 276,663	\$ 292,110	\$ 300,298	\$ 314,274	\$ 325,948	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	5,113,969	5,513,725	5,402,561	6,408,669	6,945,765	6,867,072	-	-	-	-
Capital projects funds.....	(687,108)	735,508	(686,881)	1,661,827	4,536,063	1,356,217	-	-	-	-
Permanent funds.....	96,550	104,165	205,104	214,874	210,344	200,920	-	-	-	-
Nonspendable.....	-	-	-	-	-	-	346,050	346,034	356,034	349,547
Restricted.....	-	-	-	-	-	-	17,769,174	11,629,474	9,886,170	9,006,419
Total all other governmental funds.....	\$ 4,788,289	\$ 6,631,061	\$ 5,212,894	\$ 8,585,468	\$ 12,006,636	\$ 8,750,158	\$ 18,115,224	\$ 12,175,508	\$ 10,242,204	\$ 9,355,966

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

Comprehensive Annual Financial Report

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

	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 42,597,265	\$ 41,656,689	\$ 43,390,323	\$ 48,328,364	\$ 49,655,987	\$ 50,545,249	\$ 53,892,628	\$ 54,944,965	\$ 57,528,131	\$ 58,918,129
Motor vehicle excise taxes.....	2,309,888	2,298,652	2,135,754	2,213,371	2,242,922	2,131,252	2,382,329	2,274,492	2,396,286	2,844,489
Charges to Sponsor.....	3,117,619	3,935,558	4,126,579	4,391,067	4,750,000	4,616,000	4,588,668	4,798,942	4,572,213	4,774,815
University Station mitigation funds.....	-	-	-	-	1,750,000	6,160,000	-	-	-	4,400,000
University Station permits.....	-	-	-	-	-	811,079	-	-	-	925,000
Penalties and interest on taxes.....	60,853	55,045	67,239	96,970	96,949	105,602	122,468	264,092	180,465	118,681
Fees and rentals.....	138,377	159,315	310,687	270,986	251,898	233,430	277,895	321,288	308,533	341,562
Grants.....	18,535	20,233	20,030	18,825	16,962	15,521	15,120	12,807	10,940	18,587
Fines and forfeitures.....	18,535	20,233	20,030	18,825	16,962	15,521	15,120	12,807	10,940	18,587
Intergovernmental.....	11,003,129	18,939,179	14,304,828	15,026,293	15,683,177	15,877,013	18,448,749	17,766,084	15,300,737	16,395,623
Departmental and other.....	512,249	424,170	989,379	1,130,880	982,503	522,101	300,779	898,592	972,687	681,348
Contributions.....	695,000	2,142,230	3,853,037	2,508,971	424,882	424,882	188,734	254,819	1,601,661	1,437,838
Debt.....	168,012	779,475	3,950,927	1,288,407	257,657	257,657	257,657	257,657	211,263	782,162
Investment income.....	462,815	757,241	878,976	768,918	318,976	121,794	99,581	78,141	33,252	34,965
Total Revenue.....	60,929,666	69,763,237	68,982,196	77,837,570	79,281,389	75,961,473	81,357,656	82,241,368	83,800,407	92,316,727
Expenditures:										
General government.....	2,325,420	2,198,819	2,733,190	2,650,320	3,496,046	2,670,152	2,786,584	3,344,297	2,946,533	3,184,539
Public safety.....	5,319,769	5,532,608	5,684,064	6,026,392	6,152,929	5,920,912	6,263,893	6,416,397	6,599,032	7,184,612
Education.....	29,837,234	31,290,271	32,128,154	34,626,723	36,684,935	37,717,356	37,617,889	38,825,806	41,347,249	41,863,435
Public works.....	4,371,327	4,160,299	3,259,828	4,365,544	3,672,775	4,178,898	4,130,176	3,807,414	4,577,562	4,816,935
University Station.....	573,703	2,758,642	4,436,354	2,528,458	488,553	790,298	59,284	131,032	1,847,259	1,802,824
Police.....	691,052	691,052	691,052	691,052	691,052	691,052	691,052	691,052	691,052	691,052
Culture and recreation.....	1,429,902	1,226,874	1,607,006	2,097,742	2,079,125	1,869,701	1,931,934	1,920,615	1,882,096	2,220,889
Pension benefits.....	5,532,520	6,097,190	6,521,911	7,056,488	7,294,027	7,557,081	8,065,478	8,708,603	9,164,381	9,356,600
Property and liability insurance.....	298,824	334,268	335,295	371,053	317,418	278,318	271,221	291,839	325,755	290,897
Employee benefits.....	3,318,828	3,962,780	4,349,031	4,788,339	5,323,520	5,455,428	5,616,358	5,624,542	6,455,097	6,574,999
State and MTRRA assessments.....	866,131	896,953	883,834	974,316	971,769	539,379	531,795	570,404	474,743	474,743
Debt service.....	8,895,360	5,367,991	4,163,245	3,927,736	4,397,254	6,099,662	5,107,949	10,196,260	8,462,815	5,913,248
Principal.....	4,415,000	4,165,000	4,165,000	4,165,000	4,165,000	4,295,000	4,295,000	4,810,000	3,740,000	3,740,000
Interest.....	2,307,778	2,140,218	1,988,359	1,959,070	1,810,846	1,778,034	1,609,598	1,696,931	1,327,341	1,236,197
Total Expenditures.....	69,158,116	68,028,633	71,083,223	72,308,640	79,249,290	79,696,235	79,234,983	87,155,244	89,160,287	89,596,424
Excess of revenues over (under) expenditures.....	(8,208,450)	(1,734,404)	(2,081,027)	528,930	32,099	(3,734,762)	2,122,693	(4,913,876)	(5,818,860)	2,720,303
Other Financing Sources (Uses)										
Issuance of debt.....	-	-	-	3,830,000	3,500,000	-	9,300,000	-	4,635,000	1,400,000
Capital assets.....	-	-	-	-	-	-	-	19,095,000	-	-
Grants.....	-	-	-	-	-	-	-	(21,375,114)	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	110,997	-	-
Payments to refunded bond escrow agents.....	-	-	-	-	90,023	-	217,365	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	-	-	50,000	290,000	-
State of capital assets.....	-	-	-	24,000	-	-	-	-	-	748,933
Capital lease financing.....	1,523,180	543,168	433,677	536,221	676,859	1,598,609	790,140	814,165	1,254,221	1,087,695
Transfers out.....	(1,523,180)	(543,168)	(433,671)	(535,221)	(676,859)	(1,307,631)	(489,162)	(523,187)	(963,243)	(796,628)
Total other financing sources (uses).....	-	-	-	3,854,000	3,590,023	290,978	9,808,343	445,996	5,215,978	2,439,061
Net change in fund balance.....	(8,206,450)	(1,734,404)	(1,895,406)	(4,382,930)	3,622,122	(3,443,764)	11,931,036	(4,467,880)	(602,882)	5,159,364
Debt service as a percentage of noncapital expenditures.....	11.16%	10.06%	9.20%	8.34%	8.45%	8.20%	7.97%	8.46%	6.24%	5.94%

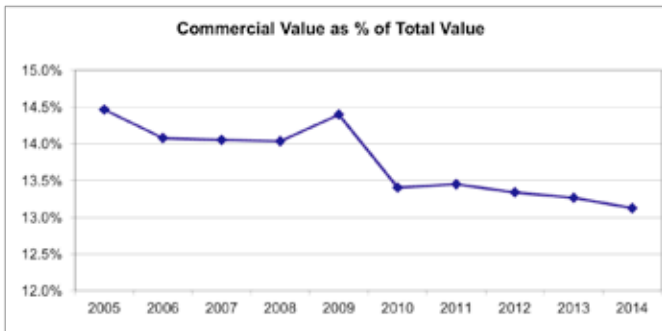
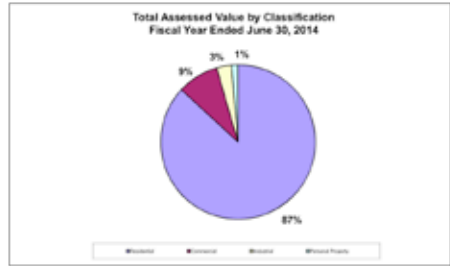
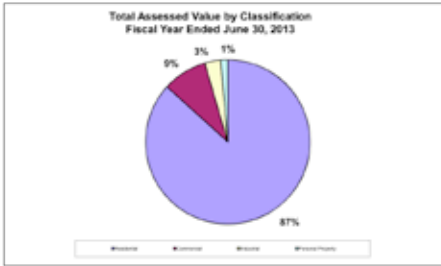
Comprehensive Annual Financial Report

Town of Westwood, Massachusetts

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Direct Tax Rate	Total Town Value
2005	\$2,777,182,391	\$11.97	\$257,451,131	\$175,306,750	\$36,935,683	\$469,693,564	\$20.97	14.5%	\$13.27	\$3,246,875,955
2006 (1)	\$3,135,347,507	\$10.37	\$270,425,345	\$192,667,650	\$50,618,745	\$513,711,740	\$18.85	14.1%	\$11.56	\$3,649,059,247
2007	\$3,147,514,446	\$10.73	\$271,807,104	\$190,849,800	\$51,962,800	\$514,619,704	\$19.81	14.1%	\$12.01	\$3,662,134,150
2008	\$3,175,772,814	\$11.74	\$272,818,535	\$193,747,600	\$51,955,500	\$518,521,635	\$21.67	14.0%	\$13.13	\$3,694,294,449
2009 (1)	\$3,197,768,457	\$12.01	\$325,730,795	\$164,387,500	\$47,764,400	\$537,882,695	\$22.25	14.4%	\$13.48	\$3,735,651,152
2010	\$3,088,616,907	\$13.07	\$313,502,764	\$116,181,450	\$48,381,800	\$478,066,014	\$23.98	13.4%	\$14.53	\$3,566,682,921
2011	\$3,014,069,261	\$13.83	\$303,956,394	\$111,888,000	\$52,502,700	\$468,347,094	\$25.38	13.4%	\$15.38	\$3,482,416,355
2012 (1)	\$3,019,444,695	\$14.48	\$288,952,742	\$116,563,050	\$49,223,000	\$464,738,792	\$26.55	13.3%	\$16.09	\$3,484,183,487
2013	\$3,025,447,435	\$14.89	\$305,246,315	\$110,035,850	\$47,438,500	\$462,720,665	\$27.28	13.3%	\$16.53	\$3,488,168,100
2014	\$3,024,619,084	\$15.40	\$301,008,803	\$108,446,500	\$47,416,300	\$456,871,603	\$28.18	13.1%	\$17.08	\$3,481,490,687



(1) Revaluation year.

Source: Assessor's Department, Town of Westwood

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

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

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

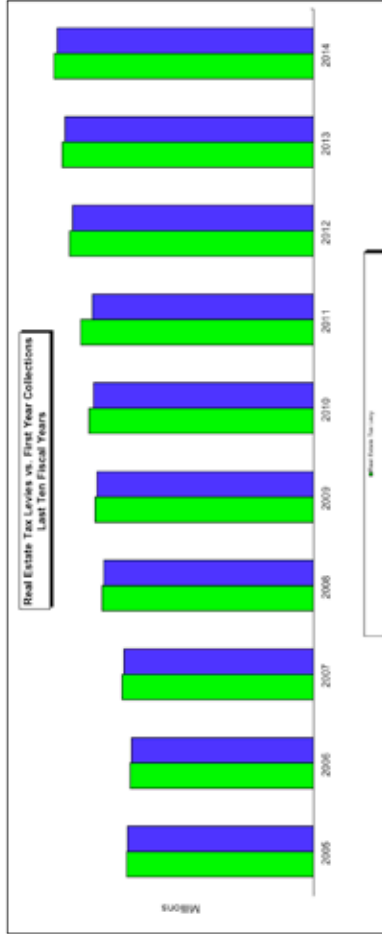
Name	Nature of Business	2014			2005		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Westwood Marketplace Holdings	Office Building/Warehouse	\$ 73,182,600	1	3.4%	-	-	-
Medical Information Tech Inc.	Office Building/Medical Info	\$ 46,641,150	2	2.2%	\$ 50,308,550	3	2.0%
Near Electric Company	Office Building	\$ 46,159,000	3	2.2%	\$ -	-	-
Fossil Village Homeowner Corp.	Residential Community	\$ 77,569,350	4	2.1%	\$ 81,692,650	1	3.0%
GR-Highland/Westwood Glen LP	Residential Community	\$ 44,204,450	5	1.2%	\$ 27,073,400	5	1.0%
LAB CIP 690 Cannon-Str LLC	Office/Research & Development	\$ 17,502,300	6	0.8%	-	-	-
Metropolitan Life Insurance Co.	Office Building	\$ 15,937,750	7	0.6%	-	-	-
Patriate Westwood LLC	Office Building	\$ 11,312,500	8	0.5%	-	-	-
346 University LLC	Office Building	\$ 9,737,100	9	0.5%	-	-	-
Perual Associates LLC	Office Building	\$ 9,279,500	10	0.4%	-	-	-
Boston Edison Company	Office Building	-	-	-	\$ 50,601,960	2	2.0%
Perry and Walker	Office Building/Financial Services	-	-	-	\$ 48,328,400	4	1.0%
Westwood Investors LLC	Office Building/Administration	-	-	-	\$ 21,598,350	6	1.0%
Pizzano, John A. Trustee	Warehouse Storage	-	-	-	\$ 13,275,000	7	0.0%
Clear Limited Partnership	Car Dealership	-	-	-	\$ 10,225,750	8	0.0%
Wells Limited Partnership	Office/Research & Development	-	-	-	\$ 9,852,400	9	0.0%
Slacker Limited Partnership	Office Building	-	-	-	\$ 9,789,600	10	0.0%
	Total	\$351,116,600		14.1%	\$320,725,050		10.0%

Source: Town of Westwood, Assessor Department

Comprehensive Annual Financial Report

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

Year	(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2005	\$43,092,347	\$398,683	\$42,693,664	\$42,455,987	99.44%	\$13,692	\$42,469,679	99.48%
2006	\$42,197,020	\$345,192	\$41,851,828	\$41,549,899	99.28%	\$207,375	\$41,757,274	99.77%
2007	\$43,967,446	\$265,101	\$43,702,345	\$43,236,824	98.93%	\$353,812	\$43,590,636	99.74%
2008	\$48,519,937	\$269,741	\$48,250,196	\$47,964,766	99.20%	\$211,765	\$48,076,521	99.64%
2009	\$50,373,989	\$564,555	\$49,818,534	\$49,413,485	99.20%	\$219,456	\$49,632,941	99.64%
2010	\$51,832,246	\$560,906	\$51,251,340	\$50,187,397	97.92%	\$365,302	\$50,552,699	98.64%
2011	\$53,571,227	\$417,348	\$53,153,879	\$50,453,631	94.92%	\$2,607,354	\$53,060,985	99.63%
2012	\$56,060,374	\$366,520	\$55,693,854	\$55,028,113	98.80%	\$182,965	\$55,211,068	99.13%
2013	\$57,671,932	\$308,035	\$57,363,897	\$56,720,328	98.88%	\$345,210	\$57,065,538	99.48%
2014	\$59,453,776	\$232,373	\$59,221,403	\$58,534,283	98.84%	\$0	\$58,534,283	98.84%



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

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	Governmental Activities Debt							
	Population Estimates	Personal Income	Assessed Value	General Obligation Bonds (2)	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2005	15,229	\$632,810,637	\$3,246,875,955	\$50,255,000	\$ 605,479	\$3,340	8.04%	1.57%
2006	15,418	\$764,022,810	\$3,649,059,247	\$46,090,000	\$ 245,668	\$3,005	6.06%	1.27%
2007	15,485	\$813,383,500	\$3,662,134,150	\$41,925,000	\$ 185,622	\$2,719	5.18%	1.15%
2008	15,648	\$871,262,158	\$3,694,294,449	\$41,590,000	\$ 146,004	\$2,667	4.79%	1.13%
2009	15,680	\$925,426,513	\$3,735,651,152	\$40,575,000	\$ 74,737	\$2,592	4.39%	1.09%
2010	15,715	\$983,141,729	\$3,566,682,921	\$36,280,000	\$ -	\$2,309	3.69%	1.02%
2011	14,618	\$969,383,375	\$3,482,416,355	\$41,290,000	\$ -	\$2,825	4.26%	1.19%
2012	14,618	\$1,027,546,378	\$3,484,183,487	\$36,042,083	\$ -	\$2,466	3.51%	1.03%
2013	14,618	\$1,059,322,606	\$3,488,168,100	\$37,219,166	\$ -	\$2,546	3.51%	1.07%
2014	14,618	\$1,403,985,810	\$3,481,490,687	\$34,801,249	\$ 579,212	\$2,420	2.52%	1.02%

Year	Business-Type Activities (1)						Total Primary Government					
	General Obligation Bonds (2)	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value	General Obligation Bonds (2)	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2005	\$3,854,664	\$ -	\$54,715,143	\$3,593	8.65%	1.69%	\$50,255,000	\$ 605,479	\$3,340	8.04%	1.57%	
2006	\$3,440,498	\$ -	\$49,776,166	\$3,228	6.52%	1.36%	\$46,090,000	\$ 245,668	\$3,005	6.06%	1.27%	
2007	\$3,022,828	\$ -	\$45,133,450	\$2,915	5.55%	1.23%	\$41,925,000	\$ 185,622	\$2,719	5.18%	1.15%	
2008	\$2,600,875	\$ -	\$44,336,879	\$2,833	5.09%	1.20%	\$41,590,000	\$ 146,004	\$2,667	4.79%	1.13%	
2009	\$2,175,125	\$ -	\$42,824,862	\$2,731	4.63%	1.15%	\$40,575,000	\$ 74,737	\$2,592	4.39%	1.09%	
2010	\$1,865,287	\$ -	\$38,145,287	\$2,427	3.88%	1.07%	\$36,280,000	\$ -	\$2,309	3.69%	1.02%	
2011	\$1,550,600	\$ -	\$42,840,600	\$2,931	4.42%	1.23%	\$41,290,000	\$ -	\$2,825	4.26%	1.19%	
2012	\$1,443,200	\$ -	\$37,485,283	\$2,564	3.65%	1.08%	\$36,042,083	\$ -	\$2,466	3.51%	1.03%	
2013	\$1,310,440	\$ -	\$38,529,608	\$2,636	3.64%	1.10%	\$37,219,166	\$ -	\$2,546	3.51%	1.07%	
2014	\$2,661,680	\$ -	\$36,042,141	\$2,602	2.71%	1.09%	\$34,801,249	\$ 579,212	\$2,420	2.52%	1.02%	

(1) Sewer Fund
 (2) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.
 Source: Audited Financial Statements, U. S. Census

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts

Direct and Overlapping Governmental Activities Debt

As of June 30, 2014

<u>Town of Westwood, Massachusetts</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Norfolk County.....	\$ 12,625,000	3.13%	\$ 394,784
Town direct debt.....			<u>34,801,249</u>
Total direct and overlapping debt.....			<u>\$ 35,196,033</u>

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

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

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

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts
Computation of Legal Debt Margin

	Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalized Valuation.....	\$ 3,415,448,600	\$ 3,834,008,100	\$ 3,834,008,100	\$ 3,906,162,100	\$ 3,906,162,100	\$ 3,845,002,400	\$ 3,845,002,400	\$ 3,702,302,900	\$ 3,702,302,900	\$ 3,698,071,400
Debt Limit -5% of Equalized Valuation.....	\$ 170,772,430	\$ 191,700,405	\$ 191,700,405	\$ 195,308,105	\$ 195,308,105	\$ 192,250,120	\$ 192,250,120	\$ 185,115,145	\$ 185,115,145	\$ 184,903,570
Less:										
Outstanding debt applicable to limit.....	\$ 54,109,664	\$ 48,530,498	\$ 44,947,828	\$ 44,190,875	\$ 42,750,125	\$ 38,145,287	\$ 42,840,600	\$ 36,988,200	\$ 37,750,440	\$ 36,761,680
Authorized and unissued debt.....	\$ 7,023,340	\$ 3,445,000	\$ 3,865,000	\$ 4,535,000	\$ 1,150,000	\$ 9,450,000	\$ 910,000	\$ 6,245,000	\$ 2,970,000	\$ -
Legal debt margin.....	\$ 109,639,426	\$ 138,724,907	\$ 142,897,577	\$ 146,582,230	\$ 151,407,980	\$ 144,654,833	\$ 148,499,520	\$ 141,881,945	\$ 144,384,705	\$ 148,141,890
Total debt applicable to the limit as a percentage of debt limit.....	35.80%	27.63%	25.46%	24.95%	22.48%	24.76%	22.76%	23.35%	22.00%	19.88%

Source: Town of Westwood, Finance Department

Town of Westwood, Massachusetts

Demographic and Economic Statistics

Last Ten Years

Year	Personal Income		Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
	Population Estimates	Personal Income				
2005	15,229	\$ 711,940,673	\$ 46,749	41.0	2,867	3.3%
2006	15,418	\$ 764,022,810	\$ 49,554	41.0	2,915	2.7%
2007	15,485	\$ 813,383,500	\$ 52,527	41.0	3,023	3.0%
2008	15,648	\$ 871,262,158	\$ 55,679	41.0	3,008	2.7%
2009	15,680	\$ 925,426,513	\$ 59,020	41.0	3,012	5.7%
2010	15,715	\$ 983,141,729	\$ 62,561	41.0	3,184	6.1%
2011	14,618	\$ 969,383,375	\$ 66,314	41.0	3,180	4.5%
2012	14,618	\$ 1,027,546,378	\$ 70,293	41.0	3,019	4.3%
2013	14,618	\$ 1,059,322,606	\$ 72,467	41.0	3,206	4.1%
2014	14,618	\$ 1,403,985,810	\$ 96,045	41.0	3,213	3.9%

Source: U. S. Census, Division of Local Services

Median age is based on most recent census data

MA Department of Elementary and Secondary Education

School and Town Clerk Departments, Town of Westwood

MA Office of Workforce Development

Comprehensive Annual Financial Report

Principal Employers (excluding Town) Current Year and Nine Years Ago

Employer	Nature of Business	2014			2005		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Nestar	Power Company	1,115	1	17%	1,100	1	12%
State Street Bank	Financial Services	700	2	11%	750	2	8%
Meditech, Inc.	Medical Information	435	3	7%	450	3	5%
New York Life Insurance	Life Insurance	325	4	5%			
Roche Brothers	Supermarkets	280	5	4%	380	4	4%
Tumble, Inc.	Video Games	250	6	4%			
ADE Corporation	Measurement Technology	200	7	3%	300	7	3%
MIB	Medical Information	176	8	3%			
Northrop Grumman	Military Electronics	150	9	2%			
Clair Motors	Car Dealer	111	10	2%			
LTX Corporation	Test Equipment for Computer Components	-	-	-	350	5	4%
RCN	Communications	-	-	-	300	6	3%
General Motors Corp	Auto Parts Distribution	-	-	-	200	8	2%
MIB	Medical Information	-	-	-	200	9	2%
Quebecor	Print Production	-	-	-	130	10	1%

Source: Massachusetts Workplace Development

Comprehensive Annual Financial Report

Town of Westwood, Massachusetts
Full-time Equivalent Town Employees by Function

Function	Last Ten Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government.....	20	20	21	21	22	22	22	22	22	21
Public Safety.....	68	66	69	69	70	70	70	72	72	76
Education.....	396	431	488	493	513	512	476	479	486	501
Public works.....	28	28	28	29	29	29	29	29	30	29
Human services.....	6	6	6	6	6	6	6	9	9	9
Culture and recreation.....	9	9	9	9	10	10	10	13	13	13
Total	527	560	621	627	650	649	613	624	642	649

Source: Town Records

Comprehensive Annual Financial Report

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

Function/Program	Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Population	15,196	15,415	15,485	15,645	15,880	15,544	14,618	14,618	14,618	14,618
Registered Voters, Annual Town Election	8,999	9,323	9,353	9,594	10,040	10,182	9,450	9,500	10,553	10,639
Town Clerk										
Births	152	135	158	143	117	113	94	111	105	110
Marriages	41	53	44	30	42	36	47	73	56	66
Deaths	141	148	145	145	156	163	154	142	162	167
Dogs licensed	1,159	1,000	1,138	1,098	1,239	1,213	1,331	1,382	1,387	1,428
Police										
Documented calls for police services	15,858	15,300	15,903	16,234	12,819	14,464	12,913	12,800	14,089	15,819
Uniform crimes reported	262	214	238	263	237	254	259	191	235	195
Arrests	NA	120	155	153	90	70	89	86	127	139
Traffic citations issued	NA	1,666	2,042	2,583	1,816	2,191	988	1,130	1,666	1,729
Parking tickets issued	356	82	129	74	4	46	14	54	42	172
False burglary alarms	1,245	1,135	1,061	846	829	788	843	912	769	849
Total number of animal complaints	861	621	572	458	467	938	372	415	478	546
Fire										
Inspections	852	839	939	840	716	701	730	779	839	839
Plan reviews	125	56	155	156	75	69	81	77	156	165
Permits/licenses issued	547	498	418	242	362	330	495	524	566	566
Emergency responses	2,793	2,798	2,680	2,767	3,015	2,841	3,039	3,064	2,837	2,862
Building Department										
Permits issued	1,782	1,784	1,962	1,899	1,897	1,601	1,821	1,823	1,935	2,185
Education										
Public school enrollment	2,720	2,867	3,023	3,068	3,034	3,079	3,178	3,213	3,209	3,213
Public Works										
Cemetery										
Lots sold	47	60	36	51	32	54	32	43	70	31
Assests	68	68	62	66	72	76	69	72	51	74
Recycling/Reuse	1,807	1,764	1,656	1,595	1,501	1,329	1,324	1,297	1,439	1,764
Hazardous Waste Day Participants	479	513	335	344	276	292	343	250	187	140
Human Services										
Board of Health										
Permits issued	359	343	354	375	324	317	356	326	376	240
Inspections	427	426	505	422	431	321	300	288	284	210
Council on Aging										
Home delivered meals served	14,625	15,888	16,603	16,576	16,878	16,888	16,638	16,484	16,528	16,505
Medical-van trips	2,945	2,347	4,162	7,501	6,088	8,422	6,876	7,025	7,132	7,098
Literacy										
Volumes in collection	119,325	109,304	111,640	120,148	115,214	111,114	115,131	115,131	126,680	143,913
Circulation	247,321	243,811	235,964	242,464	265,772	288,241	280,422	277,941	192,958	207,582
Program attendance	14,607	12,274	11,217	11,136	11,622	10,624	10,058	8,791	5,776	9,783
Youth & Family Services										
Misc resident clinical consultation hours	1,320	1,500	683	822	726	677	889	987	1,003	1,052
Recreation										
Participants	6,832	6,950	7,967	7,327	7,877	8,327	8,013	7,264	8,248	9,564
Special Events Participants	-	-	-	-	-	-	-	4,850	5,750	13,700

NA: Information not available
 Note: 2014 information not available
 Source: Various Town Departments

Comprehensive Annual Financial Report

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

Function/Program	Last Ten Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Number of Buildings.....	3	3	3	3	3	3	3	3	3	3
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Human Services										
Senior Center Facility.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Libraries.....	2	2	2	2	2	2	2	2	2	2
Conservation land (acreage).....	N/A	N/A	700	700	700	700	700	700	700	700

Source: Various Town Departments

Comprehensive Annual Financial Report

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

How Does Westwood Compare With Other Communities?

Municipality	Miles from Westwood	2010 Population	2013 EQV Per Capita	2013 Income Per Capita
Canton	8	21,561	\$203,433	\$43,709
Concord	24	17,668	\$314,836	\$88,072
Holliston	14	13,547	\$160,495	\$42,892
Medfield	6	12,024	\$202,634	\$64,433
Sharon	9	17,612	\$169,594	\$51,095
Sudbury	21	17,659	\$241,012	\$79,004
Wayland	17	12,994	\$253,042	\$89,710
Weston	15	11,261	\$514,825	\$211,789
Westwood		14,618	\$263,032	\$72,467

Year 2014				
Municipality	Residential Tax Rate	Commercial Tax Rate	Tax Levy	Taxes As % of Total Revenue
Canton	12.87	26.53	\$62,465,129	67.80
Concord	14.45	14.45	\$74,135,634	81.01
Holliston	19.88	19.88	\$39,181,206	64.74
Medfield	16.12	16.12	\$36,853,582	67.78
Sharon	20.55	20.55	\$56,048,097	72.23
Sudbury	18.03	24.94	\$72,951,707	80.04
Wayland	18.33	18.33	\$54,588,839	69.46
Weston	12.73	12.73	\$67,990,017	75.63
Westwood	15.40	28.18	\$59,453,775	75.37

Municipality	Year 2014			Year 2013	2014
	Average Single Family Tax Bill	2014 State Hi-Lo Rank	7-1-13 Free Cash	Stabilization Fund	Moody's Bond Rating
Canton	\$5,805	80	\$2,924,558	\$4,610,294	Aa1 (2011)
Concord	\$12,249	7	\$9,664,489	\$5,527,891	Aaa
Holliston	\$7,220	47	\$1,358,776	\$3,969,222	Aa2
Medfield	\$9,182	21	\$2,670,660	\$2,609,453	Aa1
Sharon	\$8,914	24	\$335,339	\$100,378	Aa2
Sudbury	\$11,544	8	\$2,380,250	\$1,971,721	Aa1 (2011)
Wayland	\$10,974	10	\$4,091,958	\$1,539,120	Aaa
Weston	\$17,832	1	\$3,182,126	\$0	Aaa
Westwood	\$9,601	18	\$3,806,582	\$2,546,414	Aa1

Some Facts About Westwood

Form of Government	Board of Selectmen, Executive Secretary, Open Town Meeting			
Population Trends	2000		2010	
	14,117		14,618	
Registered Voters (2013)	Total	Democrats	Republicans	Unenrolled/Other
	10,009	2,640	1,536	5,833
Some Facts About Westwood				
Westwood Schools				

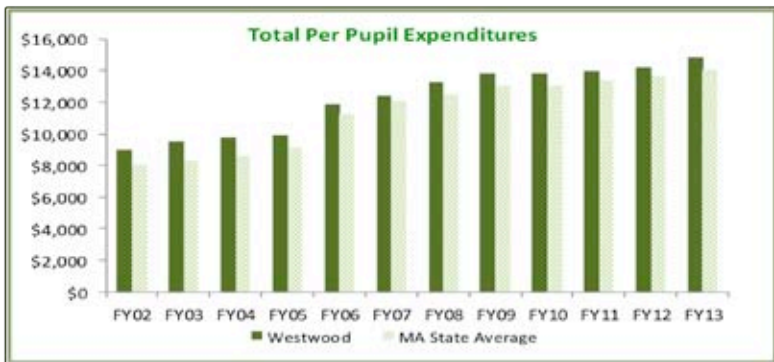
In April, 2005 the new high school and recreational sports fields were opened for students. The new school features beautiful classroom facilities, a state of the art media center, and a new performing arts facility.

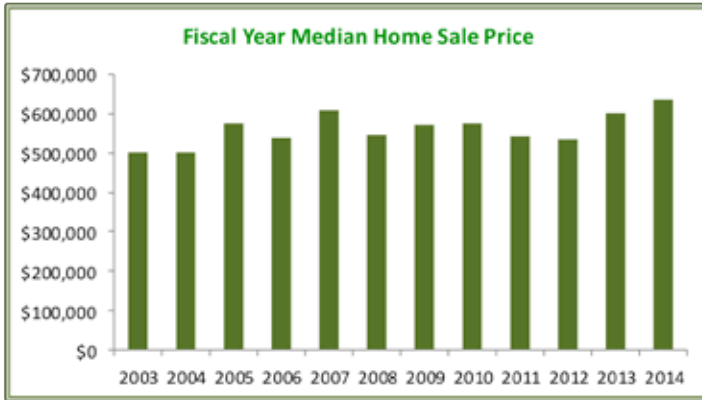


2012 National Blue Ribbon School of Excellence



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





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

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

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

End of part 2 of 4
Please download the Appendices B, and C
For a complete archive of the 118th Annual Report.