

Town of Sudbury, Massachusetts
Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2015

Town of Sudbury, Massachusetts

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2015



Sudbury
Massachusetts

Prepared by the Finance Division

TOWN OF SUDBURY, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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Introductory Section



Town of Sudbury

Finance Director's Office

278 Old Sudbury Road

Sudbury, MA 01776

978-639-3376

Andrew Vanni, Finance Director

December 22, 2015

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

I am pleased to transmit to you the Town of Sudbury's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This report has been prepared by Sudbury's Finance Division in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

The report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the assets of the Town from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants, who have been hired by and report to the Town's Board of Selectmen. The independent auditors' unmodified ("clean") opinion on the Town's financial statements for the fiscal year ended June 30, 2015, is presented as the first component of the financial section of this report on pages 12 - 14.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

History and Profile of the Town

The Town of Sudbury was settled in 1638 and incorporated as a Town in 1639. At that time, Sudbury boundaries included (by 1653) all what is now Wayland (which split off in 1780), and parts of Framingham, Marlborough, Stow and Maynard. Sudbury is a charming community, rooted deeply in New England's history; the Sudbury Center Historic District has changed little since 1800. The Town is located in Middlesex County along the major highways of Route 20 in the south and Route 117 in the north, and bisected by Route 27, and lies approximately twenty miles from Boston and twenty six miles from Worcester. Sudbury is bordered by Wayland on the east; Framingham on the south; Hudson, Maynard, Marlborough, and Stow on the west; Concord on the northeast; and Acton on the north. Sudbury also borders Lincoln, with which it shares a regional high school. It is situated near the junctions of Route 128, the Mass Pike and Route 495, providing an excellent location for residents, businesses and commuters.

The Town has a current population of 18,317 and occupies a land area of 24.7 square miles. Sudbury is categorized by the Metropolitan Area Planning Council (MAPC) as an Established Suburb. These residential suburbs are characterized by single-family homes on moderately-sized lots, with a relatively affluent population. Multi-unit housing and commercial developments are limited in their extent, although Sudbury does have some major employment and retail centers primarily located along the Town's Route 20 Corridor.

Sudbury is a desirable community to live and work in due to its location, excellent public school system, attractive neighborhoods, high property values, and well managed local government.

Organizational Structure

The Town is governed by an open Town Meeting, an elected Board of Selectmen, and an appointed Town Manager. Local legislative decisions for the town are made by an open town meeting. The Town implemented its current charter on July 1, 1996. This charter provided for appointment of a Town Manager by the Board of Selectmen. The Town Manager has broad responsibility for day-to-day management of Town affairs, as well as preparation of annual operating and capital budgets. For budgeting purposes, the Town services are divided into six program areas, and the Town Manager has authority to move funds as needed within a program area, but not to transfer funds between these areas.

The Town provides education in grades K-8 through the Sudbury Public Schools; the Lincoln Sudbury Regional High School District (LSRHSD) provides education in grades 9 through 12. The Minuteman Regional Vocational Technical High School located in Lexington provides vocational technical education in grades 9 through 12. Capacity of the Town's schools has been significantly increased in recent years. Each District's School Committee is elected and responsible for appointing the Superintendent of Schools, who has responsibility for the daily administration of the school system.

Reporting Entity

The basic financial statements along with the combining statements and schedules included in this report relate to the activities under the direction and control of the Town Manager, Board of Selectmen and School Committees, which include the activities of the Town's Community Preservation Fund and Affordable Housing Trust Fund. The activities of the Sudbury Housing Authority (local branch for Massachusetts Public Housing Programs) and Sudbury Water District are excluded from this report because it falls outside the direction and control of the Town Manager and Board of Selectmen.

Financial Management, Policies and Initiatives

The Town Manager is responsible for the development of the Town's capital improvement plan, and annual capital and operating budgets. The School Committee is responsible for annually recommending capital and operating budgets for Sudbury's public school district. An appointed Finance Committee, consisting of nine members, makes recommendations to the Town Meeting on operating budgets and other financial matters.

The Town is engaged in developing a multi-year framework for three critical areas of long-term financial planning: (1) establishing and maintaining reserves, (2) addressing significant unfunded liabilities and (3) developing a funding strategy for the acquisition, replacement and enhancements of capital assets. As part of this ongoing effort two committees were formed by the Board of Selectmen: The Strategic Financial Planning Committee for Capital Funding was created to generate, evaluate and report on strategies and options, both short and long term, for ensuring adequate funding for the capital needs of the Town, the Sudbury Public Schools and LSRHSD. It is expected that this Committee will remain active indefinitely albeit in a reduced capacity to adjust capital spending thresholds as needed and to offer new or different funding options for spending. The Strategic Financial Planning Committee for OPEB Liabilities was created to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury (including the Sudbury Public Schools) and LSRHSD. As a result, the Town transferred \$4,500,000 from the Health Claims Trust Fund to the OPEB Trust Fund to establish the Fund. While further policy development is expected to continue in the near future, long-term planning, execution and coordination particularly amongst the towns of Lincoln, Sudbury and LRSRHS will reside on a permanent basis through the development of OPEB Trusts.

Local Economic Condition

Sudbury's economic base is limited but steady with approximately 8,400 individuals employed in 650 establishments within the boundaries of the Town, with an estimated annual payroll of \$0.5 billion. The majority of businesses in Sudbury are small and service oriented; retail, professional and technical services, and public administration account for 60% of all jobs. Local unemployment remains below state and national rates, and the median household effective buying income is among the highest in Massachusetts.

The town's property tax base increased slightly over the last year despite the effects of the nationwide housing market downturn. The tax base is diverse and market values remain extremely strong. Our tax base is primarily residential, at 93%, and the 10 largest taxpayers account for only 4.6% of the tax levy. Total assessed value has shown marked improvement since 2008. Per capital market value remains extremely strong which is indicative of the already strong real estate values of the town. The median home value is estimated to be roughly four times the national level.

The Town's financial outlook remains consistent and strong. Property tax collections remain stable and Sudbury has become well adept at controlling budget growth commensurate with economic conditions. Furthermore, the Town has successfully leveraged positive results from the last few years to begin addressing serious capital needs that cannot otherwise be satisfied by capital and debt exclusions alone.

Accounting System and Budgetary Control

The management of the Town is responsible for establishing and maintaining adequate internal controls to:

- Properly safeguard assets.
- Provide reasonable assurance on the accuracy and reliability of the accounting records used in the preparation of the basic financial statements.
- Provide reasonable assurance relative to compliance with legal and contractual constraints on the custody and use of assets.

Town departmental expenditure budgets are prepared and accounted for on a line item basis. Legally binding appropriations are made for the major categories of Personal Services, Expenses, Benefits and Insurances and Debt Service. Transfers within an expenditure category may be made with the approval of the Department Head and Town Accountant. Transfers between expenditure categories may be approved by the Town Manager, and at a certain level also require the approval of the Finance Committee. The School Committee maintains bottom-line authority for all legally binding appropriations made for Education expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds to maintain budgetary control.

An analysis of all legally adopted budgets are presented on pages 72 – 83 of this report.

Collective Bargaining Agreements

Town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town currently has approximately 540 full and part-time employees, of which approximately 89% percent belong to unions or other collective bargaining groups.

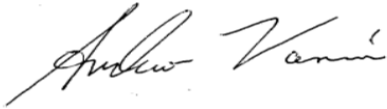
Awards and Acknowledgments

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Sudbury for its CAFR for the fiscal year ended June 30, 2014. This was the second year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

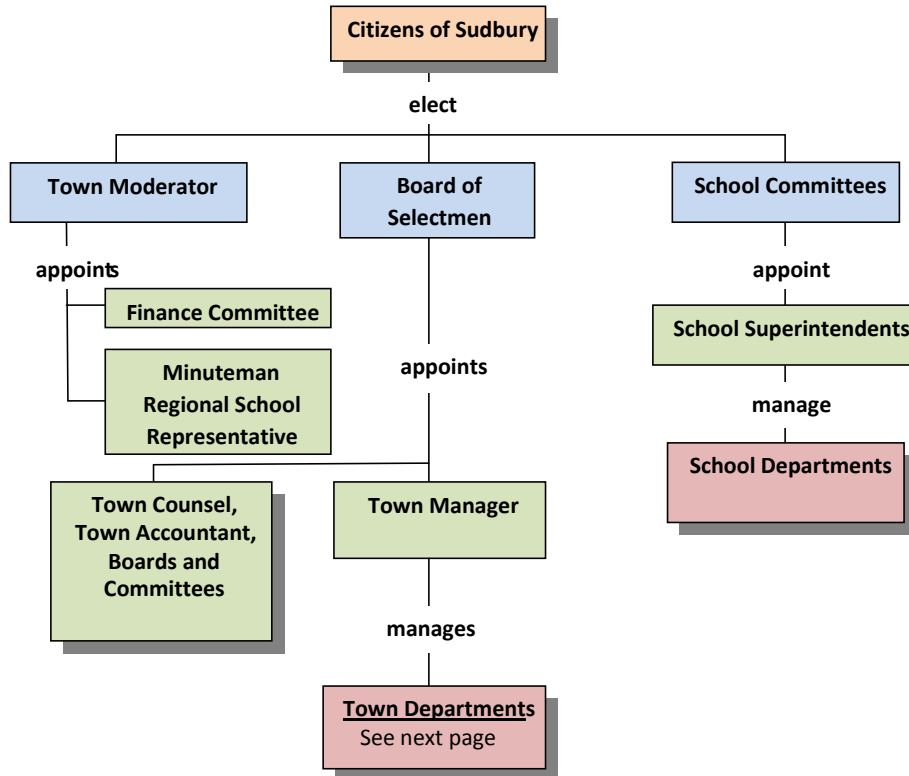
The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. Special thanks also go to the certified public accounting firm of CliftonLarsonAllen LLP for their advice and assistance in the preparation.

Respectfully,

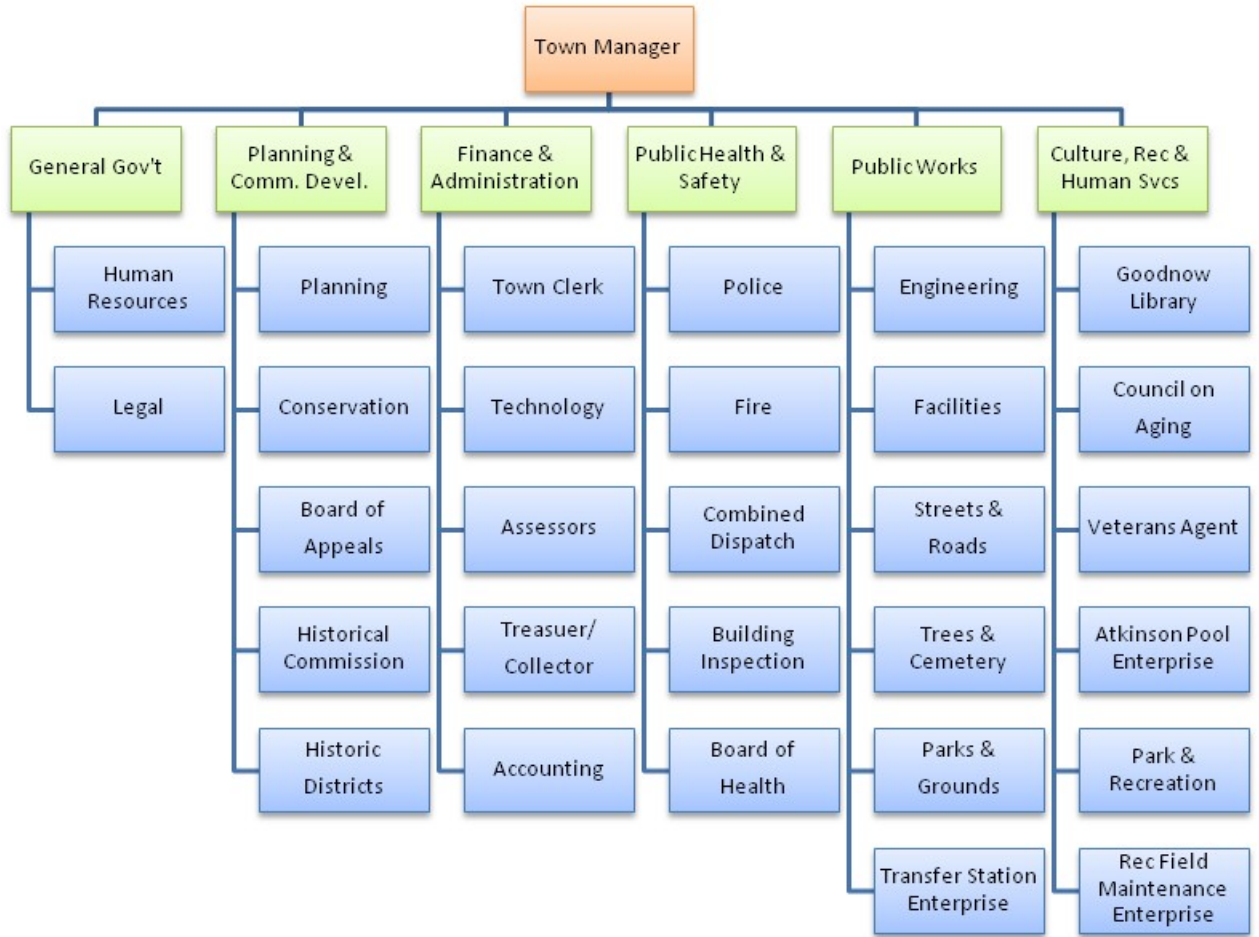
A handwritten signature in cursive script, reading "Andrew Vanni". The signature is written in black ink on a white background.

Andrew Vanni
Finance Director, Town of Sudbury

TOWN OF SUDBURY ORGANIZATIONAL CHART



TOWN OF SUDBURY ORGANIZATIONAL CHART (CONTINUED)



Elected Officials – Board of Selectmen

Chair	Ms. Patricia Brown
Vice Chair	Ms. Susan N. Iuliano
Member	Mr. Robert C. Haarde
Member	Mr. Leonard A. Simon
Member	Mr. Charles C. Woodard

Elected Officials – School Committee

Chair	Mr. Scott Nassa
Vice Chair	Ms. Lucie St. George
Member	Ms. Christine Hogan
Member	Ms. Ellen Winer Joachim
Member	Ms. Lisa Kouchakdjian

Principal Officials

Department	Department Head	Title
Town Manager	Melissa Murphy-Rodrigues	Town Manager
Asst. Town Manager/Human Resources	Maryanne Bilodeau	Asst. Town Manager/HR Director
Finance and Treasurer/Collector	Andrew Vanni	Finance Director/Treasurer/Collector
Accounting	Christine Nihan	Town Accountant
Assessors	Cynthia Gerry	Director of Assessing
Clerk	Rosemary Harvell	Town Clerk
Conservation	Deborah Dineen	Conservation Coordinator
Planning and Community Development	Jody Kablack	Director of Planning and Community Development
Information Systems	Mark Thompson	Technology Administrator
Police	Scott Nix	Police Chief
Fire	William Miles	Fire Chief
Building Inspection	Mark Herweck	Buidling Inspector
School Department	Anne Wilson, Ph.D.	Superintendent
Public Works	William Place	Director of Public Works
Facilities	James Kelly	Combined Facilities Director
Health	William Murphy	Health Director
Senior Center	Debra Galloway	Council on Aging Director
Veterans Affairs	Gary Brown	Veteran's Agent
Library	Esme Green	Library Director
Park & Recreation	Laura Lunig	Interim Park, Recreation & Aquatic Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Sudbury
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

Financial Section



Historic Town-owned Carding Mill House located on Carding Mill Pond

Independent Auditors' Report

To the Honorable Board of Selectmen
Town of Sudbury, 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 Sudbury, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Sudbury, Massachusetts' 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 Sudbury, Massachusetts, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2015, the Town adopted GASB Statement No. 68, Accounting and Financial Reporting for Pensions, and the related GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. As a result of the implementation of these standards, the Town reported a restatement for the change in accounting principle (see Note 20). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (located on pages 16 through 24), general fund and community preservation fund budgetary comparisons and certain pension and other postemployment benefits information (located on pages 72 through 87) 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 Sudbury, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements and schedules 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 fund statements and schedules 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 statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015 on our consideration of the Town of Sudbury, 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 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 Sudbury, Massachusetts' internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lexington, Massachusetts

December 22, 2015

Management's Discussion and Analysis

As management of the Town of Sudbury, Massachusetts (Town), we offer readers of these financial statements this narrative overview and analysis of the Town's financial activities for the fiscal year ended June 30, 2015.

Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$48,479,619 (net position).
- The Town implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27. The implementation resulted in the recognition of the long-term obligation for pension benefits as a liability and restatement of the 2014 total net position. The liability at June 30, 2015 was \$48,635,848. The 2014 total net position was restated from \$97,070,532 to \$49,228,069, a reduction of net position of \$47,842,463
- The Town's total net position decreased by \$748,450 (after taking in the effect of the restatement of the 2014 total net pension for implementation of GASB No. 68), primarily related to the decrease in capital grants and contributions received by the Town from fiscal year 2014
- The Town's total bonded debt increased by \$8,447,575 during the fiscal year mainly due to the issuance of \$6,760,000 of debt related to the construction of the police headquarters building

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the *basic financial statements*, which consists of the following three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements.

This report also contains required supplementary information in addition to the basic financial statements.

Government-wide financial statements

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

The **statement of net position** presents information on all of the Town's non-fiduciary assets and liabilities and deferred inflows/outflows of resources, with the difference 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 is improving or deteriorating.

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, earned but unused vacation leave, etc.).

Both of the government-wide financial statements distinguish functions of the Town 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*). Governmental activities include general government, public safety, education, public works, health and human services, culture and recreation and debt service (interest). Business-type activities include the Town's swimming pool, transfer station and recreation field maintenance operations.

The government-wide financial statements can be found on pages 26-29 of this report.

Fund financial statements

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

1. Governmental funds
2. Proprietary funds
3. 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 funds financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general and community preservation (special revenue) funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation titled *nonmajor governmental funds*. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements on pages 90-95.

The basic governmental funds financial statements can be found on pages 30-33 of this 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 enterprise funds to account for its swimming pool, transfer station and recreation field maintenance activities, each of which are considered to be nonmajor funds. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements on pages 97-100.

The basic proprietary funds financial statements can be found on pages 34-36 of this report.

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 statements because the resources of those funds are not available to support the Town's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Private-purpose trust funds and agency funds are reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "agency funds," respectively. Individual fund data for each of the private purpose trust funds is provided in the form of combining statements on pages 101-105.

The basic fiduciary funds financial statements can be found on pages 37-38 of this report.

Notes to the basic 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. The notes to the financial statements can be found on pages 39-70 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Presented in this information is the budget comparison for the general fund and community preservation fund and certain pension and other postemployment benefits information, which can be found on pages 71-87 of this report.

Government-Wide Financial Analysis

The following tables present current and prior year data on the government-wide financial statements.

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. The Town’s assets exceeded liabilities and deferred inflows of resources by \$48,479,619 at the close of the fiscal year and are summarized as follows:

	Governmental Activities			Business-Type Activities			Total		
	2014*			2014*			2014*		
	2015	As Restated	Original	2015	As Restated	Original	2015	As Restated	Original
Assets									
Current assets.....	\$ 46,279,677	\$ 37,956,902	\$ 37,956,902	\$ 760,252	\$ 956,156	\$ 956,156	\$ 47,039,929	\$ 38,913,058	\$ 38,913,058
Noncurrent assets (excluding capital assets).....	10,655,529	11,729,178	11,729,178	-	-	-	10,655,529	11,729,178	11,729,178
Capital assets (net).....	103,321,212	96,559,117	96,559,117	1,037,079	1,026,536	1,026,536	104,358,291	97,585,653	97,585,653
Total assets.....	160,256,418	146,245,197	146,245,197	1,797,331	1,982,692	1,982,692	162,053,749	148,227,889	148,227,889
Deferred Outflows of Resources	161,948	-	-	2,299	-	-	164,247	-	-
Liabilities									
Current liabilities (excluding debt).....	8,068,060	5,224,455	5,224,455	155,228	183,556	183,556	8,223,288	5,408,011	5,408,011
Noncurrent liabilities (excluding debt).....	66,389,044	63,631,860	16,459,192	935,288	892,292	222,497	67,324,332	64,524,152	16,681,689
Current debt.....	5,159,565	4,017,000	4,017,000	-	-	-	5,159,565	4,017,000	4,017,000
Noncurrent debt.....	32,908,010	24,965,000	24,965,000	-	-	-	32,908,010	24,965,000	24,965,000
Total liabilities.....	112,524,679	97,838,315	50,665,647	1,090,516	1,075,848	406,053	113,615,195	98,914,163	51,071,700
Deferred Inflows of Resources	123,182	85,657	85,657	-	-	-	123,182	85,657	85,657
Net Position									
Net investment in capital assets.....	74,065,551	68,063,911	68,063,911	1,037,079	1,026,536	1,026,536	75,102,630	69,090,447	69,090,447
Restricted.....	18,326,355	17,072,468	17,072,468	-	-	-	18,326,355	17,072,468	17,072,468
Unrestricted.....	(44,621,401)	(36,815,154)	10,357,514	(327,965)	(119,692)	550,103	(44,949,366)	(36,934,846)	10,907,617
Total net position.....	\$ 47,770,505	\$ 48,321,225	\$ 95,493,893	\$ 709,114	\$ 906,844	\$ 1,576,639	\$ 48,479,619	\$ 49,228,069	\$ 97,070,532

* Refer to note 20 on pages 69-70 regarding restatement

The largest portion of the Town’s net position (79.45% excluding unrestricted net position) reflects its net investment in capital assets (e.g., land, construction in progress, intangible assets, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure). These capital assets are used 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 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’s net position (20.55% excluding unrestricted net position) represents resources that are subject to external restrictions on how they may be used.

The Town has no unrestricted net assets available for the support of governmental or business-type activities. Such resources have been consumed with the recognition of the net other postemployment benefits obligation and net pension liability in the amount of \$65,483,933.

Changes in Net Position

The Town's total net position decreased by \$748,450 during the current fiscal year and is summarized as follows:

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2015	2014*	2015	2014*	2015	2014*
Revenues						
<i>Program Revenues:</i>						
Charges for services.....	\$ 5,264,796	\$ 5,160,670	\$ 1,007,980	1,033,056	\$ 6,272,776	\$ 6,193,726
Operating grants and contributions.....	11,668,421	14,184,088	1,132	954	11,669,553	14,185,042
Capital grants and contributions.....	711,403	1,680,999	-	62,500	711,403	1,743,499
<i>General Revenues:</i>						
Real estate and personal property taxes.....	72,873,481	72,718,472	-	-	72,873,481	72,718,472
Motor vehicle and other excise taxes.....	3,657,166	3,447,691	-	-	3,657,166	3,447,691
Penalties and interest on taxes.....	186,333	224,025	-	-	186,333	224,025
Payments in lieu of taxes.....	89,934	38,629	-	-	89,934	38,629
Community preservation surcharges.....	1,666,981	1,636,741	-	-	1,666,981	1,636,741
Grants and contributions not restricted to specific programs.....	1,321,924	1,296,446	-	-	1,321,924	1,296,446
Unrestricted investment income.....	32,657	40,078	-	-	32,657	40,078
Premium from issuance of refunding bonds.....	911,298	-	-	-	911,298	-
Total revenues.....	98,384,394	100,427,839	1,009,112	1,096,510	99,393,506	101,524,349
Expenses						
General government.....	4,122,220	4,139,295	-	-	4,122,220	4,139,295
Public safety.....	9,946,647	10,738,149	-	-	9,946,647	10,738,149
Education.....	71,815,723	72,249,710	-	-	71,815,723	72,249,710
Public works.....	7,804,522	7,091,304	-	-	7,804,522	7,091,304
Health and human services.....	1,428,806	1,269,543	-	-	1,428,806	1,269,543
Culture and recreation.....	2,805,844	2,681,831	-	-	2,805,844	2,681,831
Debt service - interest.....	1,111,995	976,892	-	-	1,111,995	976,892
Swimming pool.....	-	-	620,356	588,492	620,356	588,492
Transfer station.....	-	-	258,024	233,471	258,024	233,471
Recreation field maintenance.....	-	-	227,819	190,320	227,819	190,320
Total expenses.....	99,035,757	99,146,724	1,106,199	1,012,283	100,141,956	100,159,007
Change in net position before transfers.....	(651,363)	1,281,115	(97,087)	84,227	(748,450)	1,365,342
Transfers, net.....	100,643	104,067	(100,643)	(104,067)	-	-
Change in net position.....	(550,720)	1,385,182	(197,730)	(19,840)	(748,450)	1,365,342
Net position - beginning of year*.....	48,321,225	94,108,711	906,844	1,596,479	49,228,069	95,705,190
Net position - end of year.....	\$ 47,770,505	\$ 95,493,893	\$ 709,114	1,576,639	\$ 48,479,619	\$ 97,070,532

* Prior to restatement

Governmental activities decreased the Town's net position by \$550,720. In the prior year, governmental activities increased the Town's net position by \$1,385,182. The decrease in the overall net position of governmental activities is primarily the result of an increase of snow and ice expenses from the prior year totaling approximately \$122,000. Additionally, the state's distribution to the community preservation fund decreased by approximately \$336,000.

Business-type activities decreased the Town's net position by \$197,730. In the prior year, business-type activities decreased the Town's net position by \$19,840. The decrease in the overall net position of business-type activities is primarily the result of the decrease in capital contributions to the pool enterprise fund of approximately \$62,500; as well as the decrease in charges for services for the transfers station enterprise fund of approximately \$34,000.

Fund Financial Statement Analysis

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

Governmental funds

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements.

At the end of the current fiscal year, the governmental funds reported combined ending fund balances totaling \$34,307,213, an increase of approximately \$4,857,000 in comparison with the prior year. \$7,158,149 represents unassigned fund balance. The remainder of fund balance includes the following constraints:

- Nonspendable (\$1,102,743)
- Restricted (\$21,747,531)
- Committed (\$2,740,807)
- Assigned (\$1,557,983)

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$7,158,149 while total fund balance was \$16,542,773. 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 general fund expenditures and transfers out. Unassigned fund balance represents 8.1% of total general fund expenditures and transfers out, while total fund balance represents 18.8% of that same amount.

The fund balance of the Town's general fund decreased \$1,221,314 during the current fiscal year. This is primarily attributable to the following:

- Positive variance in budgeted revenues of approximately \$670,000
- Positive variance in budgeted expenditures of approximately \$790,000
- Use of unassigned fund balance of approximately \$2,200,000 for various capital projects

Financial highlights of the Town's other major governmental fund is as follows:

The fund balance of the community preservation special revenue fund increased by \$635,908 during the current fiscal year. The fund recognized \$1,662,709 in surcharges, \$559,382 in intergovernmental revenues and \$25,494 in investment income. Expenditures of \$1,590,578 were incurred during the fiscal year. Transfers out of \$100,000 to the affordable housing special revenue fund were made during the year. Premiums from the issuance of bonds and notes of \$78,901 were received during the fiscal year.

Proprietary funds

The Town's proprietary funds provide the same type of information found in the government-wide financial statements.

The unrestricted net position of the transfer station and recreation field maintenance enterprise funds totaled \$131,142 and \$12,043, respectively. The pool enterprise fund's unrestricted net position was consumed due to the recognition of the net OPEB obligation and net pension liability. The nonmajor enterprise funds had a combined decrease in net position for the year of \$197,730. This consisted of changes in net position of the swimming pool, transfer station and recreation field maintenance enterprise funds of (\$190,919), \$31,691 and (\$38,502), respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

The Town's original fiscal year 2015 general fund expenditures and other financing uses of \$87,776,608 was increased by \$450,180 to fund public works snow and ice removal. During the year, revenues and other financing sources were higher than budgetary estimates. In addition, expenditures, encumbrances and continuing appropriations were less than budgetary estimates. This resulted in a positive budget to actual variance of approximately \$1,480,000.

Capital Asset and Debt Administration

Capital assets

The Town's investment in capital assets for its governmental and business type activities at the end of the fiscal year totaled \$104,358,291 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, intangible assets, land improvements, buildings and improvements, machinery and equipment, vehicles and infrastructure. The total increase in the investment in capital assets for the current fiscal year totaled \$6,772,638 or 6.94%.

Major capital asset events that occurred during the current fiscal year include the following:

- Johnson Farm land purchase (approximately \$2,900,000)
- Police headquarters construction in progress (approximately \$4,240,000)
- Various public safety and public works vehicles purchases (approximately \$1,007,000)

The following table summarizes the Town's capital assets (net of accumulated depreciation):

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2015	2014	2015	2014	2015	2014
Land.....	\$ 30,220,502	\$ 27,320,502	\$ 192,500	\$ 192,500	\$ 30,413,002	\$ 27,513,002
Land improvements.....	2,020,213	1,821,110	-	-	2,020,213	1,821,110
Buildings and improvements.....	40,516,005	42,157,398	755,191	809,469	41,271,196	42,966,867
Machinery and equipment.....	2,024,282	1,911,605	82,558	4,071	2,106,840	1,915,676
Vehicles.....	1,200,488	633,662	6,830	20,496	1,207,318	654,158
Infrastructure.....	6,285,218	6,636,110	-	-	6,285,218	6,636,110
Construction in progress.....	4,975,774	-	-	-	4,975,774	-
Intangible assets.....	16,078,730	16,078,730	-	-	16,078,730	16,078,730
Total capital assets.....	\$ <u>103,321,212</u>	\$ <u>96,559,117</u>	\$ <u>1,037,079</u>	\$ <u>1,026,536</u>	\$ <u>104,358,291</u>	\$ <u>97,585,653</u>

Additional information on the Town's capital assets can be found in Note 5 on pages 53-54 of this report.

Long-Term Debt

At the end of the current fiscal year, the total bonded debt outstanding was \$36,802,575, which is backed by the full faith and credit of the Town and consists entirely of general obligation bonds. The Town's total bonded debt increased \$8,447,575 (29.8%) during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 10 on pages 57-59 of this report.

Economic Factors and Next Year's Budgets and Rates

Sudbury's economic base is limited but remains steady with approximately 8,400 individuals employed in 660 establishments within the boundaries of the Town, with an estimated annual payroll of \$0.5 billion. Businesses are generally small and service oriented with retail, professional and technical services and public administration accounting for 60% of all jobs. Local unemployment remains below state and national rates, and the median household effective buying income is among the highest in Massachusetts.

The town's property tax base is diverse, and market values of real estate remain extremely strong. Assessed value (AV) is primarily residential, at 93%, and the 10 leading taxpayers account for only 4.6% of the total levy. In addition, per capita market value remains extremely strong. The median home value in Sudbury remains roughly four times the national level.

While Sudbury is not immune to regional and national economic development trends, the Town is characterized as a self-sustaining and stable local economy. The recent state fiscal problems have had a moderate impact on the delivery of services, as the Town is not highly dependent on state aid; accordingly, the Town has not been as adversely affected as other communities in Massachusetts. The Town continues to rely mainly on property taxes and other local revenues to cover the increasing cost of providing services and replace any revenue lost from the state. Property taxes are the Town's leading revenue source, and tax collections remain very stable.

Expectations for key financial factors were met or exceeded during last year and are similarly forecasted for the coming year, helping to shape a budget for fiscal year 2016 that encompasses the following for the general fund which covers between 85-95% of all expenditures for the Town every years:

Fiscal year 2016 projection for General Fund revenues **\$88,700,000**

Property taxes remain the primary source of revenue for the Town. Property taxes in Massachusetts are limited by 'Proposition 2 1/2' to a levy growth of 2.5% plus a value for new construction, unless the voters at an election approve an increase for operating expenses, capital outlay or debt service exclusion. The property tax levy for operating expenses is expected to grow by 5%, which includes a one-year capital expenditure exclusion of \$420,000, new growth of \$601,000 and increase in debt exclusion of \$670,000.

State Aid represents our second largest source of General fund revenue. Sudbury's fiscal year 2016 allotment of \$5.9 million is consistent with last year.

Non-tax local receipts (e.g. motor vehicle excise, departmental revenues, licensing and permits), are elastic revenues meaning they are sensitive to economic conditions. Local receipts continue to show marked improvements most notably in our two largest segments: motor vehicle excise and building permits. Early indications suggest that we are on track to meet or exceed our latest estimate of \$4.8 million of non-tax local receipts.

Fiscal year 2016 projection for General Fund expenditures and other financing uses **\$91,700,000**

The budget is allocated across four major cost centers (in descending order of relative size of operating resources: Sudbury Public Schools, Town Services, Lincoln-Sudbury Regional High School, and Operating Capital Budget), with the rest providing for shared expenses and other charges to be raised. Town Meeting granted appropriations sufficient for each of the major cost centers to grow by 4%, as compared to the fiscal year 2015 budget.

Our largest segments of annual operating expenditures continue to consist of salaries, wages and employee benefits. Another primary use of operating funds goes to fixed costs or charges. These costs commonly exist in the form of service contracts, utilities, fuel, leases and insurances. They are recurring in nature and generally increase annually due to market and inflationary factors.

Also included in the fiscal year 2016 budget is \$1,100,000 to be placed in a special stabilization for the purpose of grading or otherwise preparing the Town-owned so-called Melone property for reuse for municipal purposes or sale.

Fiscal year 2016 projection for other financing sources **\$625,000**

Other financing sources represent transfers to the general fund from all other governmental funds. The primary source of transfers into the General fund, is revenue generated by ambulance services provided by Sudbury's Fire Department. By law these receipts may be segregated in a special revenue fund called "Receipts Reserved for Appropriation". Use of these funds to offset specific General fund expenditures in Public Safety is made possible, as a financing source (transfer) and requires Town Meeting approval.

Fiscal year 2016 projection for use of Free Cash (Unassigned Fund balance) **\$2,375,000**

The amount of Free Cash (Unassigned Fund Balance) used to fund the budget in fiscal year 2016 increased 15% as compared with fiscal year 2015. However, unassigned fund balance at June 30, 2015 remains strong at 8% of estimated fiscal year 2016 general fund revenues.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Flynn Building, 278 Old Sudbury Road, Sudbury, Massachusetts 01776.

Basic Financial Statements

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 12,261,004	\$ 630,169	\$ 12,891,173
Restricted Cash and Cash Equivalents	22,128,279	122,083	22,250,362
Investments	3,727,526	-	3,727,526
Restricted Investments	4,299,781	-	4,299,781
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate and Personal Property Taxes	797,042	-	797,042
Tax, Trash and Utility Liens	777,043	-	777,043
Motor Vehicle and Other Excise Taxes	182,720	-	182,720
Community Preservation Surcharges	14,269	-	14,269
Departmental and Other	509,943	8,000	517,943
Intergovernmental	1,582,070	-	1,582,070
Total Current Assets	46,279,677	760,252	47,039,929
Noncurrent Assets:			
Receivables, Net of Allowance for Uncollectible Amounts:			
Real Estate Tax Deferrals	2,694,241	-	2,694,241
Intergovernmental	7,425,065	-	7,425,065
Tax Foreclosures	287,008	-	287,008
Investment in Joint Venture	249,215	-	249,215
Capital Assets not being Depreciated	51,275,006	192,500	51,467,506
Capital Assets, Net of Accumulated Depreciation	52,046,206	844,579	52,890,785
Total Noncurrent Assets	113,976,741	1,037,079	115,013,820
Total Assets	160,256,418	1,797,331	162,053,749
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources related to Pension	161,948	2,299	164,247
LIABILITIES			
Current Liabilities:			
Warrants Payable	3,038,974	19,876	3,058,850
Accrued Payroll	2,761,292	11,555	2,772,847
Tax Refunds Payable	729,888	-	729,888
Other Liabilities	848,239	-	848,239
Unearned Revenue	-	122,083	122,083
Accrued Interest	417,875	-	417,875
Capital Lease Obligations	210,368	-	210,368
Compensated Absences	61,424	1,714	63,138
Short-Term Notes Payable	1,265,000	-	1,265,000
Long-Term Bonds and Notes Payable	3,894,565	-	3,894,565
Total Current Liabilities	13,227,625	155,228	13,382,853
Noncurrent Liabilities:			
Capital Lease Obligations	352,274	-	352,274
Compensated Absences	552,837	15,424	568,261
Net OPEB Obligation	17,528,987	238,962	17,767,949
Net Pension Liability	47,954,946	680,902	48,635,848
Long-Term Bonds and Notes Payable	32,908,010	-	32,908,010
Total Noncurrent Liabilities	99,297,054	935,288	100,232,342
Total Liabilities	112,524,679	1,090,516	113,615,195

(Continued)

See accompanying Notes to Basic Financial Statements.

STATEMENT OF NET POSITION (Continued)
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Taxes Received in Advance	123,182	-	123,182
NET POSITION			
Net Investment in Capital Assets	74,065,551	1,037,079	75,102,630
Restricted for:			
Investment in Joint Venture	249,215	-	249,215
Employee Benefits	296,510	-	296,510
OPEB	4,844,357	-	4,844,357
Community Preservation	5,148,719	-	5,148,719
School Lunch	216,025	-	216,025
Affordable Housing	343,097	-	343,097
Revolving Funds	1,667,835	-	1,667,835
Receipts Reserved	1,324,348	-	1,324,348
Grants	891,988	-	891,988
Permanent Funds:			
Expendable	650,528	-	650,528
Nonexpendable	1,102,743	-	1,102,743
Other Specific Purposes	1,590,990	-	1,590,990
Unrestricted	(44,621,401)	(327,965)	(44,949,366)
Total Net Position	\$ 47,770,505	\$ 709,114	\$ 48,479,619 (Concluded)

See accompanying Notes to Basic Financial Statements.

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General Government	\$ 4,122,220	\$ 811,131	\$ 309,177	\$ 66,000	\$ (2,935,912)
Public Safety	9,946,647	1,428,007	110,925	-	(8,407,715)
Education	71,815,723	1,978,766	10,518,828	-	(59,318,129)
Public Works	7,804,522	6,638	136,223	86,021	(7,575,640)
Health and Human Services	1,428,806	264,524	38,945	-	(1,125,337)
Culture and Recreation	2,805,844	775,730	72,706	559,382	(1,398,026)
Debt Service-Interest	1,111,995	-	481,617	-	(630,378)
Total Governmental Activities	<u>99,035,757</u>	<u>5,264,796</u>	<u>11,668,421</u>	<u>711,403</u>	<u>(81,391,137)</u>
Business-Type Activities:					
Swimming Pool	620,356	505,487	-	-	(114,869)
Transfer Station	258,024	305,071	899	-	47,946
Recreation Field Maintenance	227,819	197,422	233	-	(30,164)
Total Business-Type Activities	<u>1,106,199</u>	<u>1,007,980</u>	<u>1,132</u>	<u>-</u>	<u>(97,087)</u>
Total Primary Governments	<u>\$ 100,141,956</u>	<u>\$ 6,272,776</u>	<u>\$ 11,669,553</u>	<u>\$ 711,403</u>	<u>\$ (81,488,224)</u>

(Continued)

See accompanying Notes to Basic Financial Statements.

STATEMENT OF ACTIVITIES (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION			
Net (Expense) Revenue (From Previous Page)	\$ (81,391,137)	\$ (97,087)	\$ (81,488,224)
General Revenues:			
Real Estate and Personal Property Taxes	72,873,481	-	72,873,481
Motor Vehicle and Other Excise Taxes	3,657,166	-	3,657,166
Penalties and Interest on Taxes	186,333	-	186,333
Payments in Lieu of Taxes	89,934	-	89,934
Community Preservation Surcharges	1,666,981	-	1,666,981
Grants and Contributions not Restricted to Specific Programs	1,321,924	-	1,321,924
Unrestricted Investment Income	32,657	-	32,657
Premium from Issuance of Refunding Bonds	911,298	-	911,298
Transfers, Net	100,643	(100,643)	-
Total General Revenues and Transfers	<u>80,840,417</u>	<u>(100,643)</u>	<u>80,739,774</u>
CHANGE IN NET POSITION	(550,720)	(197,730)	(748,450)
Net Position - Beginning of Year (Restated)	<u>48,321,225</u>	<u>906,844</u>	<u>49,228,069</u>
NET POSITION - END OF YEAR	<u>\$ 47,770,505</u>	<u>\$ 709,114</u>	<u>\$ 48,479,619</u>
			(Concluded)

See accompanying Notes to Basic Financial Statements.

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 12,261,004	\$ -	\$ -	\$ 12,261,004
Investments	3,727,526	-	-	3,727,526
Restricted Assets:				
Cash and Cash Equivalents	4,460,163	3,332,652	14,335,464	22,128,279
Investments	680,804	1,801,798	1,817,179	4,299,781
Receivables, Net of Allowance for Uncollectible Amounts:				
Real Estate and Personal Property Taxes	797,042	-	-	797,042
Real Estate Tax Deferrals	2,694,241	-	-	2,694,241
Tax and Trash Liens	777,043	-	-	777,043
Motor Vehicle and Other Excise taxes	182,720	-	-	182,720
Community Preservation Surcharges	-	14,269	-	14,269
Departmental and Other	-	-	509,943	509,943
Intergovernmental	8,687,288	-	319,847	9,007,135
Tax Foreclosures	287,008	-	-	287,008
Total Assets	\$ 34,554,839	\$ 5,148,719	\$ 16,982,433	\$ 56,685,991
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Warrants Payable	\$ 471,995	\$ -	\$ 2,566,979	\$ 3,038,974
Accrued Payroll	2,761,292	-	-	2,761,292
Tax Refunds Payable	729,888	-	-	729,888
Other Liabilities	848,239	-	-	848,239
Short-Term Notes Payable	-	-	1,265,000	1,265,000
Total Liabilities	4,811,414	-	3,831,979	8,643,393
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	13,077,470	14,269	520,464	13,612,203
Taxes Received in advance	123,182	-	-	123,182
Total Deferred Inflows of Resources	13,200,652	14,269	520,464	13,735,385
FUND BALANCES				
Nonspendable	-	-	1,102,743	1,102,743
Restricted	5,140,867	5,134,450	11,472,214	21,747,531
Committed	2,685,774	-	55,033	2,740,807
Assigned	1,557,983	-	-	1,557,983
Unassigned	7,158,149	-	-	7,158,149
Total Fund Balances	16,542,773	5,134,450	12,629,990	34,307,213
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,554,839	\$ 5,148,719	\$ 16,982,433	\$ 56,685,991

See accompanying Notes to Basic Financial Statements.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total Governmental Fund Balances	\$	34,307,213
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds		103,321,212
The equity interest in the assets of the governmental joint venture is not reported in the governmental funds		249,215
Certain liabilities do not require current financial resources and, therefore are not reported in the governmental funds.		161,948
Other assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds		13,612,203
In the statement of net position, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due		(417,875)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds and Notes Payable		(36,802,575)
Capital Lease Obligations		(562,642)
Compensated Absences		(614,261)
Net OPEB Obligation		(17,528,987)
Net Pension Liability		(47,954,946)
Net Position of Governmental Activities	\$	<u>47,770,505</u>

See accompanying Notes to Basic Financial Statements.

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General	Community Preservation	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real Estate and Personal Property Taxes	\$ 72,210,203	\$ -	\$ -	\$ 72,210,203
Motor Vehicle and Other Excise Taxes	3,778,204	-	-	3,778,204
Tax and Trash Liens	241,824	-	-	241,824
Payments in Lieu of Taxes	89,934	-	-	89,934
Community Preservation Surcharges	-	1,662,709	-	1,662,709
Charges for Services	-	-	696,291	696,291
Intergovernmental	7,536,234	559,382	2,636,092	10,731,708
Penalties and Interest on Taxes	186,333	-	-	186,333
Licenses and Permits	671,403	-	75,252	746,655
Fines and Forfeitures	75,129	-	11,121	86,250
Departmental and Other	573,382	-	3,148,871	3,722,253
Contributions	-	-	302,659	302,659
Investment Income	80,324	25,494	(20,314)	85,504
	<u>85,442,970</u>	<u>2,247,585</u>	<u>6,849,972</u>	<u>94,540,527</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	2,796,377	100,346	3,337,095	6,233,818
Public Safety	6,938,620	-	4,583,011	11,521,631
Education	55,752,789	-	4,148,569	59,901,358
Public Works	6,985,467	145,229	758,820	7,889,516
Health and Human Services	621,293	-	432,351	1,053,644
Culture and Recreation	1,157,583	127,368	889,566	2,174,517
Pension Benefits	3,482,548	-	-	3,482,548
Employee Benefits	5,865,834	-	-	5,865,834
Property and Liability Insurance	263,973	-	-	263,973
State and County Charges	227,330	-	-	227,330
Debt Service:				
Principal	2,510,000	880,000	7,695,000	11,085,000
Interest	550,630	337,635	-	888,265
	<u>87,152,444</u>	<u>1,590,578</u>	<u>21,844,412</u>	<u>110,587,434</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,709,474)</u>	<u>657,007</u>	<u>(14,994,440)</u>	<u>(16,046,907)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of Bonds and Notes	-	-	11,805,946	11,805,946
Proceeds from Capital Leases	315,559	-	-	315,559
Premium from Issuance of Bonds and Notes	-	78,901	846,809	925,710
Proceeds of Refunding Bonds (Current)	-	-	6,845,000	6,845,000
Premium from Issuance of Refunding Bonds (Current)	-	-	911,298	911,298
Transfers In	894,092	-	885,000	1,779,092
Transfers Out	(721,491)	(100,000)	(856,958)	(1,678,449)
	<u>488,160</u>	<u>(21,099)</u>	<u>20,437,095</u>	<u>20,904,156</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCES	<u>(1,221,314)</u>	<u>635,908</u>	<u>5,442,655</u>	<u>4,857,249</u>
Fund Balances - Beginning of Year	<u>17,764,087</u>	<u>4,498,542</u>	<u>7,187,335</u>	<u>29,449,964</u>
FUND BALANCES - END OF YEAR	<u>\$ 16,542,773</u>	<u>\$ 5,134,450</u>	<u>\$ 12,629,990</u>	<u>\$ 34,307,213</u>

See accompanying Notes to Basic Financial Statements.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Total Governmental Funds	\$	4,857,249
<p>The statement of activities reports the investment in joint venture however the governmental funds do not. This amount represents the net change in the investment in joint venture.</p>		
		(27,317)
<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. These amounts represent the related activity of the current period.</p>		
Capital Outlays		10,152,240
Depreciation		(3,336,069)
<p>In the statement of activities, the loss on the disposals of capital assets is reported, whereas in the governmental funds the disposals are not reported as financial resources. As a result, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed</p>		
		(54,076)
<p>Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the governmental funds. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.</p>		
		(812,517)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any impact 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. These amounts represent the related activity of the current period.</p>		
Proceeds of Bonds		(12,731,656)
Proceeds of Refunding Bonds		(6,845,000)
Retirement of Refunded Bonds		7,695,000
Bond Maturities		3,390,000
Net Amortization of Bond Premiums		44,081
Capital Lease Proceeds		(315,559)
Capital Lease Maturities		260,807
<p>In the statement of activities, interest is accrued on outstanding long-term debt, whereas in the governmental funds interest is not reported until due. This amount represents the net change in accrued interest payable</p>		
		(267,811)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in the governmental funds. These amounts represent the net changes:</p>		
Workers' Compensation		219,399
Compensated Absences		(34,680)
Net OPEB Obligation		(2,124,481)
Net Pension Liability		(620,330)
		<u>(620,330)</u>
Changes in Net Position of Governmental Activities	\$	<u><u>(550,720)</u></u>

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUNDS
STATEMENT OF FUND NET POSITION
JUNE 30, 2015

		Business-Type Activities - Enterprise Funds
ASSETS		Nonmajor Funds
Current Assets:		
Cash and Cash Equivalents	\$	630,169
Restricted Cash and Cash Equivalents		122,083
Receivables, Net of Allowance for Uncollectible Amounts:		
Department and Other		8,000
Total Current Assets		760,252
Noncurrent Assets:		
Capital Assets not being Depreciated		192,500
Capital Assets, Net of Accumulated Depreciation		844,579
Total Noncurrent Assets		1,037,079
Total Assets		1,797,331
DEFERRED OUTFLOWS OF RESOURCES		
Change in Net Pension Liability		2,299
LIABILITIES		
Current Liabilities:		
Warrants Payable		19,876
Accrued Payroll		11,555
Unearned Revenue		122,083
Compensated Absences		1,714
Total Current Liabilities		155,228
Noncurrent Liabilities:		
Compensated Absences		15,424
Net OPEB Obligation		238,962
Net Pension Liability		680,902
Total Noncurrent Liabilities		935,288
Total Liabilities		1,090,516
FUND NET POSITION		
Net Investment in Capital Assets		1,037,079
Unrestricted		(327,965)
Total Net Position	\$	709,114

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds	Nonmajor Funds
OPERATING REVENUES		
Charges for Services	\$	1,007,980
OPERATING EXPENSES		
Cost of Service and Administration		820,967
Repairs and Maintenance		207,061
Depreciation		78,171
Total Operating Expenses		1,106,199
OPERATING INCOME (LOSS)		(98,219)
NONOPERATING REVENUES (EXPENSES)		
Investment Income		1,132
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS		(97,087)
Transfers In		36,491
Transfers Out		(137,134)
Total Capital Contributions and Transfers		(100,643)
CHANGE IN FUND NET POSITION		(197,730)
Fund Net Position - Beginning of Year		906,844
FUND NET POSITION - END OF YEAR	\$	709,114

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business - Type Activities - Enterprise Funds
	Nonmajor Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 997,748
Payments to Vendors	(436,567)
Payments to Employees	(569,360)
Net Cash Provided by Operating Activities	(8,179)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers In	36,491
Transfers Out	(137,134)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(87,714)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	1,132
NET CHANGE IN CASH AND CASH EQUIVALENTS	(195,404)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR (Includes \$8,902 and \$122,913 reported as Restricted in the Swimming Pool and Transfer Station Enterprise Funds, Respectively)	
	947,656
CASH AND CASH EQUIVALENTS AT END OF YEAR (Includes \$122,083 reported as Restricted in the Transfer Station Enterprise Fund)	
	\$ 752,252
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (98,219)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities not Requiring Current Cash Flows:	
Depreciation	78,171
Net OPEB Obligation	30,114
Net Pension Liability	8,808
Effect of Changes in Operating Assets and Liabilities:	
Departmental and Other	(500)
Warrants Payable	(18,889)
Accrued Payroll	95
Unearned Revenue	(9,732)
Compensated Absences	1,973
Total Adjustments	90,040
Net Cash Provided by Operating Activities	\$ (8,179)

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

ASSETS	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
Cash and Cash Equivalents	\$ 167,643	\$ 590,610
Receivables, Net of Allowance for Uncollectible Amounts: Departmental and Other	<u>-</u>	<u>173,500</u>
Total Assets	<u>167,643</u>	<u>\$ 764,110</u>
 LIABILITIES		
Liabilities Due Depositors	<u>-</u>	<u>\$ 764,110</u>
 NET POSITION		
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 167,643</u>	

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Private Purpose Trust Funds</u>
ADDITIONS	
Contributions:	
Private Donations	\$ <u>268</u>
Net Investment Income:	
Net Appreciation in Fair Value of Investments	(6,516)
Interest	<u>4,418</u>
Total Investment Income	<u>(2,098)</u>
Total Additions	<u>(1,830)</u>
DEDUCTIONS	
Other	<u>1,900</u>
CHANGE IN NET POSITION	(3,730)
Net Position - Beginning of Year	<u>171,373</u>
NET POSITION - END OF YEAR	\$ <u><u>167,643</u></u>

See accompanying Notes to Basic Financial Statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. General**

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

B. Reporting Entity

The Town of Sudbury, Massachusetts (Town) is a municipal corporation that is governed by an elected Board of Selectmen.

For financial reporting purposes, the basic financial statements include all funds, organizations, agencies, boards, commissions and institutions that are not legally separate from the Town.

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/or significance of their relationship with the Town are such that exclusion would cause the Town's basic financial statements to be misleading or incomplete. It has been determined that there are no component units that require inclusion in the basic financial statements.

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in the following joint ventures with other municipalities to pool resources and share the costs, risks and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

Wayland-Sudbury Septage Disposal Facility (Facility)

The Town is a participant in a joint venture with the Town of Wayland for a septage disposal facility (Facility). Each Town has a 50 percent interest in the venture. The Facility was decommissioned in October 2009 and its operations were ceased as of December 1, 2009. All further administrative actions relative to the Facility are now the responsibility of the Boards of Selectmen of the Towns of Wayland and Sudbury. As of June 30, 2015, there had been no equity distributions of the Facility's net position to either Town and the joint venture agreement had not been formally dissolved. The joint venture agreement is scheduled to end on normal terms in 2017. The Town of Sudbury continues to serve as the custodian of the Facility's cash and accounts receivable, which are reported in the Agency Fund. As of June 30, 2015, the Town's equity interest in the Facility totaled \$249,215 and is reported in governmental activities. The Facility does not issue a stand alone, GAAP-basis audited financial report.

Lincoln Sudbury Regional High School District (LSRHSD)

The LSRHSD is governed by a six member school district committee consisting of three elected representatives of the Town. The Town is indirectly liable for the LSRHSD debt and expenditures and is assessed annually for its share of operating and capital costs. For the fiscal year ended June 30, 2015, the Town's assessment totaled \$22,035,348. Separate financial statements may be obtained by writing to the Treasurer of the LSRHSD at 390 Lincoln Road, Sudbury, MA 01776.

Minuteman Regional High School (MRHS)

The MRHS is governed by a seventeen member school committee consisting of one elected representative from the Town. The Town is indirectly liable for the MRHS debt and expenditures and is assessed annually for its share of operating and capital costs. For the fiscal year ended June 30, 2015, the Town's assessment totaled \$543,452. Separate financial statements may be obtained by writing to the Treasurer of the MRHS at 758 Marrett Road, Lexington, MA 02421-7313.

C. Implementation of New Accounting Principles

For the year ending June 30, 2015, the Town implemented the following pronouncements issued by the GASB:

- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*
- GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*
- GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*

The implementation of GASB Statement No. 68 resulted in the recognition of the long-term obligation for pension benefits as a liability and expanded pension related note disclosures and required supplementary information.

The implementations of GASB Statement No.'s 69 and 71 had no reporting impact for the Town.

D. Government-Wide and Fund Financial StatementsGovernment-Wide Financial Statements

The government-wide financial statements (statement of net position and the statement of activities) report information on all non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are primarily supported by user fees.

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. Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a 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 specific function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a specific function or segment.

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

Except for charges between the general fund and enterprise funds, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental funds 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, capital lease obligations, 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 the end of the fiscal year. 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 used to account for and report all financial resources not accounted for and reported in another fund.

The *community preservation fund* is a special revenue fund used to account for the 3% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes. Property exempt from the surcharge consists of the first \$100,000 of all residential property and also property owned by low-income residents or seniors with low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. Disbursements from this fund must originate from the Community Preservation Committee and be approved by Town Meeting.

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:

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital projects funds are 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. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry.

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

Proprietary funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

The following activities are reported in the nonmajor enterprise funds column:

The *swimming pool enterprise fund* is used to account for recreational swimming pool activities.

The *transfer station enterprise fund* is used to account for transfer station activities.

The *recreation field maintenance enterprise fund* is used to account for recreation field maintenance activities.

Fiduciary funds financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the government's programs.

The following fiduciary fund types are reported:

The *private-purpose trust fund* is used to account for trust arrangements, other than those reported in the permanent fund, under which principal and investment income exclusively benefits individuals, private organizations, or other governments. The Town's private purpose trust funds include activities for scholarships, gifts to the financial needy and youth of Sudbury, cemetery improvements and maintenance of the walking trail at Haskell Field.

The *agency fund* is used to account for assets held in a custodial capacity. Such assets consist primarily of performance bonds, bid deposits and cash receipt collections for the Facility. Agency funds do not present the results of operations or have a measurement focus.

F. Deposits and Investments

Government-Wide and Fund Financial Statements

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.

G. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide and proprietary 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 Taxes, 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 Assessor's 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 and personal property taxes levied are recorded as receivables in the fiscal year of the levy.

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

Motor Vehicle and Other Excise Taxes

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

Community Preservation Surcharges

Community preservation surcharges are levied annually and at a rate of 3% of residents' real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income as defined by DOR guidelines. The surcharge is due with the real estate tax 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. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the fiscal year of the levy.

Departmental and Other

Departmental and other receivables primarily represent amounts due for ambulance services, Facility services and police details and are recorded as receivables in the fiscal year accrued.

Intergovernmental

Various state and federal operating and capital grants are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized when the qualifying expenditures are incurred and all other grant requirements are met.

H. Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated based on historical trends and specific account analysis for the following accounts receivable:

- Personal property taxes
- Motor vehicle and other excise taxes
- Departmental and other

As of June 30, 2015, the allowance for uncollectible amounts for departmental and other receivables is immaterial and therefore not reported.

The following types of accounts receivable are secured via the lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts is not reported.

- Real estate taxes and real estate tax deferrals
- Tax liens
- Community preservation surcharges

Intergovernmental receivables are considered 100% collectible.

I. Inventories

Government-Wide and Fund Financial Statements

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

J. Restricted Assets

Government-Wide and Fund Financial Statements

Assets are reported as restricted when limitations on their use change the nature of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation.

K. Capital Assets

Government-Wide and Proprietary Funds Financial Statements

Capital assets, which consist of land, construction in progress, intangible assets, land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure (e.g., roads, sidewalks and similar items) are reported in the applicable governmental or business-type activities 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. 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.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	30
Buildings and improvements.....	10 - 40
Machinery and equipment.....	5 - 20
Vehicles.....	4 - 20
Infrastructure.....	20

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

L. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within 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.

M. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds.

Government-Wide Financial Statements

Transfers 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 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.

N. Deferred Outflows of Resources

In addition to assets, the statement of financial 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 that time.

The Town has one item that qualifies for reporting in this category; as follows:

- The net difference between projected and actual investment earnings on pension plan investments is reported in the government-wide statement of net position.

O. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement elements, 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 government has two items that qualify for reporting in this category. They are as follows:

- Taxes received in advance are reported in the government-wide statement of net position and the governmental funds balance sheet. Taxes received in advance represent amounts collected in the current fiscal year that apply to the subsequent fiscal year's tax levy.
- Unavailable revenue is reported in the governmental funds balance sheet. Unavailable revenue represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting.

P. Unearned Revenue

Unearned revenue consists of monies received in advance for transfer station services related to the subsequent fiscal year.

Q. Net Position and Fund Balances

Government-Wide Financial Statements (Net Position)

Net position is reported as restricted when amounts are restricted by outside parties for a specific future use.

Net position has been “restricted” for the following:

“Investment in joint venture” represents the Town’s equity interest in the operation of the Facility.

“Employee benefits” represents amounts accumulated for self-insurance activities.

“OPEB” represents amounts accumulated for other postemployment benefits.

“Community preservation” represents amounts restricted for affordable housing, open space and historic purposes.

“School lunch” represents amounts restricted for the activity of the school lunch program.

“Affordable housing” represents amounts restricted for the creation and preservation of affordable housing within the Town in accordance with Massachusetts General Laws (MGL) Chapter 44, Section 55C.

“Revolving funds” represents amounts restricted for the activity of revolving funds established in accordance with MGL.

“Receipts reserved” represents amounts restricted for receipts that are designated to fund and supplement specific operating budgets of various departments.

“Grants” represents amounts restricted for federal and state grant funds for specific programs.

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Other specific purposes” represents other restrictions placed on assets from outside parties.

Governmental Funds Financial Statements (Fund Balances)

The following fund balance classifications describe the relative strength of the spending constraints:

Nonspendable – represents amounts that cannot be spent either because they are in nonspendable form (i.e., prepaid amounts) or because they are legally or contractually required to be maintained intact (i.e., principal of permanent fund).

Restricted – represents amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – represents amounts that can be used only for the specific purposes determined by a formal action of the Town’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority for the Town that can, by majority vote and adoption of an article, commit fund balance. Once voted and adopted, the limitation imposed by the article remains in place until a similar action is taken (the vote and adoption of another article) to remove or revise the limitation.

Assigned – represents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes. Under the Town’s structure, only authorized assignments for non-contractual encumbrances can be made by individual department heads. The policy established by the governing body (i.e., Board of Selectmen) pursuant to which this authorization is given is based on applicable MGL related to encumbrances.

Unassigned – represents the residual fund balance for the General Fund and the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting assigned fund balance amounts.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned and unassigned.

Encumbrance amounts have been assigned for specific purposes for which resources already have been allocated.

R. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Funds Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources when the debt is issued. 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.

S. 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 MGL.

Investment income from proprietary funds is retained in the funds.

T. 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 Funds 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 upon employee retirements and resignations.

U. PensionsGovernment-Wide and Fund Financial Statements

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

V. Post Retirement BenefitsGovernment-Wide and Fund Financial Statements

In addition to providing pension benefits, and as more fully described in Note 12, the Town provides health, dental and life insurance coverage for current and future retirees and their spouses.

W. Use of EstimatesGovernment-Wide and Fund Financial Statements

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

X. Total ColumnGovernment-Wide Financial Statements

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

Fund Financial Statements

The total column presented 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 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting vote. 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. Town Meeting, which has full authority to amend and/or reject the budget or any appropriation at the functional level, adopts the expenditure budget by majority vote.

Increases to the original budget subsequent to Annual Town Meeting require Special Town Meeting approval.

The majority of appropriations are non-continuing which lapse at the end of each fiscal year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior fiscal year be carried forward and made available for spending in the current fiscal year.

Generally, expenditures may not exceed the 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.

An annual budget is adopted for the general fund and community preservation fund in conformity with the guidelines described above. The original fiscal year 2015 approved budget for the general fund and community preservation fund authorized \$87,776,608 and \$2,110,135, respectively, in appropriations and other amounts to be raised.

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

The budgetary comparison schedules presented in the accompanying required supplementary information presents comparisons of the legally adopted budgets, as amended, with actual results. The originally adopted budgets are presented for purposes of comparison to the final, amended budgets.

B. Fund Deficit

At June 30, 2015, the pool nonmajor enterprise fund had a deficit in the amount of \$471,150 as the fund's unrestricted net position was consumed by the net pension liability.

NOTE 3 - DEPOSITS AND INVESTMENTS

The municipal finance laws of the Commonwealth authorize the Town to invest temporarily idle cash in bank term deposits, certificates of deposits, and treasury and agency obligations of the United States government, with maturities of one year or less; U.S. treasury or agency repurchase agreements with maturities of not more than 90 days; and money market accounts; and the state treasurer's investment pool - the Massachusetts Municipal Depository Trust (MMDT).

The MMDT meets the criteria of an external investment pool and operates in accordance with applicable state laws and regulations. The Treasurer of the Commonwealth serves as Trustee. The reported value of the pool is the same as the fair value of pool shares.

A cash and investment pool is maintained that is available for use by all funds with unrestricted cash and investments. The deposits and investments of the permanent funds and private purpose trust funds are held separately from other town funds.

Deposits - Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Town's deposits may not be recovered. The Town's policy for custodial credit risk is to rely on FDIC and DIF insurance coverage. As of June 30, 2015, \$8,558,252 of the Town's bank balance of \$28,700,174 was uninsured, uncollateralized and exposed to custodial credit risk.

Investments Summary

The Town's investments at June 30, 2015 are presented below. All investments are presented by investment type, with debt securities presented by maturity.

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 - 5
<u>Debt Securities:</u>			
U.S. Agencies.....	\$ 485,579	\$ -	\$ 485,579
Money market mutual funds.....	7,432,685	7,432,685	-
Debt security mutual funds.....	728,249	728,249	-
Certificates of deposit.....	5,724,549	2,502,560	3,221,989
External investment pools.....	214,381	214,381	-
Total debt securities.....	14,585,443	\$ 10,877,875	\$ 3,707,568
<u>Other Investments:</u>			
Equity mutual funds.....	1,088,930		
Total investments.....	\$ 15,674,373		

Investments - Interest Rate Risk of Debt Securities

Interest rate risk for debt securities is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The Town's policy for interest rate risk of debt securities is to follow the municipal finance laws of the Commonwealth, which requires (with the exception of certain trust funds) the Town to limit investments to U.S. backed securities with a maturity of one year or less.

Investments - Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk of investments. As of June 30, 2015, the Town's investments were not exposed to custodial credit risk.

Investments - Credit Risk of Debt Securities

Credit risk for debt securities is the risk that an issuer or other counterparty to a debt security will not fulfill its obligations. The Town does not have a policy for credit risk of debt securities.

As of June 30, 2015, the Town's investments of \$485,579 in U.S. Agencies securities were rated AA+ by Standard and Poor's; a national credit rating organization. Remaining debt securities were unrated by national credit rating organizations.

Deposits and Investments - Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in exchange rates will adversely affect the fair value of an investment or a deposit. The Town does not have a policy for foreign currency risk. As of June 30, 2015, the Town was not exposed to foreign currency risk.

Investments - Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have a policy for concentration of credit risk. As of June 30, 2015, the Town was not exposed to concentration of credit risk.

NOTE 4 - ACCOUNTS RECEIVABLE

At June 30, 2015, receivables for the individual major governmental funds and nonmajor governmental and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 797,042	\$ -	\$ 797,042
Real estate tax deferrals.....	2,694,241	-	2,694,241
Tax liens.....	777,043	-	777,043
Motor vehicle and other excise taxes.....	234,459	(51,739)	182,720
Community preservation surcharges.....	14,269	-	14,269
Departmental and other.....	683,443	-	683,443
Intergovernmental.....	9,007,135	-	9,007,135
	<u>\$ 14,207,632</u>	<u>\$ (51,739)</u>	<u>\$ 14,155,893</u>

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 8,000	\$ -	\$ 8,000

The Massachusetts School Building Authority (MSBA) provides contract assistance to the Town for the completed Haynes Elementary, Loring Elementary and Curtis Middle School construction projects. The assistance program provides resources for future debt service of general obligation school bonds outstanding. During fiscal year 2015, approximately \$1,681,000 of such assistance was received. \$9,634,601 will be received in future fiscal years. Of this amount, \$947,313 represents reimbursement of long-term interest costs, and \$8,687,288 represents reimbursement of approved construction costs. Accordingly, an \$8,687,288 intergovernmental receivable and corresponding deferred inflow of resources have been reported in the governmental fund financial statements. The deferred inflow of resources has been recognized as revenue in the conversion to the government-wide financial statements.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 27,320,502	\$ 2,900,000	\$ -	\$ 30,220,502
Construction in progress.....	-	4,975,774	-	4,975,774
Intangible assets.....	16,078,730	-	-	16,078,730
Total capital assets not being depreciated.....	43,399,232	7,875,774	-	51,275,006
<u>Capital assets being depreciated:</u>				
Land improvements.....	2,816,276	295,241	-	3,111,517
Buildings and improvements.....	70,616,237	196,796	-	70,813,033
Machinery and equipment.....	8,207,037	509,040	(282,302)	8,433,775
Vehicles.....	3,025,856	1,007,271	(448,125)	3,585,002
Infrastructure.....	16,845,946	268,118	-	17,114,064
Total capital assets being depreciated.....	101,511,352	2,276,466	(730,427)	103,057,391
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(995,166)	(96,138)	-	(1,091,304)
Buildings and improvements.....	(28,458,840)	(1,838,188)	-	(30,297,028)
Machinery and equipment.....	(6,295,432)	(396,363)	282,302	(6,409,493)
Vehicles.....	(2,392,194)	(386,369)	394,049	(2,384,514)
Infrastructure.....	(10,209,835)	(619,011)	-	(10,828,846)
Total accumulated depreciation.....	(48,351,467)	(3,336,069)	676,351	(51,011,185)
Total capital assets being depreciated, net.....	53,159,885	(1,059,603)	(54,076)	52,046,206
Total governmental activities capital assets, net.....	\$ 96,559,117	\$ 6,816,171	\$ (54,076)	\$ 103,321,212

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 192,500	\$ -	\$ -	\$ 192,500
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	1,650,181	-	-	1,650,181
Machinery and equipment.....	13,564	88,714	-	102,278
Vehicles.....	136,640	-	-	136,640
Total capital assets being depreciated.....	1,800,385	88,714	-	1,889,099
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(840,712)	(54,278)	-	(894,990)
Machinery and equipment.....	(9,493)	(10,227)	-	(19,720)
Vehicles.....	(116,144)	(13,666)	-	(129,810)
Total accumulated depreciation.....	(966,349)	(78,171)	-	(1,044,520)
Total capital assets being depreciated, net.....	834,036	10,543	-	844,579
Total business-type activities capital assets, net.....	\$ 1,026,536	\$ 10,543	\$ -	\$ 1,037,079

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

Governmental Activities:

General government.....	\$ 143,496
Public safety.....	277,146
Education.....	1,433,733
Public works.....	1,321,787
Health and human services.....	5,870
Culture and recreation.....	154,037

Total depreciation expense - governmental activities..... \$ 3,336,069

Business-Type Activities:

Swimming pool.....	\$ 55,638
Transfer Station.....	22,533
	\$ <u>78,171</u>

NOTE 6 - NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets at June 30, 2015 is summarized as follows:

Governmental Activities

Capital Assets.....	\$ 154,332,397
Less accumulated depreciation.....	(51,011,185)
Less outstanding bonds and notes payable.....	(38,067,575)
Less outstanding capital leases.....	(562,642)
Add unspent proceeds of capital related debt.....	<u>9,374,556</u>
Net investment in capital assets.....	<u>\$ 74,065,551</u>

Business-Type Activities

Capital assets.....	\$ 2,081,599
Less accumulated depreciation.....	<u>(1,044,520)</u>
Net investment in capital assets.....	<u>\$ 1,037,079</u>

NOTE 7 - INTERFUND TRANSFERS

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

Transfers Out:	Transfers In:			
	General Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Funds	Total
General Fund.....	\$ -	\$ 685,000	\$ 36,491	\$ 721,491 (1)
Community Preservation Fund.....	-	100,000	-	100,000 (2)
Nonmajor Governmental Funds.....	856,958	-	-	856,958 (3)
Nonmajor Enterprise Funds.....	<u>37,134</u>	<u>100,000</u>	<u>-</u>	<u>137,134 (4)</u>
	<u>\$ 894,092</u>	<u>\$ 885,000</u>	<u>\$ 36,491</u>	<u>\$ 2,672,541</u>

- (1) Represents budgeted transfer to nonmajor capital project to be used to purchase ambulance and fire engine (\$685,000). Also represents reserve fund transfers to the pool (\$23,950) and recreation field maintenance (\$12,541) nonmajor enterprise funds.
- (2) Represents budgeted transfer to the affordable housing fund.
- (3) Represents budgeted transfer from the ambulance receipts reserve special revenue fund to fund the fiscal year 2015 operating budget (\$830,072). Also represents transfers from Meachen Meggs capital projects fund (\$7,850), Chapter 90 fund (\$5,198), school lunch special revenue funds (\$12,735), and council on aging transportation revolving fund (\$1,103) to close out fund balances.

(4) Represents budgeted transfer of indirect costs from the recreation field maintenance (\$20,879) and transfer station (\$16,255) nonmajor enterprise funds. Also represents a transfer from the pool nonmajor enterprise fund (\$100,000) to fund the Fairbank Community Center roof project.

NOTE 8 - SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue anticipation notes (RAN) or tax anticipation notes (TAN).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BAN), grant anticipation notes (GAN), or state aid anticipation notes (SAAN).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

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

Type	Description	Origination Date	Maturity Date	Interest Rate	Balance at June 30, 2014	Increases	Decreases	Balance at June 30, 2015
BAN	Police station design.....	5/28/14	5/28/15	0.45%	\$ 627,000	-	(627,000)	\$ -
SAN	Chapter 90 anticipation note...	11/19/14	9/28/15	0.40%	-	1,265,000	-	1,265,000
Total.....					\$ 627,000	\$ 1,265,000	\$ (627,000)	\$ 1,265,000

NOTE 9 - LONG-TERM OBLIGATIONS

The following represents a summary of changes that occurred in long-term obligations during the fiscal year ended June 30, 2015:

	Balance June 30, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion
Governmental Activities:					
Bonds and notes payable.....	\$ 28,355,000	\$ 19,576,656	\$ (11,129,081)	\$ 36,802,575	\$ 3,894,565
Capital lease obligations.....	507,890	315,559	(260,807)	562,642	210,368
Workers' compensation claims.....	258,116	-	(258,116)	-	-
Net OPEB obligation.....	15,404,506	3,157,056	(1,032,575)	17,528,987	-
Net pension liability.....	47,172,668	782,278	-	47,954,946	-
Compensated absences.....	579,581	34,680	-	614,261	61,424
Total.....	\$ 92,277,761	\$ 23,866,229	\$ (12,680,579)	\$ 103,463,411	\$ 4,166,357
Business-type Activities:					
Net OPEB obligation.....	\$ 208,848	\$ 44,863	\$ (14,749)	\$ 238,962	\$ -
Net pension liability.....	669,795	11,107	-	680,902	-
Compensated absences.....	15,165	1,973	-	17,138	1,714
Total.....	\$ 893,808	\$ 57,943	\$ (14,749)	\$ 937,002	\$ 1,714

Except for bonds issued for the community preservation fund, long-term liabilities of governmental activities are generally liquidated by the general fund. Long-term debt issued for the community preservation fund is liquidated by the community preservation fund.

NOTE 10 - LONG-TERM DEBT

Details related to the outstanding indebtedness at June 30, 2015, and the debt service requirements are as follows:

Bonds and Notes Payable - Governmental Funds

Date of Issue	Original Issue	Project	Maturity Date	Interest Rate (%)	Outstanding at June 30, 2014	Additions	Reductions	Outstanding at June 30, 2015
02/01/05	13,400,000	School Construction Refunding.....	12/01/20	3.81	\$ 9,055,000	\$ -	\$ (9,055,000)	\$ -
06/15/05	4,350,000	Land Acquisition Refunding.....	09/15/14	3.60	5,000	-	-	5,000
06/01/09	5,045,000	Land Development Rights.....	10/15/28	2.00 - 4.00	3,770,000	-	(255,000)	3,515,000
12/15/10	2,030,000	Land Development Rights.....	08/15/30	2.00 - 4.00	1,700,000	-	(100,000)	1,600,000
04/15/11	4,870,000	School Construction Refunding.....	06/21/21	2.00 - 4.00	3,310,000	-	(490,000)	2,820,000
12/15/11	1,580,000	School Construction.....	08/12/21	2.00 - 3.00	1,260,000	-	(160,000)	1,100,000
03/15/13	2,455,000	Community Preservation Act - 2004 Refunding.....	06/15/24	1.50 - 2.00	2,425,000	-	(265,000)	2,160,000
03/15/13	1,590,000	Community Preservation Act - 2005 Refunding.....	06/15/25	1.50 - 2.00	1,440,000	-	(145,000)	1,295,000
08/15/13	430,000	General Obligation Bonds - Nixon Roof.....	08/15/23	2.00 - 3.00	430,000	-	(45,000)	385,000
08/15/13	3,010,000	General Obligation Bonds - Pantry Brook Farm.....	08/15/33	2.00 - 4.00	3,010,000	-	(115,000)	2,895,000
08/15/13	1,950,000	Land Acquisition - 2005 Refunding.....	08/15/18	2.00 - 4.00	1,950,000	-	(455,000)	1,495,000
02/25/15	974,146	ESCO Loan.....	06/27/30	2.52	-	974,146	-	974,146
02/26/15	1,000,000	Land Acquisition - Community Preservation Act.....	02/15/35	2.00 - 5.00	-	1,000,000	-	1,000,000
02/26/15	6,760,000	Police Headquarters Construction.....	02/15/35	2.00 - 5.00	-	6,760,000	-	6,760,000
02/26/15	1,724,000	Land Acquisition.....	02/15/35	2.00 - 5.00	-	1,724,000	-	1,724,000
02/26/15	440,000	Building Remodeling - School.....	02/15/25	2.00 - 5.00	-	440,000	-	440,000
02/26/15	280,000	Police Headquarters Construction.....	02/15/31	3.00 - 5.00	-	280,800	-	280,800
03/05/15	6,845,000	School Project - 2015 Refunding.....	06/01/21	3.00 - 5.00	-	6,845,000	-	6,845,000
03/05/15	627,000	Police Headquarters Construction - Architect.....	06/01/21	3.00 - 5.00	-	627,000	-	627,000
Sub-total.....					28,355,000	18,650,946	(11,085,000)	35,920,946
Unamortized premiums.....					-	925,710	(44,081)	881,629
Total governmental funds					<u>\$ 28,355,000</u>	<u>\$ 19,576,656</u>	<u>\$ (11,129,081)</u>	<u>\$ 36,802,575</u>

Debt service requirements for principal and interest for governmental bonds and notes payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2016.....	\$ 3,762,321	\$ 1,581,444	\$ 5,343,765
2017.....	3,725,040	1,365,716	5,090,756
2018.....	3,688,057	1,188,716	4,876,773
2019.....	3,431,950	1,013,596	4,445,546
2020.....	3,515,343	841,386	4,356,729
2021.....	3,544,621	614,094	4,158,715
2022.....	1,628,908	458,659	2,087,567
2023.....	1,468,503	404,917	1,873,420
2024.....	1,468,116	354,435	1,822,551
2025.....	1,217,845	304,912	1,522,757
2026.....	1,072,895	259,577	1,332,472
2027.....	1,078,273	225,358	1,303,631
2028.....	1,093,787	190,199	1,283,986
2029.....	1,109,642	153,946	1,263,588
2030.....	870,645	121,666	992,311
2031.....	775,000	93,500	868,500
2032.....	660,000	71,250	731,250
2033.....	665,000	50,950	715,950
2034.....	675,000	30,350	705,350
2035.....	470,000	13,124	483,124
Total.....	\$ <u>35,920,946</u>	\$ <u>9,337,795</u>	\$ <u>45,258,741</u>

Current Refunding - February 2015

The Town issued \$6,845,000 of general obligation refunding bonds and a premium of \$911,298 to redeem bonds (\$7,695,000) previously issued related to school construction. As a result, the refunded bonds were called and the liability has been removed from the government-wide financial statements. The reacquisition price and call premium exceeded the net carrying amount of the old debt by \$61,298. This amount is immaterial and was expensed in the current year fiscal year. This current refunding was undertaken to reduce total debt service payments over the next six years by approximately \$707,000 and resulted in an economic gain of approximately \$688,000.

Authorized and Unissued Debt

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2015, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
School Building Renovations.....	\$ <u>621,000</u>

NOTE 11 - CAPITAL LEASES

The Town has entered into certain capital lease agreements for machinery, equipment and vehicles under which the assets will become the property of the Town when all terms of the lease agreements are met. The agreements also contain early purchase options which would allow the Town to purchase the assets before the end of the lease terms.

The following schedule presents future minimum lease payments as of June 30, 2015:

<u>Fiscal Years Ending June 30</u>	<u>Governmental Activities</u>
2016.....	\$ 224,224
2017.....	177,670
2018.....	123,263
2019.....	<u>66,583</u>
Total minimum lease payments.....	591,740
Less: amounts representing interest.....	<u>(29,098)</u>
Present value of minimum lease payments.....	<u>\$ 562,642</u>

Machinery, equipment and vehicles and related accumulated amortization under capital leases are as follows:

<u>Asset:</u>	<u>Governmental Activities</u>
Machinery, equipment and vehicles.....	\$ 1,983,107
Less: accumulated amortization.....	<u>(886,688)</u>
Total.....	<u>\$ 1,096,419</u>

Amortization of leased machinery, equipment and vehicles under capital assets is included with depreciation expense, which is allocated functionally.

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS

Plan Description - The Town provides health, dental and life insurance coverage for its retirees and their survivors (hereinafter referred to as the "Plan") as a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions. Changes to plan design and contribution rates must be accomplished through the collective bargaining process. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The number of participants as of July 1, 2013, the latest actuarial valuation, is as follows:

Active employees.....	529
Retired employees and spouses.....	<u>420</u>
Total.....	<u><u>949</u></u>

Funding Policy - The contribution requirements of Plan members and the Town are established and may be amended by the Town. The required health (including Medicare Part B) contribution rates of Plan members and the Town are 50% each. The required dental insurance contribution rate of Plan members is 100%. The Plan members and the Town each contribute 50% towards a \$1,000 term life insurance premium. The Town currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Plan are paid by the Town.

Annual OPEB Cost and Net OPEB Obligation - The Town’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an actuarially determined amount that is calculated in accordance with the parameters set forth in GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table identifies the components of the Town’s annual OPEB cost for the year, the actual amount contributed to the plan, and changes in the Town’s net OPEB obligation:

	<u>Amount</u>
Annual required contribution.....	\$ 3,504,465
Interest on net OPEB obligation.....	546,467
Adjustment to annual required contribution.....	<u>(849,013)</u>
Annual OPEB cost.....	3,201,919
Contributions made.....	<u>(1,047,324)</u>
Increase in net OPEB obligation.....	2,154,595
Net OPEB obligation at beginning of year.....	<u>15,613,354</u>
Net OPEB obligation at end of year.....	<u><u>\$ 17,767,949</u></u>

Trend information regarding annual OPEB cost, the percentage of the annual OPEB cost contributed and the net OPEB obligation is as follows:

Fiscal Year Ending	Annual OPEB Cost (AOPEBC)	Percentage of AOPEBC Contributed	Net OPEB Obligation
June 30, 2013.....	3,643,706	23.7%	13,518,830
June 30, 2014.....	3,097,168	32.4%	15,613,354
June 30, 2015.....	3,201,919	32.7%	17,767,949

Funded Status and Funding Progress - The funded status of the Plan at July 1, 2013, the most recent actuarial valuation, was as follows:

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)
07/01/13	\$ -	\$ 36,004,783	\$ 36,004,783	-	\$ 34,868,355	103.3%

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 schedules of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The significant methods and assumptions as of the latest actuarial valuation are as follows:

Valuation date:	July 1, 2013
Actuarial cost method:	Projected unit credit
Amortization method:	Level dollar
Remaining amortization period:	30 years at July 1, 2013 (open period)
Interest discount rate:	3.5%
Inflation rate:	3.0%
Healthcare/Medical cost trend rate:	7.0% grading down to 5.0% in year 2018 and thereafter

Allocation of AOPEBC - AOPEBC costs were allocated to the Town’s functions as follows:

Governmental Activities:	
General government.....	\$ 162,470
Public safety.....	481,482
Education.....	2,191,619
Public works.....	184,156
Health and human services.....	47,271
Culture and recreation.....	<u>90,058</u>
Total AOPEBC - governmental activities.....	<u>3,157,056</u>
Business-Type Activities:	
Swimming pool.....	25,845
Transfer station.....	10,370
Recreation field maintenance.....	<u>8,648</u>
Total AOPEBC - business-type activities.....	<u>44,863</u>
Total AOPEBC.....	<u><u>\$ 3,201,919</u></u>

NOTE 13 - 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 Town participates in premium-based health care for its active employees and retirees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

The Town is self-insured for its workers’ compensation (excluding public safety employees injured on duty) and municipal building insurance activities. These activities are accounted for in the general fund.

A. Workers’ Compensation

Workers’ compensation claims are administered by a third party administrator and are funded on a pay-as-you-go basis from annual appropriations. The Town has not recorded a liability at June 30, 2015 as there are no outstanding claims owed by the Town. Changes in the reported liability since July 1, 2013, are as follows:

	Balance at Beginning of Fiscal Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Fiscal Year-end
Fiscal year 2014.....	\$ 211,297	\$	239,079	\$	(192,260)	\$	258,116
Fiscal year 2015.....	258,116		(256,361)		(1,755)		-

B. Municipal Building Insurance

Municipal building insurance claims are immaterial at June 30, 2015 and, therefore, no liability is reported.

NOTE 14 - FUND BALANCES

The constraints on fund balances as listed in aggregate in the Governmental Funds Balance Sheet are detailed as follows:

	<u>General</u>	<u>Community Preservation</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 1,102,743	\$ 1,102,743
Restricted:				
Employee benefits.....	296,510	-	-	296,510
OPEB.....	4,844,357	-	-	4,844,357
Community preservation.....	-	5,134,450	-	5,134,450
Affordable housing.....	-	-	343,097	343,097
Receipts reserved.....	-	-	794,124	794,124
Grants.....	-	-	1,882,937	1,882,937
Other special revenue.....	-	-	2,505,715	2,505,715
Streets and sidewalks.....	-	-	448,649	448,649
School construction.....	-	-	972,686	972,686
Police headquarters.....	-	-	3,662,996	3,662,996
Other capital projects.....	-	-	360,037	360,037
Cemetery perpetual care.....	-	-	386,875	386,875
Other permanent funds.....	-	-	115,098	115,098
Sub-total - Restricted.....	<u>5,140,867</u>	<u>5,134,450</u>	<u>11,472,214</u>	<u>21,747,531</u>
Committed:				
Continuing appropriations.....	267,780	-	-	267,780
Subsequent year's expenditures.....	2,371,994	-	-	2,371,994
Energy stabilization.....	46,000	-	-	46,000
Other capital projects.....	-	-	55,033	55,033
Sub-total - Committed.....	<u>2,685,774</u>	<u>-</u>	<u>55,033</u>	<u>2,740,807</u>
Assigned:				
Encumbrances - school.....	1,031,139	-	-	1,031,139
Encumbrances - public works.....	223,208	-	-	223,208
Encumbrances - public safety.....	224,275	-	-	224,275
Encumbrances - employee benefits.....	29,265	-	-	29,265
Encumbrances - other.....	50,096	-	-	50,096
Sub-total - Assigned.....	<u>1,557,983</u>	<u>-</u>	<u>-</u>	<u>1,557,983</u>
Unassigned.....	<u>7,158,149</u>	<u>-</u>	<u>-</u>	<u>7,158,149</u>
Total fund balance.....	<u>\$ 16,542,773</u>	<u>\$ 5,134,450</u>	<u>\$ 12,629,990</u>	<u>\$ 34,307,213</u>

NOTE 15 - STABILIZATION FUNDS

The Town maintains a general stabilization fund, energy stabilization fund, and DPW stabilization fund that were established under MGL Chapter 40, Section 5B. Appropriations in and out of these stabilization funds require two-thirds vote of Town meeting. Investment income is retained by the funds.

The balance of the general stabilization fund, energy stabilization fund and DPW stabilization fund at June 30, 2015 are \$4,155,936, \$46,000, and \$100, respectively, and are reported in the general fund as unassigned, committed, and unassigned fund balance, respectively.

NOTE 16 - PENSION PLANGeneral Information about the Pension Plan

Plan description. Employees of the Town deemed eligible by the Middlesex County Retirement Board are provided with pensions through the MCRS, a cost-sharing multiple-employer defined benefit pension plan administered by the Middlesex County Retirement Board. Membership in the MCRS is mandatory immediately upon the commencement of employment for all permanent employees (except for school department employees who serve in a teaching capacity) working a minimum of 20 hours per week. The MCRS issues a publicly available financial report that can be obtained by contacting the MCRS located at 25 Linnell Circle, Billerica, Massachusetts, 01821.

Benefits provided. The plan provides retirement, disability and death benefits. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Retirement benefits are provided up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012. For persons who became members on or after April 2, 2012, average salary is calculated as the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65 (except for certain hazardous duty and public safety positions, whose normal retirement is at age 55).

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and the interest they generate constitute the annuity. The differential between the total retirement benefit and the annuity is the pension.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received in such cases is dependent on several factors, including whether or not the disability is work related, the member's age, years of creditable service, level of compensation, veterans' status and group classification.

Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Contributions. Chapter 32 of the MGL assigns authority to establish and amend contribution requirements of the plan. Active plan members contribute between 5 and 11% of their gross regular compensation. The contribution rate is based on the date plan membership commences. Members hired on or after January 1, 1979, contribute an additional 2% of annual regular compensation in excess of \$30,000. Employers are required to pay an annual actuarially determined contribution that, when combined with employee contributions, is expected to finance the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the plan's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The pension fund appropriations are allocated amongst employers based on covered payroll. Contributions to the pension plan from the Town were \$3,458,181 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Town reported a liability of \$48,635,848 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 for which update procedures were used to roll forward the total pension liability to the measurement date. The Town proportion of the net pension liability is a blended rate of the proportionate share of active employer's covered payroll, direct charges for early retirement incentives and the direct amortization of the actuarial determined net pension liability for employer members that no longer have active covered payroll.

At December 31, 2014, the Town proportion was 4.05%, which was the same proportion measured as of December 31, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$939,870. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$164,247 from the net difference between projected and actual investment earnings on plan investments.

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

<u>Year Ended June 30</u>	
2016	\$ 41,062
2017	41,062
2018	41,062
2019	41,061

Actuarial assumptions. The total pension liability was determined using the following actuarial assumptions:

Inflation rate:	4.00%
Salary increases	Varies by length of service with ultimate rates of 4.25% for Group 1, 4.50% for Group 2 and 4.75% for Group 4

Mortality Rates:	Pre-Retirement - The RP-2000 Employee Mortality Table projected 22 years with Scale AA
	Post-Retirement - The RP-2000 Employee Mortality Table projected 17 years with Scale AA
	Disabled Retiree - The RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA
Investment rate of return	7.875%, net of pension plan investment expense, including inflation (previously 8.0%)

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2012 to January 1, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	19.6%	6.6%
International Equity - Developed Markets	15.6%	7.1%
International Equity - Emerging Markets	6.5%	9.4%
Core Fixed Income	15.3%	2.2%
High-Yield Fixed Income	8.3%	4.7%
Real Estate	9.9%	4.4%
Commodities	3.9%	4.4%
Short-Term Government Money Market	0.0%	1.8%
Hedge Fund, GTAA, Risk Parity	9.8%	3.9%
Private Equity	11.1%	11.7%
Totals	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.875%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.875%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.875%) or 1-percentage-point higher (8.875%) than the current rate:

	1% Decrease (6.875%)	Current Discount Rate (7.875%)	1% Increase (8.875%)
Town of Sudbury's Proportionate Share of the Net Pension Liability	\$ 58,811,040	\$ 48,635,848	\$ 39,972,829

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MCRS financial report.

NOTE 17 - MASSACHUSETTS TEACHERS RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description. Public school teachers and certain administrators are provided with pensions through the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Massachusetts Teachers' Retirement Board. The MTRS is part of the Commonwealth of Massachusetts' (Commonwealth) reporting entity and does not issue a stand-alone audited financial report. The MTRS is reported as a Pension Trust Fund in the Commonwealth's audited financial statements that can be obtained at <http://www.mass.gov/osc/publications-and-reports/financial-reports/cafr-reports.html>.

Benefits provided. MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit requirements. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

Contributions. The MTRS' funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Member contributions for MTRS vary depending on the most recent date of membership, ranging from 5-11% of regular compensation. Members hired in 1979 or subsequent contribute an additional 2% of regular compensation in excess of \$30,000.

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributing entity in MTRS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Since the Town does not contribute directly to MTRS, the Town does not report a proportionate share of the net pension liability of the MTRS at June 30, 2015. The Commonwealth's net pension liability associated with the Town was \$54,298,794.

The MTRS’ net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014.

For the year ended June 30, 2015, the Town recognized pension expense of \$3,772,398 associated with MTRS and revenue of the same amount for support provided by the Commonwealth of Massachusetts.

Actuarial assumptions. The MTRS’ total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. This valuation used the following assumptions:

Investment rate of return	8.0%
Salary increases	Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service
Mortality Rates:	<p>Pre-retirement - reflects RP-2000 Employees table adjusted for “white-collar” employment projected 22 years with Scale AA (gender distinct)</p> <p>Post-retirement - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct)</p> <p>Disability - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct) set forward 3 years for males</p>
Other	<p>3.5% interest rate credited to the annuity savings fund</p> <p>3.0% cost of living increase per year</p>

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage.

Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity.....	43%	7.2%
Core Fixed Income.....	13%	2.5%
Hedge Funds.....	10%	5.5%
Private Equity.....	10%	8.8%
Real Estate.....	10%	6.3%
Value Added Fixed Income.....	10%	6.3%
Timber/Natural Resources.....	4%	5.0%
Totals	100%	

Discount rate. The discount rate used to measure the MTRS’ total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Commonwealth’s proportionate share of the net pension liability relative to the Town to changes in the discount rate. The following presents the Commonwealth’s proportionate share of the net pension liability relative to the Sudbury Public Schools calculated using the discount rate of 8%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7%)	Current Discount Rate (8%)	1% Increase (9%)
Commonwealth's Proportionate Share of the Net Pension Liability related to Sudbury Public Schools	\$ 69,159,738	\$ 54,298,794	\$ 41,672,781

Pension plan fiduciary net position. Detailed information about the MTRS’ fiduciary net position is available in the Commonwealth of Massachusetts’s audited financial statements.

NOTE 18 - COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling approximately \$621,000 for school building renovations. The Town’s other significant commitments consist of the encumbrances and continuing appropriations outstanding for the general fund, which totaled \$1,825,763 at June 30, 2015.

NOTE 19 - CONTINGENCIES

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town as of June 30, 2015.

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 20 - CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2015, the Town adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions. This pronouncement requires the restatement of the June 30, 2014 net position of the governmental activities, business-type activities and enterprise fund as shown as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Nonmajor Enterprise Funds</u>
Net Position, June 30, 2014, as Previously Reported	\$ 95,493,893	\$ 1,576,639	\$ 1,576,639
Cumulative Affect of Application of GASB 68, Net Pension Liability	<u>(47,172,668)</u>	<u>(669,795)</u>	<u>(669,795)</u>
Net Position, June 30, 2014, as Restated	<u>\$ 48,321,225</u>	<u>\$ 906,844</u>	<u>\$ 906,844</u>

NOTE 21 - FUTURE IMPLEMENTATION OF GASB PRONOUNCEMENTS

The GASB has issued the following statements:

- Statement No. 72, Fair Value Measurement and Application, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 73, Accounting and Financial Reporting Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans other than Pension Plans, which is required to be implemented during fiscal year 2018. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which is required to be implemented during fiscal year 2016. Management is evaluating the Statement's future impact on the basic financial statements.
- Statement No. 77, Tax Abatement Disclosures, which is required to be implemented during fiscal year 2017. Management is evaluating the Statement's future impact on the basic financial statements.

These pronouncements will be implemented by their respective implementation dates.

Required Supplementary Information



Longfellow's Wayside Inn is the oldest Inn still operating in the United States, serving travelers for almost 300 years

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Real estate and personal property taxes.....	\$ -	\$ 72,987,035	\$ -	\$ 72,987,035
Motor vehicle and other excise taxes.....	-	3,530,000	-	3,530,000
Tax liens.....	-	-	-	-
Payments in lieu of taxes.....	-	39,000	-	39,000
Intergovernmental.....	-	7,546,967	-	7,546,967
Penalties and interest on taxes.....	-	225,000	-	225,000
Licenses and permits.....	-	623,000	-	623,000
Fines and forfeitures.....	-	55,000	-	55,000
Departmental and other.....	-	270,000	-	270,000
Investment income.....	-	15,000	-	15,000
TOTAL REVENUES.....	-	85,291,002	-	85,291,002
EXPENDITURES				
GENERAL GOVERNMENT				
Selectmen/Town Manager				
Personal services.....	-	349,742	33,000	382,742
Expenditures.....	6,227	93,026	(24,604)	74,649
Total.....	6,227	442,768	8,396	457,391
Assistant Town Manager/Personnel				
Personal services.....	-	165,845	(2,934)	162,911
Expenditures.....	10,315	8,142	-	18,457
Total.....	10,315	173,987	(2,934)	181,368
Accounting				
Personal services.....	-	274,848	(19,300)	255,548
Expenditures.....	240	44,630	9,800	54,670
Total.....	240	319,478	(9,500)	310,218
Finance Committee				
Personal services.....	-	1,583	-	1,583
Assessors				
Personal services.....	-	185,078	667	185,745
Expenditures.....	15,150	54,000	(667)	68,483
Total.....	15,150	239,078	-	254,228
Finance Director/Treasurer/Collector				
Personal services.....	-	307,158	(29,000)	278,158
Expenditures.....	66	41,000	25,000	66,066
Total.....	66	348,158	(4,000)	344,224
Information Systems				
Personal services.....	-	186,980	2,962	189,942
Expenditures.....	-	221,800	(2,962)	218,838
Total.....	-	408,780	-	408,780

	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$	72,781,415	\$ -	\$ 72,781,415	\$ (205,620)
	3,778,204	-	3,778,204	248,204
	241,824	-	241,824	241,824
	89,934	-	89,934	50,934
	7,536,234	-	7,536,234	(10,733)
	186,333	-	186,333	(38,667)
	671,403	-	671,403	48,403
	75,129	-	75,129	20,129
	573,382	-	573,382	303,382
	24,434	-	24,434	9,434
	<u>85,958,292</u>	<u>-</u>	<u>85,958,292</u>	<u>667,290</u>
	361,252	-	361,252	21,490
	17,560	19,262	36,822	37,827
	<u>378,812</u>	<u>19,262</u>	<u>398,074</u>	<u>59,317</u>
	157,839	-	157,839	5,072
	14,925	800	15,725	2,732
	<u>172,764</u>	<u>800</u>	<u>173,564</u>	<u>7,804</u>
	245,339	-	245,339	10,209
	51,915	-	51,915	2,755
	<u>297,254</u>	<u>-</u>	<u>297,254</u>	<u>12,964</u>
	74	-	74	1,509
	185,745	-	185,745	-
	67,854	-	67,854	629
	<u>253,599</u>	<u>-</u>	<u>253,599</u>	<u>629</u>
	254,882	-	254,882	23,276
	47,290	366	47,656	18,410
	<u>302,172</u>	<u>366</u>	<u>302,538</u>	<u>41,686</u>
	189,942	-	189,942	-
	208,734	10,104	218,838	-
	<u>398,676</u>	<u>10,104</u>	<u>408,780</u>	<u>-</u>

(continued)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
Law				
Personal services.....	-	74,491	(21,773)	52,718
Expenditures.....	2,437	81,225	21,773	105,435
Total.....	2,437	155,716	-	158,153
Permanent Building Committee				
Expenditures.....	9,977	-	-	9,977
Town Clerk and Registrars				
Personal services.....	-	237,884	19,739	257,623
Expenditures.....	-	22,200	19,395	41,595
Total.....	-	260,084	39,134	299,218
Conservation				
Personal services.....	-	98,313	22,031	120,344
Expenditures.....	5,209	3,650	-	8,859
Total.....	5,209	101,963	22,031	129,203
Planning and Board of Appeals				
Personal services.....	-	247,384	(2,031)	245,353
Expenditures.....	24,500	8,125	15,000	47,625
Total.....	24,500	255,509	12,969	292,978
Town-Wide Operations				
Expenditures.....	-	152,653	7,647	160,300
Reserve Fund.....	-	304,249	(254,271)	49,978
TOTAL GENERAL GOVERNMENT.....	74,121	3,164,006	(180,528)	3,057,599
PUBLIC SAFETY				
Police				
Personal services.....	-	2,984,812	(73,756)	2,911,056
Expenditures.....	65,013	421,518	74,126	560,657
Total.....	65,013	3,406,330	370	3,471,713
Fire				
Personal services.....	-	3,083,023	(62,260)	3,020,763
Expenditures.....	37,549	454,469	62,260	554,278
Total.....	37,549	3,537,492	-	3,575,041
Communications Center				
Expenditures.....	371	-	(371)	-
Total.....	371	-	(371)	-
Building				
Personal services.....	-	205,962	-	205,962
Expenditures.....	654	15,295	-	15,949
Total.....	654	221,257	-	221,911
TOTAL PUBLIC SAFETY.....	103,587	7,165,079	(1)	7,268,665
EDUCATION				
School Department.....	1,448,218	55,916,570	(527,000)	56,837,788

Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
48,602	-	48,602	4,116
97,344	354	97,698	7,737
<u>145,946</u>	<u>354</u>	<u>146,300</u>	<u>11,853</u>
5,000	4,977	9,977	-
255,020	-	255,020	2,603
41,556	-	41,556	39
<u>296,576</u>	<u>-</u>	<u>296,576</u>	<u>2,642</u>
120,344	-	120,344	-
7,663	1,008	8,671	188
<u>128,007</u>	<u>1,008</u>	<u>129,015</u>	<u>188</u>
222,045	-	222,045	23,308
45,502	-	45,502	2,123
<u>267,547</u>	<u>-</u>	<u>267,547</u>	<u>25,431</u>
149,950	9,229	159,179	1,121
-	-	-	49,978
<u>2,796,377</u>	<u>46,100</u>	<u>2,842,477</u>	<u>215,122</u>
2,848,010	-	2,848,010	63,046
413,132	146,910	560,042	615
<u>3,261,142</u>	<u>146,910</u>	<u>3,408,052</u>	<u>63,661</u>
2,984,872	-	2,984,872	35,891
473,908	80,370	554,278	-
<u>3,458,780</u>	<u>80,370</u>	<u>3,539,150</u>	<u>35,891</u>
-	-	-	-
-	-	-	-
202,932	-	202,932	3,030
15,767	-	15,767	182
<u>218,699</u>	<u>-</u>	<u>218,699</u>	<u>3,212</u>
6,938,621	227,280	7,165,901	102,764
<u>55,752,789</u>	<u>1,031,139</u>	<u>56,783,928</u>	<u>53,860</u>

(continued)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
PUBLIC WORKS				
Engineering				
Personal services.....	-	449,106	(80,000)	369,106
Expenditures.....	37,582	67,925	4,000	109,507
Total.....	37,582	517,031	(76,000)	478,613
Streets and Roads				
Personal services.....	-	998,118	(12,414)	985,704
Expenditures.....	92,036	2,116,293	109,698	2,318,027
Total.....	92,036	3,114,411	97,284	3,303,731
Snow and Ice				
Expenditures.....	-	424,750	525,180	949,930
Trees and Cemetery				
Personal services.....	-	295,600	-	295,600
Expenditures.....	24,940	101,000	-	125,940
Total.....	24,940	396,600	-	421,540
Parks and Grounds				
Personal services.....	-	136,204	-	136,204
Expenditures.....	-	132,547	2,716	135,263
Total.....	-	268,751	2,716	271,467
Facilities				
Personal services.....	-	257,850	-	257,850
Expenditures.....	274,881	676,890	542,000	1,493,771
Total.....	274,881	934,740	542,000	1,751,621
TOTAL PUBLIC WORKS.....	429,439	5,656,283	1,091,180	7,176,902
HEALTH AND HUMAN SERVICES				
Board of Health				
Personal services.....	-	234,443	29,865	264,308
Expenditures.....	126	163,125	(29,865)	133,386
Total.....	126	397,568	-	397,694
Council on Aging				
Personal services.....	-	191,216	-	191,216
Expenditures.....	-	9,000	-	9,000
Total.....	-	200,216	-	200,216
Veterans Affairs				
Personal services.....	-	11,281	-	11,281
Expenditures.....	-	47,650	-	47,650
Total.....	-	58,931	-	58,931
TOTAL HEALTH AND HUMAN SERVICES.....	126	656,715	-	656,841

<u>Actual</u>	<u>Current Year Encumbrances and Continuing Appropriations</u>	<u>Actual and Encumbrances and Continuing Appropriations</u>	<u>Variance Positive/ (Negative)</u>
366,725	-	366,725	2,381
83,613	14,645	98,258	11,249
<u>450,338</u>	<u>14,645</u>	<u>464,983</u>	<u>13,630</u>
977,992	-	977,992	7,712
2,165,800	140,873	2,306,673	11,354
<u>3,143,792</u>	<u>140,873</u>	<u>3,284,665</u>	<u>19,066</u>
949,930	-	949,930	-
292,287	-	292,287	3,313
88,299	36,947	125,246	694
<u>380,586</u>	<u>36,947</u>	<u>417,533</u>	<u>4,007</u>
129,628	-	129,628	6,576
133,029	1,834	134,863	400
<u>262,657</u>	<u>1,834</u>	<u>264,491</u>	<u>6,976</u>
253,405	-	253,405	4,445
1,229,201	264,373	1,493,574	197
<u>1,482,606</u>	<u>264,373</u>	<u>1,746,979</u>	<u>4,642</u>
<u>6,669,909</u>	<u>458,672</u>	<u>7,128,581</u>	<u>48,321</u>
264,208	-	264,208	100
112,942	4,700	117,642	15,744
<u>377,150</u>	<u>4,700</u>	<u>381,850</u>	<u>15,844</u>
190,032	-	190,032	1,184
8,151	-	8,151	849
<u>198,183</u>	<u>-</u>	<u>198,183</u>	<u>2,033</u>
10,629	-	10,629	652
35,331	-	35,331	12,319
<u>45,960</u>	<u>-</u>	<u>45,960</u>	<u>12,971</u>
<u>621,293</u>	<u>4,700</u>	<u>625,993</u>	<u>30,848</u>

(continued)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
CULTURE AND RECREATION				
Goodnow Library				
Personal services.....	-	755,539	2,346	757,885
Expenditures.....	-	274,500	7,734	282,234
Total.....	-	1,030,039	10,080	1,040,119
Recreation				
Personal services.....	-	82,673	50,365	133,038
Expenditures.....	18,107	54,515	(50,365)	22,257
Total.....	18,107	137,188	-	155,295
Historical Commission				
Expenditures.....	860	5,568	-	6,428
Historic Districts Commission				
Personal services.....	-	2,622	(36)	2,586
Expenditures.....	-	274	36	310
Total.....	-	2,896	-	2,896
TOTAL CULTURE AND RECREATION.....	18,967	1,175,691	10,080	1,204,738
PENSION BENEFITS				
County Retirement System and Pension Benefits				
Expenditures.....	-	3,494,181	-	3,494,181
EMPLOYEE BENEFITS				
Worker's Compensation				
Expenditures.....	-	188,584	(8,018)	180,566
Unemployment Compensation				
Expenditures.....	1,300	120,188	-	121,488
Medical Premiums				
Expenditures.....	12,000	4,342,247	(9,845)	4,344,402
Life Insurance				
Expenditures.....	-	4,563	-	4,563
Medicare Tax				
Expenditures.....	86,779	535,000	9,845	631,624
TOTAL EMPLOYEE BENEFITS.....	100,079	5,190,582	(8,018)	5,282,643
PROPERTY AND LIABILITY INSURANCE				
Expenditures.....	17,042	328,977	(6,042)	339,977
STATE AND COUNTY CHARGES				
Expenditures.....	-	213,471	-	213,471

<u>Actual</u>	<u>Current Year Encumbrances and Continuing Appropriations</u>	<u>Actual and Encumbrances and Continuing Appropriations</u>	<u>Variance Positive/ (Negative)</u>
748,435	-	748,435	9,450
279,234	3,000	282,234	-
<u>1,027,669</u>	<u>3,000</u>	<u>1,030,669</u>	<u>9,450</u>
116,683	-	116,683	16,355
4,150	18,107	22,257	-
<u>120,833</u>	<u>18,107</u>	<u>138,940</u>	<u>16,355</u>
6,398	-	6,398	30
2,372	-	2,372	214
310	-	310	-
<u>2,682</u>	<u>-</u>	<u>2,682</u>	<u>214</u>
<u>1,157,582</u>	<u>21,107</u>	<u>1,178,689</u>	<u>26,049</u>
3,482,548	-	3,482,548	11,633
172,641	7,925	180,566	-
29,945	4,500	34,445	87,043
4,197,788	8,000	4,205,788	138,614
3,336	340	3,676	887
605,269	8,500	613,769	17,855
5,008,979	29,265	5,038,244	244,399
263,973	7,500	271,473	68,504
227,330	-	227,330	(13,859)
			(continued)

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
DEBT SERVICE PRINCIPAL				
Expenditures.....	-	2,510,000	-	2,510,000
DEBT SERVICE INTEREST				
Expenditures.....	-	550,663	-	550,663
TOTAL EXPENDITURES.....	2,191,579	86,022,218	379,671	88,593,468
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,191,579)	(731,216)	(379,671)	(3,302,466)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	867,206	-	867,206
Transfers out.....	-	(1,754,390)	(70,509)	(1,824,899)
Total other financing sources (uses).....	-	(887,184)	(70,509)	(957,693)
NET CHANGE IN FUND BALANCE.....	(2,191,579)	(1,618,400)	(450,180)	(4,260,159)
FUND BALANCE AT BEGINNING OF YEAR.....	8,626,260	8,626,260	8,626,260	8,626,260
FUND BALANCE AT END OF YEAR.....	\$ 6,434,681	\$ 7,007,860	\$ 8,176,080	\$ 4,366,101

See the notes to required supplementary information.

<u>Actual</u>	<u>Current Year Encumbrances and Continuing Appropriations</u>	<u>Actual and Encumbrances and Continuing Appropriations</u>	<u>Variance Positive/ (Negative)</u>
2,510,000	-	2,510,000	-
550,630	-	550,630	33
85,980,031	1,825,763	87,805,794	787,674
(21,739)	(1,825,763)	(1,847,502)	1,454,964
894,092	-	894,092	26,886
(1,824,899)	-	(1,824,899)	-
(930,807)	-	(930,807)	26,886
(952,546)	(1,825,763)	(2,778,309)	1,481,850
8,626,260	8,626,260	8,626,260	-
<u>\$ 7,673,714</u>	<u>\$ 6,800,497</u>	<u>\$ 5,847,951</u>	<u>\$ 1,481,850</u>

(concluded)

COMMUNITY PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Year Encumbrances and Continuing Appropriations	Original Budget	Supplemental Appropriations and Transfers	Final Budget
REVENUES				
Community preservation surcharges.....	\$ -	\$ 1,563,669	\$ -	\$ 1,563,669
Intergovernmental	-	559,382	-	559,382
Investment income.....	-	50,000	-	50,000
TOTAL REVENUES.....	-	2,173,051	-	2,173,051
EXPENDITURES				
Current:				
Administrative.....	-	80,000	-	80,000
Acquisitions and projects.....	14,362	712,500	-	726,862
Debt service:				
Principal.....	-	880,000	-	880,000
Interest.....	-	337,635	-	337,635
TOTAL EXPENDITURES.....	14,362	2,010,135	-	2,024,497
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(14,362)	162,916	-	148,554
OTHER FINANCING SOURCES (USES)				
Premium from issuance of bonds and notes.....	-	-	-	-
Transfers out.....	-	(100,000)	-	(100,000)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(100,000)	-	(100,000)
NET CHANGE IN FUND BALANCE.....	(14,362)	62,916	-	48,554
FUND BALANCE AT BEGINNING OF YEAR.....	4,498,542	4,498,542	4,498,542	4,498,542
FUND BALANCE AT END OF YEAR.....	\$ 4,484,180	\$ 4,561,458	\$ 4,498,542	\$ 4,547,096

See the notes to required supplementary information.

	Actual	Current Year Encumbrances and Continuing Appropriations	Actual and Encumbrances and Continuing Appropriations	Variance Positive/ (Negative)
\$	1,662,709	\$ -	\$ 1,662,709	\$ 99,040
	559,382	-	559,382	-
	25,494	-	25,494	(24,506)
	<u>2,247,585</u>	<u>-</u>	<u>2,247,585</u>	<u>74,534</u>
	66,441	-	66,441	13,559
	306,502	420,360	726,862	-
	880,000	-	880,000	-
	337,635	-	337,635	-
	<u>1,590,578</u>	<u>420,360</u>	<u>2,010,938</u>	<u>13,559</u>
	657,007	(420,360)	236,647	88,093
	78,901	-	78,901	78,901
	(100,000)	-	(100,000)	-
	<u>(21,099)</u>	<u>-</u>	<u>(21,099)</u>	<u>78,901</u>
	635,908	(420,360)	215,548	166,994
	<u>4,498,542</u>	<u>4,498,542</u>	<u>4,498,542</u>	<u>-</u>
\$	<u><u>5,134,450</u></u>	<u><u>4,078,182</u></u>	<u><u>4,714,090</u></u>	<u><u>166,994</u></u>

PENSION PLAN SCHEDULES

The following schedules provide information related to the System as a whole, for which the Town is one participating employer:

SCHEDULE OF THE TOWN’S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	2015*
Town's proportion of the net pension liability	4.049%
Town's proportionate share of the net pension liability	48,635,848
Town's covered-employee payroll`	14,294,094
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	340.25%
 Plan fiduciary net position as a percentage of the total pension liability	 47.65%

*The amounts presented were determined as of June 30, 2014.

SCHEDULE OF TOWN CONTRIBUTIONS

	2015
Actuarially Required Contribution	\$ 3,458,181
Contributions in Relation to the Actuarially Required Contribution	(3,458,181)
Contribution Deficiency (Excess)	\$ -
 Town's Covered-Employee Payroll	 \$ 14,294,094
Contributions as a Percentage of Covered Employee Payroll	24.19%

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The following schedules provide information related to the System as a whole, for which the Town is one participating employer:

	2015
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
Commonwealth's proportionate share of the net pension liability associated with the Town	54,298,794
Total	\$ 54,298,794
Town's covered-employee payroll	\$ 20,943,957
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A
Plan fiduciary net position as a percentage of the total pension liability	61.64%

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

	2015
Contractually required contribution	\$ -
Contributions in relation to the contractually required contribution	-
Contribution deficiency (excess)	\$ -
Town's covered-employee payroll	\$ 20,943,957
Contributions as a percentage of covered-employee payroll	N/A

OTHER POSTEMPLOYMENT BENEFITS SCHEDULES

The following schedules provide information related to the Town’s other postemployment benefits plan:

SCHEDULES 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)
07/01/09	\$ -	\$ 36,411,392	36,411,392	-	\$ 26,874,811	135.5%
07/01/11	-	34,275,241	34,275,241	-	31,225,800	109.8%
07/01/13	-	36,004,783	36,004,783	-	34,868,355	103.3%

The significant changes to the methods and assumptions used in the actuarial valuations identified above that impacted trends in the schedules of funding progress are as follows:

- The actuarial cost method was changed from entry age normal (07/01/07 valuation) to project unit credit (07/01/09 valuation)
- The interest discount rate was changed from 5.0% (07/01/07 valuation) to 4.0% (07/01/09 valuation) and 3.5% (07/01/11 valuation), respectively
- The 07/01/11 valuation reflects the Town’s change in health insurance coverage to the GIC beginning in fiscal year 2014

NOTE A - BUDGETARY - GAAP RECONCILIATION

For budgetary financial reporting purposes, the Uniform Massachusetts Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund and community preservation fund for the fiscal year ended June 30, 2015, is presented below:

General Fund

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 85,958,292	\$ 87,805,794	\$ (930,807)
<u>Reclassifications</u>			
Activity of stabilization funds recorded in the general fund for GAAP purposes.....	47,486	-	100
Activity of health insurance, workers' compensation and OPEB retiree trusts recorded in the general fund for GAAP purposes.....	8,404	856,854	1,103,308
<u>Adjustments</u>			
Net change in recording 60-day receipts.....	(8,033)	-	-
Net change in recording tax refunds payable.....	(563,179)	-	-
To record capital leases.....	-	315,559	315,559
To record encumbrances and continuing appropriations.....	-	(1,825,763)	-
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 85,442,970</u>	<u>\$ 87,152,444</u>	<u>\$ 488,160</u>

Community Preservation Fund

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary basis as reported on the schedule of revenues, expenditures and changes in fund balance - budget and actual.....	\$ 2,247,585	\$ 2,010,938	\$ (21,099)
<u>Adjustments</u>			
To record encumbrances and continuing appropriations.....	-	(420,360)	-
GAAP basis as reported on the statement of revenues, expenditures and changes in fund balances.....	<u>\$ 2,247,585</u>	<u>\$ 1,590,578</u>	<u>\$ (21,099)</u>

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Combining and Individual Fund Statements and Schedules

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are grouped into the following categories:

School Lunch – accounts for the activity of the school lunch program, which includes charges for services and state and federal reimbursements for meals served.

Affordable Housing – accounts for the activity of the fund established in accordance with MGL, Chapter 44, Section 55C to provide for the creation and preservation of affordable housing within the Town.

Revolving – accounts for the activity of revolving funds established in accordance with MGL.

Receipts Reserved – accounts for receipts that are designated to fund and supplement specific operating budgets of various departments.

Grants – accounts for federal and state grant funds that are restricted for specific programs.

Other – accounts for all other special revenue funds.

Capital Projects Funds

Capital projects funds are 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. Capital projects funds exclude those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments. The capital projects funds are grouped into the following categories:

Streets and Sidewalks – accounts for the proceeds of bonds sold, intergovernmental grants and transfers in used to finance the cost of street, sidewalk and other similar infrastructure construction and improvements.

School – accounts for the proceeds of bonds sold, intergovernmental grants and transfers in used to finance school construction and improvements.

Other – accounts for all other capital projects funds.

Permanent Funds

Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs and benefit the government or its citizenry. The permanent funds are grouped into the following categories:

Cemetery Perpetual Care - accounts for various gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to maintaining cemeteries and cemetery lots.

Other - accounts for all other permanent funds.

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2015

<i>Special Revenue Funds</i>							
ASSETS	School Lunch	Affordable Housing	Revolving	Receipts Reserved	Grants	Other	Sub-total
Restricted cash and cash equivalents.....	\$ 216,025	\$ 239,903	\$ 1,757,586	\$ 1,324,348	\$ 695,999	\$ 801,090	\$ 5,034,951
Restricted investments.....	-	103,194	-	-	-	-	103,194
Receivables, net of allowance for uncollectible amounts:							
Departmental and other.....	-	-	-	509,943	-	-	509,943
Intergovernmental.....	-	-	-	-	206,510	-	206,510
TOTAL ASSETS.....	<u>\$ 216,025</u>	<u>\$ 343,097</u>	<u>1,757,586</u>	<u>\$ 1,834,291</u>	<u>\$ 902,509</u>	<u>\$ 801,090</u>	<u>\$ 5,854,598</u>
LIABILITIES							
Warrants payable.....	-	-	89,751	-	-	-	89,751
Short-term notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	<u>-</u>	<u>-</u>	<u>89,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,751</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue.....	-	-	-	509,943	10,521	-	520,464
FUND BALANCES:							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	216,025	343,097	1,667,835	1,324,348	891,988	801,090	5,244,383
Committed.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	<u>216,025</u>	<u>343,097</u>	<u>1,667,835</u>	<u>1,324,348</u>	<u>891,988</u>	<u>801,090</u>	<u>5,244,383</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE.....	<u>\$ 216,025</u>	<u>\$ 343,097</u>	<u>\$ 1,757,586</u>	<u>\$ 1,834,291</u>	<u>\$ 902,509</u>	<u>\$ 801,090</u>	<u>\$ 5,854,598</u>

<u>Capital Projects Funds</u>				<u>Permanent Funds</u>			Total Nonmajor Governmental Funds
Streets and Sidewalks	School	Other	Sub-total	Cemetery Perpetual Care	Other	Sub-total	
\$ -	\$ 597,970	\$ 8,663,257	\$ 9,261,227	\$ 22,830	\$ 16,456	\$ 39,286	\$ 14,335,464
-	-	-	-	996,028	717,957	1,713,985	1,817,179
-	-	-	-	-	-	-	509,943
-	-	113,337	113,337	-	-	-	319,847
<u>\$ -</u>	<u>\$ 597,970</u>	<u>\$ 8,776,594</u>	<u>\$ 9,374,564</u>	<u>\$ 1,018,858</u>	<u>\$ 734,413</u>	<u>\$ 1,753,271</u>	<u>\$ 16,982,433</u>
\$ -	\$ 123,960	\$ 2,353,268	\$ 2,477,228	\$ -	\$ -	\$ -	\$ 2,566,979
-	-	1,265,000	1,265,000	-	-	-	1,265,000
-	123,960	3,618,268	3,742,228	-	-	-	3,831,979
-	-	-	-	-	-	-	520,464
-	-	-	-	835,590	267,153	1,102,743	1,102,743
-	474,010	5,103,293	5,577,303	183,268	467,260	650,528	11,472,214
-	-	55,033	55,033	-	-	-	55,033
-	474,010	5,158,326	5,632,336	1,018,858	734,413	1,753,271	12,629,990
<u>\$ -</u>	<u>\$ 597,970</u>	<u>\$ 8,776,594</u>	<u>\$ 9,374,564</u>	<u>\$ 1,018,858</u>	<u>\$ 734,413</u>	<u>\$ 1,753,271</u>	<u>\$ 16,982,433</u>

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<i>Special Revenue Funds</i>							
	School Lunch	Affordable Housing	Revolving	Receipts Reserved	Grants	Other	Sub-total
REVENUES							
Charges for services.....	\$ -	\$ -	-	\$ 680,778	\$ -	\$ 15,513	\$ 696,291
Intergovernmental	130,605	-	126,348	-	2,264,801	1,000	2,522,754
Licenses and permits.....	-	-	75,252	-	-	-	75,252
Fines and forfeitures.....	-	-	11,121	-	-	-	11,121
Departmental and other.....	641,574	52,068	2,455,177	-	-	52	3,148,871
Contributions.....	-	-	1,325	-	-	214,743	216,068
Investment income.....	-	2,263	-	-	6	6	2,275
TOTAL REVENUES.....	772,179	54,331	2,669,223	680,778	2,264,807	231,314	6,672,632
EXPENDITURES							
Current:							
General government.....	-	-	89,501	-	85,974	75,154	250,629
Public safety.....	-	-	66,876	-	62,386	4,142	133,404
Education.....	590,474	-	1,602,076	-	1,632,319	117,655	3,942,524
Public works.....	-	-	17,372	-	10,184	102,142	129,698
Health and human services.....	-	267,994	109,274	-	23,748	19,665	420,681
Culture and recreation.....	-	-	837,472	-	21,932	9,143	868,547
Debt service:							
Principal.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	590,474	267,994	2,722,571	-	1,836,543	327,901	5,745,483
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	181,705	(213,663)	(53,348)	680,778	428,264	(96,587)	927,149
OTHER FINANCING SOURCES (USES)							
Transfers in.....	-	100,000	-	-	-	-	100,000
Issuance of bonds and notes.....	-	-	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	-	-	-
Issuance of refunding bonds.....	-	-	-	-	-	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-
Transfers out.....	(12,735)	-	(1,103)	(830,072)	-	-	(843,910)
TOTAL OTHER FINANCING SOURCES (USES).....	(12,735)	100,000	(1,103)	(830,072)	-	-	(743,910)
NET CHANGE IN FUND BALANCES.....	168,970	(113,663)	(54,451)	(149,294)	428,264	(96,587)	183,239
FUND BALANCES AT BEGINNING OF YEAR.....	47,055	456,760	1,722,286	1,473,642	463,724	897,677	5,061,144
FUND BALANCES AT END OF YEAR.....	\$ 216,025	\$ 343,097	1,667,835	\$ 1,324,348	\$ 891,988	\$ 801,090	\$ 5,244,383

<i>Capital Projects Funds</i>				<i>Permanent Funds</i>			Total Nonmajor Governmental Funds
Streets and Sidewalks	School	Other	Sub-total	Cemetery Perpetual Care	Other	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 696,291
-	-	113,338	113,338	-	-	-	2,636,092
-	-	-	-	-	-	-	75,252
-	-	-	-	-	-	-	11,121
-	-	-	-	-	-	-	3,148,871
-	-	66,000	66,000	8,263	12,328	20,591	302,659
-	-	-	-	(13,323)	(9,266)	(22,589)	(20,314)
-	-	179,338	179,338	(5,060)	3,062	(1,998)	6,849,972
-	55,928	3,028,222	3,084,150	-	2,316	2,316	3,337,095
-	-	4,449,607	4,449,607	-	-	-	4,583,011
-	206,045	-	206,045	-	-	-	4,148,569
-	-	595,713	595,713	33,409	-	33,409	758,820
-	-	-	-	-	11,670	11,670	432,351
-	-	-	-	-	21,019	21,019	889,566
-	7,695,000	-	7,695,000	-	-	-	7,695,000
-	7,956,973	8,073,542	16,030,515	33,409	35,005	68,414	21,844,412
-	(7,956,973)	(7,894,204)	(15,851,177)	(38,469)	(31,943)	(70,412)	(14,994,440)
-	-	785,000	785,000	-	-	-	885,000
-	440,000	11,365,946	11,805,946	-	-	-	11,805,946
-	69,295	777,514	846,809	-	-	-	846,809
-	6,845,000	-	6,845,000	-	-	-	6,845,000
-	911,298	-	911,298	-	-	-	911,298
(5,198)	-	(7,850)	(13,048)	-	-	-	(856,958)
(5,198)	8,265,593	12,920,610	21,181,005	-	-	-	20,437,095
(5,198)	308,620	5,026,406	5,329,828	(38,469)	(31,943)	(70,412)	5,442,655
5,198	165,390	131,920	302,508	1,057,327	766,356	1,823,683	7,187,335
\$ -	\$ 474,010	\$ 5,158,326	\$ 5,632,336	\$ 1,018,858	\$ 734,413	\$ 1,753,271	\$ 12,629,990

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Nonmajor Enterprise Funds

Enterprise funds are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating 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 non-operating revenues and expenses.

The following nonmajor enterprise funds are reported:

Swimming Pool Enterprise - accounts for recreational swimming pool activities.

Transfer Station Enterprise - accounts for transfer station activities.

Recreation Field Maintenance Enterprise - accounts for recreation field maintenance activities.

ENTERPRISE FUNDS
COMBINING STATEMENT OF FUND NET POSITION

JUNE 30, 2015

ASSETS	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total Nonmajor Enterprise Funds
Current assets:				
Cash and cash equivalents.....	\$ 103,419	\$ 341,910	\$ 184,840	\$ 630,169
Restricted cash and cash equivalents.....	-	122,083	-	122,083
Receivables, net of allowance for uncollectible amounts:				
Departmental and other.....	-	8,000	-	8,000
Total current assets.....	<u>103,419</u>	<u>471,993</u>	<u>184,840</u>	<u>760,252</u>
Noncurrent assets:				
Capital assets not being depreciated.....	-	192,500	-	192,500
Capital assets, net of accumulated depreciation.....	757,902	86,677	-	844,579
Total noncurrent assets.....	<u>757,902</u>	<u>279,177</u>	<u>-</u>	<u>1,037,079</u>
Total assets.....	<u>861,321</u>	<u>751,170</u>	<u>184,840</u>	<u>1,797,331</u>
DEFERRED OUTFLOWS OF RESOURCES				
Change in net pension liability.....	1,330	526	443	2,299
LIABILITIES				
Current liabilities:				
Warrants payable.....	4,465	298	15,113	19,876
Accrued payroll.....	4,512	3,028	4,015	11,555
Unearned revenue.....	-	122,083	-	122,083
Compensated absences.....	1,440	274	-	1,714
Total current liabilities.....	<u>10,417</u>	<u>125,683</u>	<u>19,128</u>	<u>155,228</u>
Noncurrent liabilities:				
Compensated absences.....	12,956	2,468	-	15,424
Net OPEB obligation.....	158,576	57,591	22,795	238,962
Net pension liability.....	393,950	155,635	131,317	680,902
Total noncurrent liabilities.....	<u>565,482</u>	<u>215,694</u>	<u>154,112</u>	<u>935,288</u>
Total liabilities.....	<u>575,899</u>	<u>341,377</u>	<u>173,240</u>	<u>1,090,516</u>
FUND NET POSITION				
Net investment in capital assets.....	757,902	279,177	-	1,037,079
Unrestricted.....	(471,150)	131,142	12,043	(327,965)
Total fund net position.....	<u>\$ 286,752</u>	<u>\$ 410,319</u>	<u>\$ 12,043</u>	<u>\$ 709,114</u>

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total Nonmajor Enterprise Funds
OPERATING REVENUES				
Charges for services.....	\$ 505,487	\$ 305,071	\$ 197,422	\$ 1,007,980
OPERATING EXPENSES				
Cost of service and administration.....	466,841	215,982	138,144	820,967
Repairs and maintenance.....	97,877	19,509	89,675	207,061
Depreciation.....	55,638	22,533	-	78,171
TOTAL OPERATING EXPENSES.....	620,356	258,024	227,819	1,106,199
OPERATING INCOME (LOSS).....	(114,869)	47,047	(30,397)	(98,219)
NONOPERATING REVENUES (EXPENSES)				
Investment income.....	-	899	233	1,132
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	-	899	233	1,132
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	(114,869)	47,946	(30,164)	(97,087)
Transfers in.....	23,950	-	12,541	36,491
Transfers out.....	(100,000)	(16,255)	(20,879)	(137,134)
TOTAL CAPITAL CONTRIBUTIONS AND TRANSFERS.....	(76,050)	(16,255)	(8,338)	(100,643)
CHANGES IN FUND NET POSITION.....	(190,919)	31,691	(38,502)	(197,730)
FUND NET POSITION AT BEGINNING OF YEAR.....	477,671	378,628	50,545	906,844
FUND NET POSITION AT END OF YEAR.....	\$ 286,752	\$ 410,319	\$ 12,043	\$ 709,114

ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users.....	\$ 496,585	\$ 303,741	\$ 197,422	\$ 997,748
Payments to vendors.....	(219,614)	(109,771)	(107,182)	(436,567)
Payments to employees.....	(328,481)	(131,726)	(109,153)	(569,360)
NET CASH FROM OPERATING ACTIVITIES.....	<u>(51,510)</u>	<u>62,244</u>	<u>(18,913)</u>	<u>(8,179)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in.....	23,950	-	12,541	36,491
Transfers out.....	(100,000)	(16,255)	(20,879)	(137,134)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	<u>(76,050)</u>	<u>(16,255)</u>	<u>(8,338)</u>	<u>(100,643)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets.....	-	(87,714)	-	(87,714)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income.....	-	899	233	1,132
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(127,560)	(40,826)	(27,018)	(195,404)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR..... (Includes \$8,902 and \$122,913 reported as restricted in the Swimming Pool and Transfer Station enterprise funds, respectively).....	<u>230,979</u>	<u>504,819</u>	<u>211,858</u>	<u>947,656</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR (Includes \$122,083 reported as restricted in the Transfer Station enterprise fund).....	<u>\$ 103,419</u>	<u>\$ 463,993</u>	<u>\$ 184,840</u>	<u>\$ 752,252</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES				
Operating income (loss).....	\$ (114,869)	\$ 47,047	\$ (30,397)	\$ (98,219)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Adjustments not requiring current cash flows:				
Depreciation.....	55,638	22,533	-	78,171
Net OPEB obligation.....	17,348	6,961	5,805	30,114
Net pension liability.....	5,096	2,013	1,699	8,808
Adjustments requiring current cash flows:				
Departmental and other.....	-	(500)	-	(500)
Warrants payable.....	(6,532)	(15,341)	2,984	(18,889)
Accrued payroll.....	(404)	(497)	996	95
Unearned revenue.....	(8,902)	(830)	-	(9,732)
Compensated absences.....	1,115	858	-	1,973
Total adjustments.....	<u>63,359</u>	<u>15,197</u>	<u>11,484</u>	<u>90,040</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ (51,510)</u>	<u>\$ 62,244</u>	<u>\$ (18,913)</u>	<u>\$ (8,179)</u>

Private Purpose Trust Funds

Private-purpose trust funds are used to account for trust arrangements, other than those reported in permanent funds, under which principal and investment income exclusively benefits individuals, private organizations, or other governments.

The following private purpose trust funds are reported:

Walker Walsh Alumni – this fund provides small scholarships.

Outdoor Classroom – this fund provides small scholarships to elementary school students for the Outdoor Classroom program.

Discretionary – comprising of monies from wills and trusts going as far back as 1697, this fund provides small gifts to individual residents of Sudbury based on financial need.

Raymond Scholarship – established in 1925 by Lydia G. Raymond for the promotion of higher education in the Sudbury High School, this fund annually provides one-time modest academic scholarship to a graduating senior at Lincoln-Sudbury Regional High School.

Cavanaugh – named for Cheri-Anne Cavanaugh, a 16-year-old Sudbury resident who died in April 1992, this fund was established by her family and friends to perpetuate her memory and to help the youth of Sudbury.

Garfield – bequeathed in 1962 by Thomas Garfield, this fund provides for the permanent care, maintenance and improvements specifically for Mount Pleasant Cemetery and to supplement the Perpetual Care Fund.

Boundless Playground Maintenance – this fund helps maintain the loop walking trail at Haskell Field.

PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	<u>Walker Walsh Alumni</u>	<u>Outdoor Classroom</u>	<u>Discretionary</u>	<u>Raymond Scholarship</u>
ASSETS				
Cash and cash equivalents.....	\$ 3,807	\$ 481	\$ 65,545	\$ 14,821
NET POSITION				
Assets held for other purposes.....	<u>\$ 3,807</u>	<u>\$ 481</u>	<u>\$ 65,545</u>	<u>\$ 14,821</u>

<u>Cavanaugh</u>	<u>Garfield</u>	<u>Boundless Playground Maintenance</u>	<u>Total Private Purpose Trust Funds</u>
\$ <u>13,118</u>	\$ <u>52,093</u>	\$ <u>17,778</u>	\$ <u>167,643</u>
\$ <u><u>13,118</u></u>	\$ <u><u>52,093</u></u>	\$ <u><u>17,778</u></u>	\$ <u><u>167,643</u></u>

PRIVATE PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Walker Walsh Alumni</u>	<u>Outdoor Classroom</u>	<u>Discretionary</u>	<u>Raymond Scholarship</u>
ADDITIONS				
Contributions:				
Private donations.....	\$ -	\$ -	\$ -	\$ -
Net investment income:				
Net appreciation/ (depreciation) in fair value of investments.....	-	-	(2,985)	(655)
Interest.....	<u>7</u>	<u>-</u>	<u>2,126</u>	<u>466</u>
Total investment income (loss).....	<u>7</u>	<u>-</u>	<u>(859)</u>	<u>(189)</u>
TOTAL ADDITIONS.....	7	-	(859)	(189)
DEDUCTIONS				
Other.....	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>
TOTAL DEDUCTIONS.....	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>-</u>
CHANGE IN NET POSITION.....	7	-	(2,759)	(189)
NET POSITION AT BEGINNING OF YEAR.....	<u>3,800</u>	<u>481</u>	<u>68,304</u>	<u>15,010</u>
NET POSITION AT END OF YEAR.....	<u>\$ 3,807</u>	<u>\$ 481</u>	<u>\$ 65,545</u>	<u>\$ 14,821</u>

<u>Cavanaugh</u>	<u>Garfield</u>	<u>Boundless Playground Maintenance</u>	<u>Total Private Purpose Trust Funds</u>
\$ <u>268</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>268</u>
(571)	(2,305)	-	(6,516)
<u>406</u>	<u>1,640</u>	<u>(227)</u>	<u>4,418</u>
<u>(165)</u>	<u>(665)</u>	<u>(227)</u>	<u>(2,098)</u>
103	(665)	(227)	(1,830)
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>
103	(665)	(227)	(3,730)
<u>13,015</u>	<u>52,758</u>	<u>18,005</u>	<u>171,373</u>
\$ <u><u>13,118</u></u>	\$ <u><u>52,093</u></u>	\$ <u><u>17,778</u></u>	\$ <u><u>167,643</u></u>

Agency Funds

The agency fund is a fiduciary fund used to account for assets held in a custodial capacity.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance at <u>July 1, 2014</u>	Additions	Deletions	Balance at <u>June 30, 2015</u>
ASSETS				
Cash and cash equivalents.....	\$ 620,795	\$ 1,434,556	\$ (1,464,741)	\$ 590,610
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>142,163</u>	<u>53,158</u>	<u>(21,821)</u>	<u>173,500</u>
TOTAL ASSETS.....	<u>762,958</u>	<u>1,487,714</u>	<u>(1,486,562)</u>	<u>764,110</u>
LIABILITIES				
Liabilities due depositors.....	<u>\$ 762,958</u>	<u>\$ 1,465,893</u>	<u>\$ (1,464,741)</u>	<u>\$ 764,110</u>

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Statistical Section



Site of new Police Station headquarters

Statistical Section

This part of the Town of Sudbury's 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 (pages 115 – 126)

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 (pages 127 – 130)

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

Debt Capacity (pages 131 – 135)

These schedules contain 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 (pages 136 – 138)

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 (pages 139 – 141)

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 audited financial statements for the relevant year.

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NET POSITION BY COMPONENT (1)
(ACCRUAL BASIS OF ACCOUNTING)

LAST TEN FISCAL YEARS

	2006	2007	2008
Governmental Activities			
Net investment in capital assets (1).....	\$ 61,188,584	\$ 68,169,867	\$ 63,365,796
Restricted.....	8,374,793	9,062,653	11,293,988
Unrestricted.....	<u>16,448,505</u>	<u>16,942,180</u>	<u>16,901,816</u>
Total governmental activities net position.....	<u>\$ 86,011,882</u>	<u>\$ 94,174,700</u>	<u>\$ 91,561,600</u>
Business-Type Activities			
Net investment in capital assets (1).....	\$ 927,197	\$ 884,783	\$ 862,234
Unrestricted.....	<u>219,036</u>	<u>259,548</u>	<u>271,900</u>
Total business-type activities net position.....	<u>\$ 1,146,233</u>	<u>\$ 1,144,331</u>	<u>\$ 1,134,134</u>
Primary Government			
Net investment in capital assets (1).....	\$ 62,115,781	\$ 69,054,650	\$ 64,228,030
Restricted.....	8,374,793	9,062,653	11,293,988
Unrestricted.....	<u>16,667,541</u>	<u>17,201,728</u>	<u>17,173,716</u>
Total primary government net position.....	<u>\$ 87,158,115</u>	<u>\$ 95,319,031</u>	<u>\$ 92,695,734</u>

(1) Net position and net investment in capital assets terminology per GASB # 63 is being utilized

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	64,747,670	\$ 51,953,929	\$ 55,452,411	\$ 58,397,014	\$ 65,231,955	\$ 68,063,911	\$ 74,065,551
	12,065,357	23,392,819	23,923,074	23,976,367	18,622,121	17,072,468	18,326,355
	<u>14,470,714</u>	<u>16,684,407</u>	<u>13,670,650</u>	<u>11,781,998</u>	<u>10,254,635</u>	<u>10,357,514</u>	<u>(44,621,401)</u>
\$	<u>91,283,741</u>	<u>92,031,155</u>	<u>93,046,135</u>	<u>94,155,379</u>	<u>94,108,711</u>	<u>95,493,893</u>	<u>47,770,505</u>
\$	754,423	\$ 695,948	\$ 664,801	\$ 749,902	\$ 1,061,676	\$ 1,026,536	\$ 1,037,079
	<u>219,863</u>	<u>290,876</u>	<u>313,845</u>	<u>582,152</u>	<u>534,803</u>	<u>550,103</u>	<u>(327,965)</u>
\$	<u>974,286</u>	<u>986,824</u>	<u>978,646</u>	<u>1,332,054</u>	<u>1,596,479</u>	<u>1,576,639</u>	<u>709,114</u>
\$	65,502,093	\$ 52,649,877	\$ 56,117,212	\$ 59,146,916	\$ 66,293,631	\$ 69,090,447	\$ 75,102,630
	12,065,357	23,392,819	23,923,074	23,976,367	18,622,121	17,072,468	18,326,355
	<u>14,690,577</u>	<u>16,975,283</u>	<u>13,984,495</u>	<u>12,364,150</u>	<u>10,789,438</u>	<u>10,907,617</u>	<u>(44,949,366)</u>
\$	<u>92,258,027</u>	<u>93,017,979</u>	<u>94,024,781</u>	<u>95,487,433</u>	<u>95,705,190</u>	<u>97,070,532</u>	<u>48,479,619</u>

GOVERNMENTAL ACTIVITIES
CHANGES IN NET POSITION (1)
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2006	2007	2008
Expenses			
General government.....	\$ 3,033,860	\$ 3,229,179	\$ 3,424,767
Public safety.....	7,547,355	7,929,198	8,864,947
Education.....	54,524,814	56,684,168	61,374,045
Public works.....	4,070,174	4,281,069	5,071,976
Health and human services.....	751,824	773,297	876,114
Culture and recreation.....	1,942,628	2,480,583	3,043,768
Debt service - interest.....	2,242,108	2,079,248	1,904,610
	<u>74,112,763</u>	<u>77,456,742</u>	<u>84,560,227</u>
Program Revenues			
Charges for services:			
General government.....	1,210,513	1,149,249	1,103,156
Education.....	1,098,293	1,172,865	1,182,533
Other activities.....	1,744,313	1,766,294	1,774,252
Operating grants and contributions.....	10,993,718	11,926,642	12,642,966
Capital grants and contributions.....	1,928,350	2,071,929	(2,388,625)
	<u>16,975,187</u>	<u>18,086,979</u>	<u>14,314,282</u>
Net (expense)/revenue.....	<u>(57,137,576)</u>	<u>(59,369,763)</u>	<u>(70,245,945)</u>
General Revenues and Other Changes in Net Position			
Real estate and personal property taxes.....	55,696,151	57,330,784	60,406,373
Motor vehicle and other excise taxes.....	2,898,295	2,585,595	3,067,729
Penalties and interest on taxes.....	338,103	200,005	143,367
Payments in lieu of taxes.....	65,409	123,777	90,079
Community preservation surcharges.....	1,243,198	1,305,841	1,374,922
Unrestricted grants and contributions.....	1,672,142	1,747,626	1,850,319
Unrestricted investment income.....	620,763	857,260	671,911
Premium from issuance of refunding bonds.....	-	-	-
Transfers, net.....	6,582	16,000	28,145
	<u>62,540,643</u>	<u>64,166,888</u>	<u>67,632,845</u>
Change in net position.....	<u>\$ 5,403,067</u>	<u>\$ 4,797,125</u>	<u>\$ (2,613,100)</u>

(1) Net position terminology per GASB # 63 is being utilized

	2009	2010	2011	2012	2013	2014	2015
\$	4,097,471	\$ 3,929,872	\$ 4,428,038	\$ 4,355,961	\$ 4,500,902	\$ 4,139,295	\$ 4,122,220
	9,689,559	9,586,346	10,073,036	10,387,335	10,666,663	10,738,149	9,946,647
	63,231,792	64,881,039	66,646,480	68,899,135	71,085,898	72,249,710	71,815,723
	5,989,846	5,220,049	5,325,052	4,778,930	5,374,561	7,091,304	7,804,522
	1,147,667	1,242,517	1,167,143	1,419,463	2,155,946	1,269,543	1,428,806
	2,990,312	2,707,935	2,520,748	2,593,202	2,577,746	2,681,831	2,805,844
	1,880,170	1,757,230	1,476,258	1,276,313	1,260,213	976,892	1,111,995
	<u>89,026,817</u>	<u>89,324,988</u>	<u>91,636,755</u>	<u>93,710,339</u>	<u>97,621,929</u>	<u>99,146,724</u>	<u>99,035,757</u>
	515,050	535,596	594,722	926,973	828,595	875,118	811,131
	1,285,944	1,394,706	1,925,602	1,969,066	1,885,121	1,842,931	1,978,766
	2,030,913	2,041,777	2,145,915	2,344,633	2,403,811	2,442,621	2,474,899
	13,141,248	13,341,758	13,821,768	13,247,930	13,628,905	14,184,088	11,668,421
	<u>2,257,220</u>	<u>1,570,899</u>	<u>892,330</u>	<u>1,824,885</u>	<u>1,771,662</u>	<u>1,680,999</u>	<u>711,403</u>
	<u>19,230,375</u>	<u>18,884,736</u>	<u>19,380,337</u>	<u>20,313,487</u>	<u>20,518,094</u>	<u>21,025,757</u>	<u>17,644,620</u>
	<u>(69,796,442)</u>	<u>(70,440,252)</u>	<u>(72,256,418)</u>	<u>(73,396,852)</u>	<u>(77,103,835)</u>	<u>(78,120,967)</u>	<u>(81,391,137)</u>
	63,077,062	65,259,091	67,178,824	68,762,270	70,572,635	72,718,472	72,873,481
	2,680,579	2,645,117	2,886,859	2,992,057	3,265,121	3,447,691	3,657,166
	168,382	163,826	204,686	288,058	255,978	224,025	186,333
	57,494	56,102	64,515	31,030	53,377	38,629	89,934
	1,430,828	1,465,694	1,492,938	1,527,275	1,581,340	1,636,741	1,666,981
	1,697,519	1,377,564	1,238,505	1,062,794	1,250,168	1,296,446	1,321,924
	379,045	199,319	175,476	109,456	69,757	40,078	32,657
	-	-	-	-	-	-	911,298
	<u>27,674</u>	<u>20,953</u>	<u>29,595</u>	<u>(266,854)</u>	<u>8,801</u>	<u>104,067</u>	<u>100,643</u>
	<u>69,518,583</u>	<u>71,187,666</u>	<u>73,271,398</u>	<u>74,506,086</u>	<u>77,057,177</u>	<u>79,506,149</u>	<u>80,840,417</u>
\$	<u>(277,859)</u>	<u>\$ 747,414</u>	<u>\$ 1,014,980</u>	<u>\$ 1,109,234</u>	<u>\$ (46,658)</u>	<u>\$ 1,385,182</u>	<u>\$ (550,720)</u>

BUSINESS-TYPE ACTIVITIES
CHANGES IN NET POSITION (1)
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses				
Pool.....	\$ 422,041	\$ 433,709	\$ 451,288	\$ 507,235
Transfer station.....	236,954	246,552	257,880	369,282
Recreation field maintenance.....	-	-	-	-
 Total expenses.....	 <u>658,995</u>	 <u>680,261</u>	 <u>709,168</u>	 <u>876,517</u>
Program Revenues				
Charges for services.....				
Pool.....	421,076	412,299	437,832	436,596
Transfer station.....	300,468	282,060	289,284	299,809
Recreation field maintenance.....	-	-	-	-
Operating grants and contributions.....	-	-	-	7,938
Capital grants and contributions.....	-	-	-	-
 Total program revenues.....	 <u>721,544</u>	 <u>694,359</u>	 <u>727,116</u>	 <u>744,343</u>
 Net (expense)/revenue.....	 62,549	 14,098	 17,948	 (132,174)
General Revenues and Transfers				
Transfers, net.....	<u>(6,582)</u>	<u>(16,000)</u>	<u>(28,145)</u>	<u>(27,674)</u>
 Change in net position.....	 \$ <u>55,967</u>	 \$ <u>(1,902)</u>	 \$ <u>(10,197)</u>	 \$ <u>(159,848)</u>

(1) Net position terminology per GASB # 63 is being utilized

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	512,957	\$ 550,289	\$ 453,150	\$ 594,509	\$ 588,492	\$ 620,356
	292,670	271,114	266,437	235,529	233,471	258,024
	113,606	192,249	130,075	151,004	190,320	227,819
	<u>919,233</u>	<u>1,013,652</u>	<u>849,662</u>	<u>981,042</u>	<u>1,012,283</u>	<u>1,106,199</u>
	463,664	487,165	475,774	524,908	492,366	505,487
	327,238	362,895	220,218	337,290	338,654	305,071
	160,038	183,741	218,163	203,344	202,036	197,422
	1,784	1,268	781	1,226	954	1,132
	<u>-</u>	<u>-</u>	<u>21,280</u>	<u>187,500</u>	<u>62,500</u>	<u>-</u>
	<u>952,724</u>	<u>1,035,069</u>	<u>936,216</u>	<u>1,254,268</u>	<u>1,096,510</u>	<u>1,009,112</u>
	33,491	21,417	86,554	273,226	84,227	(97,087)
	<u>(20,953)</u>	<u>(29,595)</u>	<u>266,854</u>	<u>(8,801)</u>	<u>(104,067)</u>	<u>(100,643)</u>
\$	<u>12,538</u>	<u>(8,178)</u>	<u>353,408</u>	<u>264,425</u>	<u>(19,840)</u>	<u>(197,730)</u>

PRIMARY GOVERNMENT
CHANGES IN NET POSITION (1)
(ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Total expenses.....	\$ 74,771,758	\$ 78,137,003	\$ 85,269,395
Total program revenues.....	<u>17,696,731</u>	<u>18,781,338</u>	<u>15,041,398</u>
Net (expense)/revenue.....	(57,075,027)	(59,355,665)	(70,227,997)
Total general revenues, transfers and other changes in net position.....	<u>62,534,061</u>	<u>64,150,888</u>	<u>67,604,700</u>
Change in net position.....	<u>\$ 5,459,034</u>	<u>\$ 4,795,223</u>	<u>\$ (2,623,297)</u>

(1) Net position terminology per GASB # 63 is being utilized

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	89,903,334	\$ 90,244,221	\$ 92,650,407	\$ 94,560,001	\$ 98,602,971	\$ 100,159,007	\$ 100,141,956
	<u>19,974,718</u>	<u>19,837,460</u>	<u>20,415,406</u>	<u>21,249,703</u>	<u>21,772,362</u>	<u>22,122,267</u>	<u>18,653,732</u>
	(69,928,616)	(70,406,761)	(72,235,001)	(73,310,298)	(76,830,609)	(78,036,740)	(81,488,224)
	<u>69,490,909</u>	<u>71,166,713</u>	<u>73,241,803</u>	<u>74,772,940</u>	<u>77,048,376</u>	<u>79,402,082</u>	<u>80,739,774</u>
\$	<u>(437,707)</u>	<u>759,952</u>	<u>1,006,802</u>	<u>1,462,642</u>	<u>217,767</u>	<u>1,365,342</u>	<u>(748,450)</u>

GOVERNMENTAL FUNDS
FUND BALANCES
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	<u>2006</u>	<u>2007</u>	<u>2008</u>
General Fund			
Reserved.....	\$ 4,975,753	\$ 7,002,192	\$ 7,883,673
Unreserved.....	4,439,640	3,134,718	1,159,683
Restricted.....	-	-	-
Committed.....	-	-	-
Assigned.....	-	-	-
Unassigned.....	-	-	-
Total general fund.....	<u>\$ 9,415,393</u>	<u>\$ 10,136,910</u>	<u>\$ 9,043,356</u>
All Other Governmental Funds			
Reserved.....	\$ 1,192,810	\$ 1,247,066	\$ 1,747,018
Unreserved, reported in:			
Special revenue funds.....	11,916,617	13,228,361	15,023,502
Capital projects funds.....	667,911	472,170	216,944
Permanent funds.....	299,418	333,475	287,065
Nonspendable.....	-	-	-
Restricted.....	-	-	-
Committed.....	-	-	-
Total all other governmental funds.....	<u>\$ 14,076,756</u>	<u>\$ 15,281,072</u>	<u>\$ 17,274,529</u>

(1) Fiscal year 2011 represents the first year of implementing GASB Statement # 54

	2009	2010	(1) 2011	2012	2013	2014	2015
\$	7,842,901	\$ 8,139,048	\$ -	\$ -	\$ -	\$ -	\$ -
	1,359,246	1,236,002	-	-	-	-	-
	-	-	6,779,627	6,399,835	5,771,754	4,912,009	5,140,867
	-	-	231,092	242,864	209,001	1,914,264	2,685,774
	-	-	1,570,833	1,411,288	1,371,499	1,915,715	1,557,983
	-	-	3,961,520	5,603,341	7,721,185	9,022,099	7,158,149
\$	<u>9,202,147</u>	<u>9,375,050</u>	<u>12,543,072</u>	<u>13,657,328</u>	<u>15,073,439</u>	<u>17,764,087</u>	<u>16,542,773</u>
\$	1,980,469	\$ 11,728,805	\$ -	\$ -	\$ -	\$ -	\$ -
	15,383,602	6,130,897	-	-	-	-	-
	202,403	192,101	-	-	-	-	-
	154,116	195,200	-	-	-	-	-
	-	-	1,013,539	1,034,051	1,034,876	1,084,580	1,102,743
	-	-	16,684,900	16,057,555	11,222,092	10,538,414	16,606,664
	-	-	65,621	60,222	6,022	62,883	55,033
\$	<u>17,720,590</u>	<u>18,247,003</u>	<u>17,764,060</u>	<u>17,151,828</u>	<u>12,262,990</u>	<u>11,685,877</u>	<u>17,764,440</u>

GOVERNMENTAL FUNDS
CHANGES IN FUND BALANCES
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS

	2006	2007	2008	2009
REVENUES				
Real estate and personal property taxes.....	\$ 55,331,010	\$ 56,629,289	\$ 59,955,625	\$ 62,447,823
Motor vehicle and other excise taxes.....	2,965,914	2,589,563	2,957,725	2,805,055
Tax liens.....	506,697	251,389	163,593	336,130
Payments in lieu of taxes.....	65,409	123,777	90,079	57,494
Community preservation surcharges.....	1,235,095	1,303,239	1,375,761	1,430,652
Charges for services.....	329,177	340,514	329,379	359,443
Intergovernmental.....	15,876,366	16,565,305	17,430,198	16,817,428
Penalties and interest on taxes.....	338,103	200,005	143,367	168,382
Licenses, permits and fees.....	3,446,787	3,447,489	3,502,926	533,534
Fines and forfeitures.....	173,742	164,371	123,360	114,037
Departmental and other.....	269,907	221,839	242,711	3,094,353
Contributions.....	134,088	238,484	408,346	349,619
Investment income.....	943,024	1,376,186	1,087,882	677,015
TOTAL REVENUES.....	81,615,319	83,451,450	87,810,952	89,190,965
EXPENDITURES				
Current:				
General government.....	2,763,500	2,679,753	2,903,375	2,979,703
Public safety.....	6,348,744	6,283,293	6,835,206	6,982,021
Education.....	45,165,136	46,732,328	50,217,825	48,860,537
Public works.....	4,253,132	3,789,252	4,687,959	4,795,544
Health and human services.....	577,231	619,979	705,502	1,075,681
Culture and recreation.....	5,220,149	3,095,329	2,614,784	8,022,450
Pension benefits.....	5,665,164	6,303,237	6,687,188	7,272,633
Employee benefits.....	5,363,527	5,560,952	6,967,279	8,400,859
Property and liability insurance.....	164,957	185,587	209,144	215,912
State and county charges.....	167,557	170,512	169,420	166,240
Debt service:				
Principal.....	4,395,000	4,265,000	3,585,000	3,500,000
Interest.....	1,997,260	1,856,395	1,680,452	1,656,515
TOTAL EXPENDITURES.....	82,081,357	81,541,617	87,263,134	93,928,095
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(466,038)	1,909,833	547,818	(4,737,130)
OTHER FINANCING SOURCES (USES)				
Issuance of bonds and notes.....	-	-	-	5,045,000
Premium from issuance of bonds and notes.....	-	-	-	29,613
Issuance of refunding bonds.....	-	-	-	-
Premium from issuance of refunding bonds.....	-	-	-	-
Proceeds from capital leases.....	-	-	323,940	239,695
Transfers in.....	483,757	514,342	726,342	1,639,470
Transfers out.....	(477,175)	(498,342)	(698,197)	(1,611,796)
Payments to refunding bond escrow agent.....	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	6,582	16,000	352,085	5,341,982
NET CHANGE IN FUND BALANCES.....	\$ (459,456)	\$ 1,925,833	\$ 899,903	\$ 604,852
DEBT SERVICE EXPENDITURES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....				
	8.44%	7.79%	6.18%	5.98%

	2010	2011	2012	2013	2014	2015
\$	64,346,930	\$ 66,299,400	\$ 68,328,105	\$ 69,936,527	\$ 72,439,807	\$ 72,210,203
	2,633,406	2,824,879	2,953,422	3,137,442	3,479,052	3,778,204
	123,646	330,168	476,967	522,311	187,499	241,824
	56,102	64,515	31,030	53,377	38,629	89,934
	1,457,336	1,494,705	1,529,459	1,582,040	1,643,844	1,662,709
	547,245	679,786	745,467	646,323	699,861	696,291
	16,269,765	16,350,975	16,897,919	16,962,299	17,534,425	10,731,708
	163,826	204,686	288,058	255,978	224,025	186,333
	477,972	511,537	554,433	778,448	708,163	746,655
	106,952	91,472	89,439	76,302	82,894	86,250
	2,727,664	3,372,975	3,770,842	3,718,554	3,563,739	3,722,253
	216,832	208,744	227,708	246,187	367,022	302,659
	527,712	548,552	268,019	231,324	331,410	85,504
	<u>89,655,388</u>	<u>92,982,394</u>	<u>96,160,868</u>	<u>98,147,112</u>	<u>101,300,370</u>	<u>94,540,527</u>
	3,155,148	6,148,845	3,242,101	11,686,201	3,256,717	6,233,818
	6,538,020	7,007,846	7,140,784	7,631,877	7,832,862	11,521,631
	50,813,562	52,710,026	56,079,405	56,325,461	58,782,463	59,901,358
	4,757,379	4,734,423	4,197,544	4,709,953	6,280,856	7,889,516
	912,367	853,183	1,100,346	1,846,680	965,179	1,053,644
	2,302,329	2,076,690	2,005,940	2,065,764	2,432,273	2,174,517
	7,706,478	7,877,511	8,184,635	8,612,651	8,882,087	3,482,548
	7,470,540	7,173,083	8,245,029	7,163,045	6,650,548	5,865,834
	199,420	213,481	218,576	224,452	238,000	263,973
	164,445	192,672	186,114	179,483	157,416	227,330
	3,795,000	8,925,000	3,790,000	5,431,588	5,300,000	11,085,000
	1,586,558	1,392,389	1,271,605	1,085,513	962,524	888,265
	<u>89,401,246</u>	<u>99,305,149</u>	<u>95,662,079</u>	<u>106,962,668</u>	<u>101,740,925</u>	<u>110,587,434</u>
	<u>254,142</u>	<u>(6,322,755)</u>	<u>498,789</u>	<u>(8,815,556)</u>	<u>(440,555)</u>	<u>(16,046,907)</u>
	-	3,610,000	-	3,440,000	-	11,805,946
	-	1,555	48,974	-	99,014	925,710
	-	4,870,000	-	4,045,000	1,950,000	6,845,000
	-	270,580	-	144,361	75,215	911,298
	424,221	226,104	221,115	260,819	271,594	315,559
	626,333	728,684	810,738	986,915	3,118,082	1,779,092
	(605,380)	(699,089)	(1,077,592)	(978,113)	(3,014,015)	(1,678,449)
	-	-	-	(2,501,953)	-	-
	<u>445,174</u>	<u>9,007,834</u>	<u>3,235</u>	<u>5,397,029</u>	<u>2,499,890</u>	<u>20,904,156</u>
\$	<u>699,316</u>	<u>2,685,079</u>	<u>502,024</u>	<u>(3,418,527)</u>	<u>2,059,335</u>	<u>4,857,249</u>
	6.23%	10.71%	5.54%	6.70%	6.31%	11.92%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1)

LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value (2)			Total Assessed Value	Total Direct Tax Rate	Estimated Actual Value (3)	Assessed Value as a Percentage of Actual Value
	Residential Real Property	Commercial and Industrial Real Property	Personal Property				
2006	\$ 3,734,317,130	\$ 180,522,435	\$ 42,090,996	\$ 3,956,930,561	\$ 14.01	\$ 3,753,910,600	105.41%
2007	3,990,378,334	197,187,483	43,965,520	4,231,531,337	13.53	4,260,907,900	99.31%
2008	3,892,876,521	221,958,158	48,125,120	4,162,959,799	14.54	4,260,907,900	97.70%
2009	3,785,653,765	219,008,644	59,772,570	4,064,434,979	15.57	4,522,988,100	89.86%
2010	3,719,642,603	221,181,214	62,837,650	4,003,661,467	16.37	4,522,988,100	88.52%
2011	3,599,570,656	206,407,612	68,303,560	3,874,281,828	17.40	4,256,033,800	91.03%
2012	3,566,779,121	205,130,419	66,426,000	3,838,335,540	17.98	4,256,033,800	90.19%
2013	3,590,745,895	206,398,302	66,938,910	3,864,083,107	18.38	4,110,402,700	94.01%
2014	3,695,489,903	198,138,564	66,955,670	3,960,584,137	18.42	4,110,402,700	96.36%
2015	3,825,857,903	199,170,642	63,887,360	4,088,915,905	17.99	4,154,472,500	98.42%

Source: Assessing Department

- (1) Does not include valuation affected by residential exemption
- (2) As of January 1st
- (3) Estimated actual value is based on equalized valuations determined biennially by the Commissioner of Revenue

DIRECT PROPERTY TAX RATES (1) (2)

LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Residential Real Property (3)</u>	<u>Commercial and Industrial Real Property (3)</u>	<u>Personal Property (3)</u>	<u>Total Direct</u>
2006	\$ 12.79	\$ 0.99	\$ 0.23	\$ 14.01
2007	12.37	0.95	0.21	13.53
2008	13.35	0.98	0.21	14.54
2009	14.25	1.04	0.28	15.57
2010	14.94	1.11	0.32	16.37
2011	15.82	1.19	0.39	17.40
2012	16.35	1.23	0.40	17.98
2013	16.71	1.26	0.41	18.38
2014	16.75	1.25	0.42	18.42
2015	16.39	1.21	0.39	17.99

Source: Assessing Department

(1) Rates are applicable to each \$1,000 of assessed value

(2) Per the initiatives of Proposition 2 1/2 adopted by the Commonwealth of Massachusetts, the Town cannot levy more than 2.5 percent of the total full and fair cash value of all taxable real and personal property. The Town's levy is also limited in that it cannot increase more than 2.5 percent from the prior year, with certain exceptions for new growth or through overrides and exclusions adopted by Town voters.

(3) Weighted average rate calculated by dividing the net tax levy by property class by total assessed value divided by 1,000

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2015			2006		
	Amount of Tax	Rank	Percentage of Total Tax Levy	Amount of Tax	Rank	Percentage of Total Tax Levy
NSTAR Electric & Gas Company	\$ 809,987	1	1.10%	\$ N/A	N/A	N/A
Raytheon Company	609,918	2	0.83%	298,135	2	0.40%
Paris Trust	326,366	3	0.44%	N/A	N/A	N/A
Sudbury Crossing Limited	273,177	4	0.37%	194,704	5	0.26%
Verizion	268,139	6	0.36%	N/A	N/A	N/A
Wellyn Inc.	219,738	5	0.30%	N/A	N/A	N/A
PRI Longfellow Glenn LLC	203,317	7	0.28%	149,404	7	0.30%
Boston Gas Company	183,586	8	0.25%	N/A	N/A	N/A
Stanmar/Snider	171,446	9	0.23%	N/A	N/A	N/A
Richard J Bosse Holdings LLC	161,526	10	0.22%	111,047	10	0.15%
Boston Edison (now part of NSTAR)	N/A	N/A	N/A	395,249	1	0.54%
David F. Bolger	N/A	N/A	N/A	233,445	3	0.32%
Pasquarello & Spertner, Trustees	N/A	N/A	N/A	214,103	4	0.29%
Der Manuelian Haig TRS	N/A	N/A	N/A	154,648	6	0.21%
Dowie William J. Trustee	N/A	N/A	N/A	134,279	8	0.27%
1776 Plaza Limited Partnership	N/A	N/A	N/A	112,389	9	0.15%
Total	\$ 3,227,200		4.38%	\$ 1,997,403		2.89%

Source: Assessing Department

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Net Tax Levy	Collected within the Fiscal Year of the Levy		Actual Subsequent Collections	Total Collections to Date	
		Current Tax Collections (1)	Percent of Net Levy Collected		Total Tax Collections (1)	Total Collections as a % of Net Levy
2006	\$ 55,432,935	54,468,106	98.26%	358,262	54,826,367	98.91%
2007	57,246,758	56,037,401	97.89%	472,666	56,510,067	98.71%
2008	60,539,786	59,381,429	98.09%	352,052	59,733,481	98.67%
2009	63,263,124	62,126,272	98.20%	144,303	62,270,575	98.43%
2010	65,529,153	63,936,979	97.57%	432,712	64,369,691	98.23%
2011	67,418,506	65,823,252	97.63%	557,272	66,380,524	98.46%
2012	69,007,532	67,608,625	97.97%	320,887	67,929,512	98.44%
2013	71,026,410	69,641,532	98.05%	416,153	70,057,685	98.64%
2014	72,951,707	71,687,443	98.27%	514,335	72,201,778	98.97%
2015	73,549,580	72,165,654	98.12%	-	72,165,654	98.12%

Source: Department of the Treasurer/Collector

(1) Does not include taxes moved to and collected from Tax Title and Tax Deferral accounts

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Capital Leases			
2006	\$ 46,305,000	518,994	46,823,994	2.43%	\$ 2,590
2007	42,040,000	447,207	42,487,207	2.60%	2,370
2008	38,455,000	510,634	38,965,634	2.79%	2,168
2009	40,000,000	498,965	40,498,965	2.96%	2,248
2010	36,205,000	630,286	36,835,286	2.69%	2,028
2011	35,760,000	597,081	36,357,081	2.66%	2,008
2012	31,970,000	534,148	32,504,148	2.38%	1,775
2013	31,705,000	520,353	32,225,353	2.36%	1,759
2014	28,355,000	507,890	28,862,890	1.72%	1,576
2015	36,802,575	562,642	37,365,217	2.23%	2,040

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	Net General Bonded Debt Outstanding			Total Net General Bonded Debt	(1) Percentage of Estimated Actual Property Values	(2) Per Capita
	General Obligation Bonds	Less: Accumulated Resources				
2006	\$ 46,305,000	\$ -	\$	46,305,000	1.23%	\$ 2,543
2007	42,040,000	-		42,040,000	0.99%	2,325
2008	38,455,000	-		38,455,000	0.90%	2,145
2009	40,000,000	-		40,000,000	0.88%	2,225
2010	36,205,000	-		36,205,000	0.80%	2,010
2011	35,760,000	-		35,760,000	0.84%	1,969
2012	31,970,000	-		31,970,000	0.75%	1,766
2013	31,705,000	-		31,705,000	0.77%	1,731
2014	28,355,000	-		28,355,000	0.69%	1,548
2015	36,802,575	-		36,802,575	0.89%	2,009

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for estimated actual property values

(2) See the Schedule of Demographic and Economic Statistics for population data

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Fiscal year 2015 equalized valuation.....	\$ <u>4,154,472,500</u>
Normal debt limit (5% of equalized valuation).....	<u>207,723,625</u>
Debt applicable to limit:	
Total net debt applicable to limit.....	<u>36,802,575</u>
Legal debt margin.....	\$ <u>170,921,050</u>

	Fiscal Year		
	2006	2007	2008
Normal debt limit.....	\$ 187,695,530	\$ 213,045,395	\$ 213,045,395
Total net debt applicable to limit.....	<u>46,305,000</u>	<u>42,040,000</u>	<u>38,455,000</u>
Legal debt margin.....	<u>\$ 141,390,530</u>	<u>\$ 171,005,395</u>	<u>\$ 174,590,395</u>
Total net debt applicable to the limit as a percentage of normal debt limit.....	24.67%	19.73%	18.05%

Source: Department of the Treasurer/Collector

Fiscal Year

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 226,149,405	\$ 226,149,405	\$ 212,801,690	\$ 212,801,690	\$ 205,520,135	\$ 205,520,135	\$ 207,723,625
<u>40,000,000</u>	<u>36,205,000</u>	<u>35,980,000</u>	<u>31,970,000</u>	<u>31,705,000</u>	<u>28,355,000</u>	<u>36,802,575</u>
<u>\$ 186,149,405</u>	<u>\$ 189,944,405</u>	<u>\$ 176,821,690</u>	<u>\$ 180,831,690</u>	<u>\$ 173,815,135</u>	<u>\$ 177,165,135</u>	<u>\$ 170,921,050</u>
17.69%	16.01%	16.91%	15.02%	15.43%	13.80%	17.72%

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

JUNE 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Lincoln Sudbury Regional High School District.....	\$ 6,050,000	85.55%	\$ 5,175,775
Town direct debt (2).....			<u>37,365,217</u>
Total direct and overlapping debt.....			<u><u>\$ 42,540,992</u></u>

Source: Lincoln Sudbury Regional High School District

- (1) The percentage of total overlapping debt is derived from the Town's share of capital charges divided by the total debt of the overlapping unit at fiscal year end
- (2) Direct debt includes debt outstanding and payable from the Town's Community Preservation Fund

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Median Age (4)	Public School Enrollment (1)	Unemployment Rate (%) (5)
2006	18,207	1,476,323,000	81,085	43	4,583	3.7%
2007	18,080	1,923,614,000	106,395	43	4,678	3.1%
2008	17,924	1,634,561,000	91,194	43	4,619	3.8%
2009	17,977	1,395,132,000	77,606	43	4,634	6.0%
2010	18,015	1,368,233,485	75,950	43	4,537	5.9%
2011	18,160	1,673,752,000	92,167	43	4,464	5.0%
2012	18,103	1,673,752,000	92,457	43	4,446	4.5%
2013	18,317	1,673,752,000	91,377	43	4,367	5.2%
2014	18,317	1,673,752,000	91,377	43	4,340	4.0%
2015	18,317	1,673,752,000	91,377	43	4,577	3.5%

- Sources: (1) Town of Sudbury
 (2) Massachusetts Department of Revenue
 (3) Calculated using Town population data
 (4) 2010 Federal Census; also being used for other years as a fair estimate of Median Age
 (5) Massachusetts Labor and Workforce Development at year-end

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Raytheon	1,200	1	14.45%	2,000	1	24.58%
Sudbury Farms	300	2	3.61%	250	2	3.07%
Cavicchio Greenhouses, Inc.	200	3	2.41%	N/A	N/A	N/A
Lincoln-Sudbury Regional School District	225	4	2.71%	227	3	2.79%
Staples Industrial	175	5	2.11%	N/A	N/A	N/A
Methods Machine Tools Wholesaler	150	6	1.81%	N/A	N/A	N/A
Bosse Sports	110	7	1.32%	N/A	N/A	N/A
SPEC Center	100	8	1.20%	N/A	N/A	N/A
Shaw's Supermarket (formerly Star Market)	84	9	1.01%	135	6	1.66%
Mass State Police Crime Lab	50	10	0.60%	N/A	N/A	N/A
Chiswick Trading Inc.	N/A	N/A	N/A	178	4	2.19%
Wayside Inn	N/A	N/A	N/A	150	5	1.84%
Sudbury Pines Nursing Home	N/A	N/A	N/A	104	7	1.28%
Wingate Nursing Home	N/A	N/A	N/A	57	8	0.70%
Acapulco's	N/A	N/A	N/A	40	9	0.49%
Blue Lion	N/A	N/A	N/A	40	10	0.49%
Total	2,594		31.23%	3,181		39.10%

Source: Town of Sudbury and Massachusetts Labor and Workforce Development

EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Full-Time Equivalent Employees as of June 30 (2)									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government.....	33	33	33	32	30	30	30	30	30	29
Public safety.....	81	82	81	79	78	78	78	77	77	74
Education (1).....	415	412	412	390	393	391	379	386	396	402
Public works	32	34	34	32	32	30	30	30	34	36
Health and human services.....	7	7	7	7	6	6	6	6	7	9
Culture and recreation.....	19	19	18	18	17	16	16	16	14	16
Total.....	<u>587</u>	<u>587</u>	<u>585</u>	<u>558</u>	<u>556</u>	<u>551</u>	<u>540</u>	<u>545</u>	<u>558</u>	<u>566</u>

Source: Town of Sudbury

(1) Includes kindergarten through 8th grade only

(2) Does not include employees of enterprise funds

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year			
	2006	2007	2008	2009
General government				
Selectmen's meetings.....	(1)	27	24	30
Licenses issued.....	(1)	77	77	77
Payroll processed.....	18,237	18,313	18,801	17,842
Invoices paid.....	16,023	18,467	19,529	18,394
Taxable property parcels.....	6,424	6,498	6,470	6,484
Motor vehicle excise processed.....	17,842	17,858	17,838	17,817
Certified vital records.....	1,242	1,236	1,226	1,230
Zoning board of appeals application filed.....	71	64	44	27
Public safety				
Police				
Calls for service.....	(1)	(1)	(1)	(1)
Walk-in traffic.....	(1)	(1)	(1)	(1)
Arrests.....	(1)	(1)	194	181
Criminal complaints.....	(1)	(1)	(1)	(1)
Motor vehicle accidents.....	646	557	634	562
Alarms.....	(1)	(1)	918	776
Medical call responses.....	(1)	(1)	(1)	(1)
Fire				
Calls for assistance.....	1,793	1,833	1,812	1,983
Structure fire responses.....	8	9	13	13
Emergency medical responses.....	952	992	1,033	1,063
Building Department				
Building inspections.....	(1)	1,332	1,301	1,300
Education				
Public school enrollment.....	4,583	4,678	4,619	4,634
Public works				
Depository of property plans.....	(1)	3,950	3,975	4,000
Transfer station stickers issued.....	(1)	1,763	1,763	1,568
Recyclables (tons).....	(1)	1,160	1,160	1,052
Health and human services				
Senior Center program attendance.....	2,100	1,730	1,981	2,000
Senior Center referrals.....	89	102	133	130
Veteran population (Federal census estimate).....	(1)	1,221	1,221	1,221
Senior and veteran tax work-off participants.....	50	50	50	50
Culture and recreation				
Library circulation.....	340,585	333,735	354,754	389,026
Library resources sharing.....	60,000	63,608	70,322	84,713
Park & recreation programs.....	749	640	660	660
Pool use (admittance).....	83,789	77,560	70,881	78,388

Source: Various departments

(1) Data is not available

Fiscal Year					
2010	2011	2012	2013	2014	2015
30	33	31	33	36	45
77	78	78	78	78	81
17,850	18,009	19,134	18,528	18,835	19,591
18,490	18,601	18,500	17,329	17,350	16,216
6,505	6,507	6,556	6,585	6,589	6,605
17,971	18,081	18,217	18,145	19,516	18,203
995	1,152	1,100	1,620	1,263	1,408
27	35	40	36	40	43
15,312	14,951	15,927	15,612	15,965	17,021
(1)	(1)	10,651	9,699	9,682	10,051
147	160	93	143	133	128
260	189	195	169	215	247
553	644	519	529	518	511
833	837	914	832	847	750
881	902	873	844	818	984
2,026	2,071	2,071	2,063	1,918	2,246
10	10	10	14	21	13
1,106	1,151	1,151	1,148	1,109	1,237
1,217	1,211	1,400	1,450	1,504	1,643
4,537	4,464	4,446	4,367	4,340	4,505
5,425	5,450	5,475	5,500	5,500	5,500
1,569	1,569	1,477	1,500	1,525	1,922
1,908	1,900	1,500	1,500	750	599
2,000	2,040	2,000	1,900	1,900	1,900
163	100	220	361	358	276
1,221	1,220	1,220	1,220	1,220	1,218
50	50	50	50	52	56
397,113	408,000	395,000	380,000	447,275	457,612
93,899	139,789	140,000	99,600	109,660	104,845
660	680	700	737	691	493
84,618	83,293	84,000	83,670	80,423	77,000

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police										
Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Stations.....	3	3	3	3	3	3	3	3	3	3
Trucks.....	7	7	7	7	7	7	7	7	7	7
Education										
Public school buildings.....	5	5	5	5	5	5	5	5	5	5
Public works										
Streets (miles).....	141	141	141	141	141	141	141	141	141	141
Streetlights.....	627	627	627	627	627	627	627	627	627	627
Traffic signals.....	2	2	2	2	2	2	2	2	2	2
Trucks/rolling stock equipment.....	76	76	76	75	77	79	83	83	83	83
Culture and recreation										
Public libraries.....	1	1	1	1	1	1	1	1	1	1
Community centers.....	1	1	1	1	1	1	1	1	1	1
Town park and playground acreage.....	96	96	96	96	96	96	96	96	96	96

Source: Various departments

