

TOWN OF CONCORD, MASSACHUSETTS

Comprehensive Annual Financial Report



For the Year Ended June 30, 2016

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Comprehensive Annual Financial Report

**For The Fiscal Year Ended
June 30, 2016**



**Prepared by:
The Concord Finance Department**

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Town of Concord, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2016

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CHRISTOPHER WHELAN, TOWN MANAGER

January 17, 2017

To the Honorable Select Board and Citizens of the Town of Concord,
Massachusetts:

I am pleased to transmit to you the Town of Concord's (the Town) Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2016. The report was prepared by the Town's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in compliance with GAAP. Because the cost of internal control should not exceed anticipated 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 Melanson Heath, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town's financial statements for the fiscal year ended June 30, 2016, and, further, that they

are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town 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 Single Audit Report.

GAAP requires 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.

Profile of the Town

The Town, founded in 1635, is located in Middlesex County approximately 17 miles northwest of Boston. It is approximately 26 square miles in area and is bordered by the towns of Sudbury, Lincoln, Acton, Maynard, Carlisle, and Bedford. The Town has received national and international recognition as the birthplace of the American Revolution and home of such noted authors as Louisa May Alcott, Ralph Waldo Emerson, Nathaniel Hawthorne, and Henry David Thoreau. It has been estimated that approximately one million tourists visit the Town each year.

For its residents, businesses, and visitors, the Town provides the following general governmental services: police and fire protection; water and sewer services; electricity distribution services provided through the Concord Municipal Light Plant; trash collection; public works operations; park maintenance; recreation programs that are augmented with a swim and exercise facility; senior services that are located at a senior center; and library services provided by staff at two libraries. The public school system, which includes a new regional high school and three relatively new elementary schools, has an excellent reputation. In addition, the Massachusetts Bay Transportation Authority provides passenger rail service from two Concord train stations to Boston.

Local legislative decisions are made by a Town Meeting open to all voters registered in Concord. Subject to town meeting decisions, and pursuant to the town charter adopted in 1956, the Town Manager is responsible for the daily operations of the Town and of the Municipal Light Plant. Executive decisions are made by the Town's five-person Select Board, whose members are elected at-large and serve for a three-year term on a staggered basis.

Property taxes are assessed by a five-person Board of Assessors whose members are appointed for staggered three-year terms by the Town Manager with approval of the Select Board.

Policies for the Concord Municipal Light Plant are established by a five-person board appointed by the Town Manager and those for the Water & Sewer Division are set by the five-person Public Works Commission also appointed by the Town Manager.

For the schools, oversight of kindergarten through eighth grade is provided by a five-person Concord Public School (CPS) Committee, whose members are elected for a staggered three-year term on an at-large basis. The high school, grades nine through twelve, is comprised of students from the towns of Concord and Carlisle and is organized as its own regional district distinct from the Town of Concord. The Concord-Carlisle Regional School Committee includes the five CPS Committee members and two Carlisle members.

Factors Affecting Financial Condition

The Town has long recognized the importance of balanced community development. In 1928, the Town adopted one of the first zoning bylaws in the United States, which included districts for residential, business, and industrial uses (following the pattern of existing development). In 1948, the Town adopted a comprehensive planning report that stated “the present diversified land use pattern of farming, light industry, business and residences should be preserved since it lays the basis for varied local employment and stimulates a more eventful community life than can exist in an exclusively residential suburb.”

Concord’s proximity to Boston, Hanscom Air Field, Route 128, Route 2 and Route 495, have attracted companies to locate in the Town. The corporate headquarters for Welch Foods, Inc. is in Concord. The West Concord industrial areas, which have provided low-cost start-up space for many small businesses in the past, are the focus of redevelopment, renovation, and restoration. There is a diversity of services and products provided by the companies within the Town.

Nevertheless, Concord remains primarily a residential community. Property taxes account for eighty-five percent of general fund revenues and approximately ninety percent of these taxes are derived from residential properties. By offering attractive neighborhoods and high-quality schools in a historic town situated close to Boston, Concord is able to maintain its standing as a desirable place for individuals and families to live.

Relevant Financial Policies

Concord has traditionally taken a conservative approach to budgeting. Town expenditures are by law limited to the appropriation amount but tend to be less than budgeted. Revenues often exceed the budget amount. For state aid and local

receipts, the actual amount received is generally higher than the amount projected. In addition, estimates for the additional property tax to be received from new construction are based only on known development activity for which there is high likelihood of completion in the upcoming fiscal year.

Maintaining the Town's infrastructure and other physical assets is a priority. Concord dedicates seven to eight percent of annual general fund resources for capital improvements. A five-year capital improvement plan schedule is carefully followed. Most capital items that are over \$100,000 are funded through borrowing, and sixty-five percent of this debt is retired within five years and ninety percent retired within ten years.

Fund balance as determined by the Free Cash amount certified by the State is maintained at a level of approximately 10% of the subsequent year's general fund budget, with amounts over that level commonly allocated to augment specific stabilization accounts or fund special Town Meeting warrant articles.

As a result of establishing these financial policies as well as following sound fiscal management, the Town has maintained a credit rating of Aaa with Moody's Investors Service since 1987. The most recent credit report was issued on May 5, 2016.

Acknowledgements

This report represents the second year in which the Town has compiled the necessary information for a Comprehensive Annual Financial Report. It is a further step that the Town is taking to make relevant and accurate financial information available to the public. For the work throughout the year and specifically for preparing the CAFR, I would like to especially thank the Town's Finance Department as well as the audit firm, Melanson Heath, for their efforts to strive to attain the highest standards in financial and reporting practices.

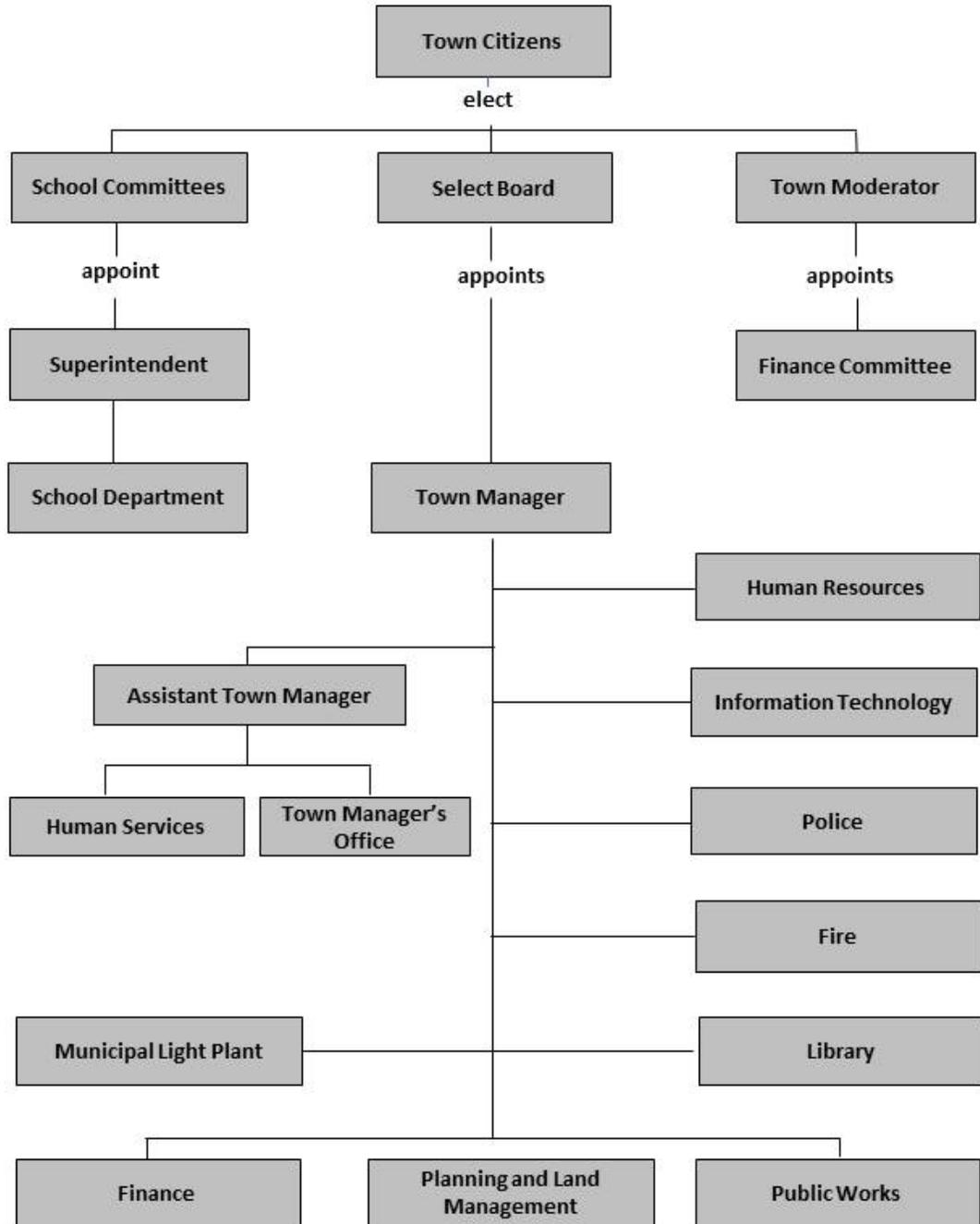
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Whalen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Christopher Whalen
Town Manager

Town of Concord, Massachusetts

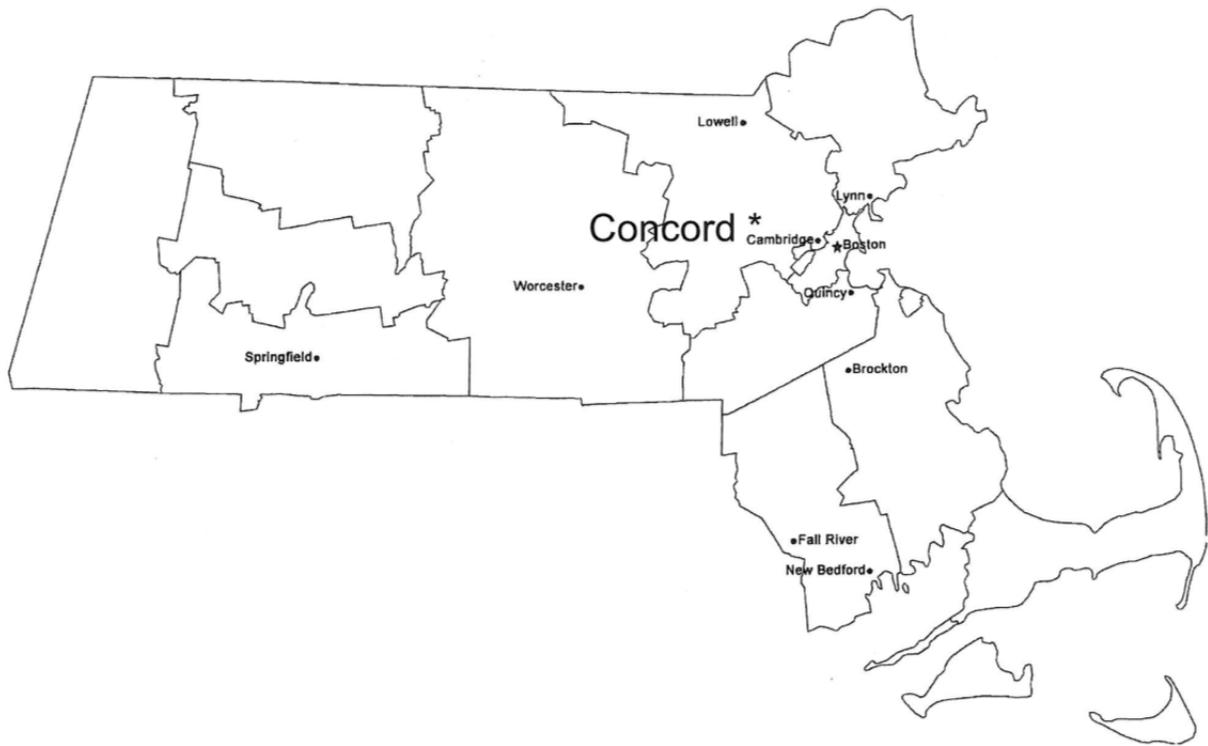
Organizational Chart



Principal Town Officials			
Office	Name	Term and Manner of Selection	Term Expires
Select Board	Michael Lawson, Chair Jane Hotchkiss, Clerk Alice Kaufman Tom McKean Steven Ng	Elected for staggered 3 year terms	2017 2018 2019 2019 2018
Town Manager and Manager of Municipal Light Plant	Christopher Whelan	Appointed by Select Board for 3 year term	2017
Clerk	Anita S. Tekle	Appointed annually by Town Manager with approval of Select Board	2016
Finance Director, Treasurer and Collector	Anthony T. Logalbo	Appointed annually by Town Manager with approval of Select Board	2016
Accountant	Mary Barrett	Appointed by Select Board	2017

Town of Concord, Massachusetts

Geographic Location



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INDEPENDENT AUDITORS' REPORT

To the Select Board
Town of Concord, Massachusetts

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

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 Concord, Massachusetts, as of and for the year ended June 30, 2016, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ending December 31, 2015) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The Town's 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.

Auditors' 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 auditors' 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, based on our audit, 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 Concord, Massachusetts, as of June 30, 2016, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ending December 31, 2015) and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of OPEB Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Net Pension Liability, and the Schedules of Net Pension Liability, Contributions, and Investment Returns 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 evidence sufficient 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's basic financial statements. The combining and individual nonmajor fund financial statements and schedules appearing on pages 102 through 118 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2017 on our consideration of the Town's 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's internal control over financial reporting and compliance.

Melanson Heath

January 17, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Concord, we offer readers this narrative overview and analysis of the financial activities of the Town of Concord for the fiscal year ended June 30, 2016. This section should be read in conjunction with the Letter of Transmittal. Unless otherwise noted, all amounts reported in this section are expressed in thousands of dollars.

A. OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, liabilities, and deferred outflows/inflows of resources, with the difference being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the Town'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 and earned but unused vacation leave).

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

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable 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 impact 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 fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, which is considered to be a major fund. Data from the other governmental funds are combined into a single aggregated presentation.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows.

Enterprise funds are used to report activity for which a fee is charged to an external user, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Internal service funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the Town, or to other governments, on a cost-reimbursement basis. The Town uses four enterprise funds to account for water, sewer, electric, and swim & fitness operations.

Proprietary funds provide the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the water, sewer, electric, and swim & fitness operations, all of which are considered to be major funds.

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 own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows exceeded liabilities and deferred inflows by \$245,176 (i.e., net position), a change of \$8,787 in comparison to the prior year, as restated.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$54,023, a change of \$4,105 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,749, a change of \$2,383 in comparison to the prior year.
- Total bonds payable as of June 30, 2016 was \$60,237 (including unamortized bond premiums) a change of \$(3,385) in comparison to the prior year. Governmental bonds payable of \$40,496 decreased by \$(1,593). Business-type bonds payable of \$19,741 decreased by \$(1,792). See Note 18.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide statement of net position financial data for the current and prior fiscal years (in thousands):

	<u>NET POSITION</u>					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 60,841	\$ 57,240	\$ 47,991	\$ 42,534	\$ 108,832	\$ 99,774
Capital assets	154,206	154,832	87,250	87,777	241,456	242,609
Deferred outflows	8,441	-	693	-	9,134	-
Total assets and deferred outflows	223,488	212,072	135,934	130,311	359,422	342,383
Long-term liabilities	75,665	66,606	22,798	22,602	98,463	89,208
Other liabilities	5,017	5,381	10,638	7,582	15,655	12,963
Deferred inflows	-	1,210	128	895	128	2,105
Total liabilities and deferred inflows	80,682	73,197	33,564	31,079	114,246	104,276
Net position:						
Net investment in capital assets	119,465	115,573	69,266	67,975	188,731	183,548
Restricted	27,254	24,082	8,048	6,288	35,302	30,370
Unrestricted	(3,913)	(780)	25,056	24,969	21,143	24,189
Total net position	<u>\$ 142,806</u>	<u>\$ 138,875</u>	<u>\$ 102,370</u>	<u>\$ 99,232</u>	<u>\$ 245,176</u>	<u>\$ 238,107</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$245,176, a change of \$8,787 from the prior year.

The largest portion of net position, \$188,731, reflects our investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. This is an increase of \$5,183 in comparison to the prior year. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in 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 net position, \$35,302, represents resources that are subject to external restrictions on how they may be used. This includes:

- Restricted grant assets and other statutory restrictions, \$29,524.
- Expendable and nonexpendable permanent fund assets, \$5,778.

The remaining balance of unrestricted net position, \$21,143, may be used to meet the government's ongoing obligations to citizens and creditors. Of this total:

- \$(3,913) is in governmental activities funds, a change of \$(3,133) from the prior year. This change primarily results from using unrestricted net

position for capital assets, thereby increasing the net investment in capital assets and reducing the unrestricted net position.

- \$25,056 is in business-type activities funds, a change of \$87 from the prior year.

The following is a summary of condensed government-wide statement of changes in net position financial data for the current and prior fiscal years (in thousands):

	<u>CHANGE IN NET POSITION</u>					
	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 8,053	\$ 7,626	\$ 38,603	\$ 36,543	\$ 46,656	\$ 44,169
Operating grants and contributions	11,154	9,096	-	-	11,154	9,096
Capital grants and contributions	779	476	-	-	779	476
General revenues:						
Property taxes	82,098	78,146	-	-	82,098	78,146
Excises	3,834	3,835	-	-	3,834	3,835
Penalties and interest on taxes	460	459	-	-	460	459
Grants and contributions not restricted to specific programs	1,725	1,497	-	-	1,725	1,497
Investment income	296	570	118	63	414	633
Other	568	264	32	266	600	530
Total revenues	<u>108,967</u>	<u>101,969</u>	<u>38,753</u>	<u>36,872</u>	<u>147,720</u>	<u>138,841</u>
Expenses:						
General government	10,288	8,925	-	-	10,288	8,925
Public safety	13,340	12,250	-	-	13,340	12,250
Education	67,292	59,706	-	-	67,292	59,706
Public works	7,404	7,909	-	-	7,404	7,909
Health and human services	1,003	1,116	-	-	1,003	1,116
Culture and recreation	5,158	5,261	-	-	5,158	5,261
Interest on long-term debt	1,502	1,936	-	-	1,502	1,936
Water services	-	-	3,617	2,962	3,617	2,962
Sewer operations	-	-	3,094	2,968	3,094	2,968
Electric operations	-	-	24,370	24,901	24,370	24,901
Swim operations	-	-	2,257	2,160	2,257	2,160
Total expenses	<u>105,987</u>	<u>97,103</u>	<u>33,338</u>	<u>32,991</u>	<u>139,325</u>	<u>130,094</u>
Change in net position before transfers	2,980	4,866	5,415	3,881	8,395	8,747
Transfers in (out)	<u>951</u>	<u>2,167</u>	<u>(559)</u>	<u>(1,403)</u>	<u>392</u>	<u>764</u>
Change in net position	3,931	7,033	4,856	2,478	8,787	9,511
Net position - beginning of year, as restated*	<u>138,875</u>	<u>131,842</u>	<u>97,514</u>	<u>96,754</u>	<u>236,389</u>	<u>228,596</u>
Net position - end of year	<u>\$ 142,806</u>	<u>\$ 138,875</u>	<u>\$ 102,370</u>	<u>\$ 99,232</u>	<u>\$ 245,176</u>	<u>\$ 238,107</u>

* Electric Fund within Business-Type Activities only

Governmental activities. Governmental activities for the year resulted in a change in net position of \$3,931. Key elements of this change are as follows (in thousands):

General fund operations, net of refunding	\$ 2,182
PILOT from municipal light fund	472
Use of stabilization accounts	(1,623)
Community preservation operations	221
PEG Access fund operations	385
Current year revenue used for the acquisition of capital assets	2,335
Increase in net pension liability	(10,802)
Increase in pension related deferred outflows	9,434
Debt service in excess of depreciation, including refunding	1,343
Other	<u>(16)</u>
Total change in net position	<u>\$ 3,931</u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$4,855. This change can be attributed to the enterprise funds having program revenues greater than expenses, combined with the Town's informal policy of partially funding capital expenditures through operations in an effort to manage the Town's debt burden. Key elements of this change are as follows (in thousands):

	<u>Revenues and Transfers In</u>	<u>Expenses and Transfers Out</u>	<u>Change in Net Position</u>
Water Fund	\$ 6,018	\$ 3,689	\$ 2,329
Sewer Fund	4,197	3,111	1,086
Electric Fund	26,109	24,666	1,443
Swim & Fitness Fund	<u>2,333</u>	<u>2,335</u>	<u>(2)</u>
Total	<u>\$ 38,657</u>	<u>\$ 33,801</u>	<u>\$ 4,856</u>

The unrestricted net position for each of the Enterprise funds changed as follows (in thousands):

	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
Water Fund	\$ 8,216	\$ 7,060	\$ 1,156
Sewer Fund	3,862	3,810	52
Electric Fund	10,432	11,901	(1,469)
Swim & Fitness Fund	<u>2,546</u>	<u>2,198</u>	<u>348</u>
Total	<u>\$ 25,056</u>	<u>\$ 24,969</u>	<u>\$ 87</u>

The primary factors for the positive change in net position of the water fund are an increase in usage as well as an increase in water rates. The primary factor for the positive change in net position for the sewer fund relates to sewer improvement fees of \$1,188 due to new development in Town. There is not a corre-

spending increase to unrestricted net position as these fees are restricted for future debt service and capital.

D. FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$54,023, a change of \$4,105 in comparison to the prior year. Key elements of this change are as follows (in thousands):

Governmental fund highlights

General fund operations, net of refunding	\$	2,182
PILOT from municipal light fund		472
Use of stabilization accounts		(1,623)
Pension reserve fund activity		(57)
Nonmajor funds revenues and bond proceeds in excess of expenditures		3,195
Other		<u>(64)</u>
Total	\$	<u><u>4,105</u></u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$14,749, while total fund balance was \$35,404. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Refer to the table below (in thousands):

<u>General Fund</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
Restricted fund balance	\$ 9,824	\$ 10,292	\$ (468)
Committed fund balance	4,445	7,583	(3,138)
Assigned fund balance	6,386	5,167	1,219
Unassigned fund balance	<u>14,749</u>	<u>12,366</u>	<u>2,383</u>
Total fund balance	<u>\$ 35,404</u>	<u>\$ 35,408</u>	<u>\$ (4)</u>
Unassigned fund balance as a % of total General Fund expenditures	15.7%	13.2%	2.5%
Total fund balance as a % of total General Fund expenditures	37.7%	37.8%	-0.1%

The total fund balance of the general fund changed by \$(4) during the current fiscal year. Key factors in this change are as follows (in thousands):

<u>General Fund Highlights</u>	<u>General Fund Components</u> <u>For the year ended June 30, 2016</u>			<u>Total</u> <u>General</u> <u>Fund</u>
	<u>Operating</u>	<u>Stabilization</u>	<u>Pension</u>	
Use of free cash	\$ (1,575)	\$ -	\$ -	\$ (1,575)
Use of fund balance restricted for debt service	(410)	-	-	(410)
Use of High School debt stabilization account	-	(1,500)	-	(1,500)
Use of emergency response stabilization account	-	(100)	-	(100)
Use of School capital stabilization account	-	(925)	-	(925)
Revenues greater than budget	2,090	-	-	2,090
Expenditures less than budget	957	-	-	957
Current year encumbrances in excess of expenditures of prior year encumbrances	1,237	-	-	1,237
Pension reserve fund activity	-	-	(57)	(57)
Other	262	17	-	279
Total	\$ 2,561	\$ (2,508)	\$ (57)	\$ (4)

Included in the total general fund balance is the Town's stabilization accounts, insurance fund and pension reserve fund with the following balances (in thousands):

	<u>7/1/15</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers</u> <u>In</u>	<u>Transfers</u> <u>Out</u>	<u>6/30/16</u>
High School debt stabilization	\$ 3,535	\$ 10	\$ (1,500)	\$ -	\$ -	\$ 2,045
School debt stabilization	2	-	-	-	(2)	-
Emergency response stabilization	806	3	(100)	-	-	709
School capital stabilization	963	4	-	-	(925)	42
Other stabilization	4	-	-	2	-	6
Insurance fund	1,648	-	(23)	23	-	1,648
Pension reserve fund	9,472	85	(703)	560	-	9,414
Total	\$ 16,430	\$ 102	\$ (2,326)	\$ 585	\$ (927)	\$ 13,864

Proprietary funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$25,056. Total net position of the enterprise funds at the end of the year amounted to \$102,370, a change of \$4,856 in comparison to the prior year. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final reflect budgeted interfund charges through which other funds (primarily the business-type enterprise funds) reimburse the general fund for services provided for \$1,667.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$241,456 (see Note 14) (net of accumulated depreciation), a change of \$(1,153) from the prior year. This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings, construction in progress, infrastructure and intangible assets.

Major capital asset events during the current fiscal year included the following (in thousands):

Governmental activities:

- \$ 2,085 Various road and sidewalk improvements
- \$ 1,308 Various building improvements
- \$ 1,324 Truck and equipment purchases

Business-type activities:

- \$ 1,274 Water related infrastructure
- \$ 206 Sewer related infrastructure
- \$ 412 Sewer land purchase
- \$ 1,350 Electric related infrastructure
- \$ 55 Swim related structures and improvements

A comparison of capital asset activity to the three prior years is as follows (in thousands):

	Capital Asset Additions	Disposals and Reclassifications	Depreciation Expense	Accumulated Depreciation on Disposals	Net Activity
<u>Governmental activities</u>					
Fiscal year 2016	\$ 6,691	\$ (2,076)	\$ (5,328)	\$ 87	\$ (626)
Fiscal year 2015	\$ 6,163	\$ (1,145)	\$ (5,297)	\$ 298	\$ 19
Fiscal year 2014	\$ 7,798	\$ (2,744)	\$ (5,254)	\$ -	\$ (200)
<u>Business-type activities</u>					
<i>Water</i>					
Fiscal year 2016	\$ 1,424	\$ -	\$ (884)	\$ -	\$ 540
Fiscal year 2015	\$ 1,457	\$ -	\$ (831)	\$ -	\$ 626
Fiscal year 2014	\$ 1,028	\$ (586)	\$ (785)	\$ -	\$ (343)
<i>Sewer</i>					
Fiscal year 2016	\$ 656	\$ -	\$ (1,421)	\$ -	\$ (765)
Fiscal year 2015	\$ 2,540	\$ -	\$ (1,452)	\$ -	\$ 1,088
Fiscal year 2014	\$ 129	\$ -	\$ (1,484)	\$ -	\$ (1,355)
<i>Electric (as of 12/31)</i>					
Fiscal year 2016	\$ 2,217	\$ (1,323)	\$ (1,766)	\$ 919	\$ 47
Fiscal year 2015	\$ 4,470	\$ (2,067)	\$ (1,667)	\$ 102	\$ 838
Fiscal year 2014	\$ 8,842	\$ (6,563)	\$ (1,593)	\$ 1,577	\$ 2,263
<i>Swim & Fitness</i>					
Fiscal year 2016	\$ 55	\$ -	\$ (404)	\$ -	\$ (349)
Fiscal year 2015	\$ 1,599	\$ (95)	\$ (327)	\$ -	\$ 1,177
Fiscal year 2014	\$ 108	\$ -	\$ (330)	\$ -	\$ (222)

Capital Assets, net of <u>Accumulated Depreciation</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>Change</u>
Governmental activities	\$ 154,206	\$ 154,832	\$ (626)
Business activities			
Water	20,590	20,050	540
Sewer	18,595	19,360	(765)
Electric (as of 12/31)	39,191	39,144	47
Swim & Fitness	<u>8,874</u>	<u>9,223</u>	<u>(349)</u>
Subtotal	<u>87,250</u>	<u>87,777</u>	<u>(527)</u>
Grand Total	<u>\$ 241,456</u>	<u>\$ 242,609</u>	<u>\$ (1,153)</u>

Long-term debt. As of June 30, 2016, total bonded debt outstanding was \$60,237, all of which was backed by the full faith and credit of the government.

Additional information on capital assets and long-term debt can be found in the Notes to Financial Statements.

Credit rating. During the fiscal year, the Town’s Aaa credit rating remained unchanged by Moody’s.

G. ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

The April 2016 Annual Town Meeting adopted a fiscal year 2017 general fund budget of \$98,250, a \$1,927 increase or 2.0% over the prior year. This increase includes the following:

- An increase of \$800 (or 3.8%) in the operating budget of the Town Government.
- An increase of \$1,117 (or 3.2%) in the operating budget of the Concord Public Schools (K-8).
- An increase of \$479 (or 2.9%) for Concord’s assessed share of the Concord – Carlisle Regional School District operating budget.
- An increase of \$154 (or 4.4%) in the Town’s allocated share of debt service assessed by the Concord – Carlisle Regional School District.

The remainder of the FY16 General Fund budget was up 3.4%.

It is anticipated that 84.4% of the resources to fund the General Fund budget will be generated by property taxes. Additional funding includes state aid (4.4%), local receipts (6.8%), stabilization fund allocations (1.7%), Massachusetts School Building Authority Grant (0.4%), investment earnings (0.1%), transfers from the Light Fund (0.5%), and allocation from the unreserved fund balance (1.0%).

The property tax levy for FY16 (\$81,319) represents a 5.1% increase over the prior year. This rise reflects a decrease of 2.6 % in the property tax rate from \$14.29 per thousand to \$13.92 per thousand and an increase of 7.9 % in taxable assessed value from \$5.412 billion to \$5.842 billion. The assessment date for valuing the Town’s FY16 real estate and personal property is January 1, 2015. The table below presents a comparison between FY15 and FY16 (in thousands except for tax rates).

	<u>FY15</u>	<u>FY16</u>	<u>% Change</u>
Taxable Assessed Value	\$ 5,841,889	\$ 5,973,716	2.3%
Tax Rate (per \$1,000)	\$ 13.92	\$ 14.07	1.1%
Property Tax Levy	\$ 81,319	\$ 84,050	3.4%

Increases in the property tax levy for municipalities in Massachusetts are governed by statutory regulations referred to as Proposition 2½. The total property tax levy is constrained by a ceiling which cannot be more than 2½ percent of the previous year’s levy limit plus any new growth resulting from property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation, The Town has made an

effort to remain well under this ceiling or levy limit. Excess levy capacity, the difference between the property tax levy and the levy limit, totaled \$3,204 in fiscal year 2016 and \$4,206 in fiscal year 2017.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy the amount required to pay debt service on any specific bonds and note issued pursuant to a majority vote of the voters. The fiscal year 2017 tax levy includes \$6,266 levied for such authorized purpose.

PENSION FUNDING STATUS

The Concord Retirement Board's most recent actuarial valuation is as of January 1, 2016. The following is a table of the actuarial data from 2010 to 2016.

Actuarial Data

	<u>1/1/2010</u>	<u>1/1/2012</u>	<u>1/1/2014</u>	<u>1/1/2015</u>	<u>1/1/2016</u>
Actuarial Value of Assets (AVA)	\$90,445	\$94,996	\$115,340	\$126,817	\$137,855
Actuarial Accrued Liability (AAL)	\$106,054	\$123,798	\$142,405	156,552	\$167,011
Unfunded Accrued Liability (UAL)	\$15,609	\$28,802	\$27,065	29,735	\$29,156
Funding Ratio (AVA/AAL)	85.28%	76.73%	80.99%	81.01	82.54%
Assumed Discount Rate	7.75%	7.50%	7.50%	7.25%	7.00%
Funding Schedule Term	2030	2030	2030	2030	2030
	20 Years	18 Years	16 Years	15 Years	14 Years

The Concord Retirement Board's current funding policy is to maintain the funding schedule limit at no further than 2030, with an amortization rate on the Unfunded Accrued Liability of no greater than 2% and charges made to the participation employers based on the actuarially determined annual required contribution.

The Town's current policy in meeting its share of the Annual Required Contribution (ARC) payment is: (1) increasing the general fund appropriation at a 3% annual growth rate, plus \$250,000 for the fiscal year 2018 appropriation to reflect the impact of the lowered discount rate assumption; (2) utilizing the Town's pension reserve fund for supplemental funding of the required general fund share of the annual employer cost as necessary; and (3) allocating and fully funding the ARC allocated to the Town's enterprise operations (currently approximately 12% of the total employer ARC)

OPEB FUNDING STATUS

The Town's most recent actuarial valuation of its non-pension, post-employment benefit liability is as of June 30, 2016. The table below presents a comparison of the January 1, 2012, June 30, 2014 and June 30, 2016 valuations (all funds):

Actuarial Data

	<u>1/1/2012</u>	<u>6/30/2014</u>	<u>6/30/2016</u>
Actuarial Value of Assets (AVA)	\$1,074	\$6,067	\$8,395
Actuarial Accrued Liability (AAL)	\$27,897	\$29,876	\$39,185
Unfunded Actuarial Accrued Liability (UAAL)	\$26,823	\$23,809	30,790
Funded Ratio (AVA / AAL)	3.85%	20.31%	21.42%
Assumed Discount Rate:			
General Fund	6.50%	7.50%	7.25%
Enterprise Funds	7.50%	7.50%	7.25%
Funded Schedule Term	2039	2039	2039
	27 Years	25 Years	23 Years

The Town as of fiscal year 2010 commenced to fully fund the annual net OPEB obligation (NOO) of its business-type activities (Light, Water, Sewer, and Swim & Fitness Center) and since fiscal year 2014 has annually funded the change in NOO for general fund activities. In addition to premium and implicit subsidy payments, total fiscal year 2016 cash contribution to the OPEB trust was \$1.78 million. The funding schedule is based on a 30-year closed term commencing in fiscal year 2009.

BUSINESS-TYPE ACTIVITIES

The Town's business-type activities include the Water, Sewer, Light, and Swim & Fitness enterprises funds.

- The Light Fund for calendar year 2016 and Water Fund for fiscal year 2017 are budgeted to report positive net income.
- The Sewer Fund is budgeted to report a fiscal year 2017 negative net income of approximately \$410, which will be covered by the \$3.86 million unrestricted fund balance as of June 30, 2016. Rate adjustments are planned to continue over a multi-year period to ensure the long-term fiscal health of the sewer fund.
- The Swim & Fitness Fund is budgeted to report a fiscal year 2017 negative net income of approximately \$295, which will be covered by the \$2.54 million unrestricted fund balance as of June 30, 2016.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Concord's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director
Town of Concord, Massachusetts
22 Monument Square
Concord, Massachusetts 01742

TOWN OF CONCORD, MASSACHUSETTS

STATEMENT OF NET POSITION

JUNE 30, 2016

(Except for the Electric Enterprise Fund, which is as of December 31, 2015)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 41,501,998	\$ 28,810,727	\$ 70,312,725
Investments	17,036,585	-	17,036,585
Receivables, net of allowance for uncollectibles:			
Property taxes	602,156	-	602,156
Excises	84,547	-	84,547
User fees	-	6,113,295	6,113,295
Betterments	-	55,000	55,000
Departmental and other	289,101	-	289,101
Intergovernmental	822,647	-	822,647
Inventory	-	1,250,882	1,250,882
Prepaid expenses	-	3,060,984	3,060,984
Other assets	10,485	164,751	175,236
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	493,459	-	493,459
Betterments	-	600,814	600,814
Restricted cash	-	7,787,308	7,787,308
Net OPEB asset	-	146,899	146,899
Capital assets being depreciated, net	102,335,789	79,242,232	181,578,021
Capital assets not being depreciated	51,869,799	8,008,208	59,878,007
TOTAL ASSETS	215,046,566	135,241,100	350,287,666
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	8,441,371	692,850	9,134,221
Total Deferred Outflows of Resources	8,441,371	692,850	9,134,221
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	223,487,937	135,933,950	359,421,887
LIABILITIES			
Current:			
Warrants payable	1,536,024	4,000,978	5,537,002
Accrued liabilities	2,632,038	209,081	2,841,119
Customer deposits	-	320,226	320,226
Provision for rate stabilization	-	4,498,788	4,498,788
Notes payable	224,804	400,000	624,804
Other current liabilities	623,847	1,208,530	1,832,377
Current portion of long-term liabilities:			
Bonds payable	6,538,283	2,069,530	8,607,813
Accrued employee benefits	373,328	27,876	401,204
Estimated landfill closure and postclosure care costs	10,000	-	10,000
Noncurrent:			
Bonds payable, net of current portion	33,957,192	17,672,313	51,629,505
Net OPEB obligation	7,308,365	-	7,308,365
Net pension liability	23,967,947	2,706,508	26,674,455
Accrued employee benefits, net of current portion	3,360,120	321,344	3,681,464
Estimated landfill closure and postclosure care costs, net of current portion	150,000	-	150,000
TOTAL LIABILITIES	80,681,948	33,435,174	114,117,122
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	-	128,377	128,377
Total Deferred Inflows of Resources	-	128,377	128,377
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	80,681,948	33,563,551	114,245,499
NET POSITION			
Net investment in capital assets	119,465,307	69,265,566	188,730,873
Restricted for:			
Grants and other statutory restrictions	21,475,332	8,048,292	29,523,624
Permanent funds:			
Nonexpendable	4,972,345	-	4,972,345
Expendable	806,177	-	806,177
Unrestricted	(3,913,172)	25,056,541	21,143,369
TOTAL NET POSITION	\$ 142,805,989	\$ 102,370,399	\$ 245,176,388

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2015)

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental Activities:					
General government	\$ 10,287,666	\$ 1,187,123	\$ 1,052,198	\$ -	\$ (8,048,345)
Public safety	13,340,235	2,776,059	115,951	-	(10,448,225)
Education	67,292,487	599,205	9,772,367	-	(56,920,915)
Public works	7,403,929	1,606,568	105,685	778,865	(4,912,811)
Health and human services	1,002,832	47,119	74,503	-	(881,210)
Culture and recreation	5,158,002	1,837,054	33,316	-	(3,287,632)
Debt service interest	1,501,614	-	-	-	(1,501,614)
Total Governmental Activities	105,986,765	8,053,128	11,154,020	778,865	(86,000,752)
Business-Type Activities:					
Water services	3,616,926	5,986,690	-	-	2,369,764
Sewer services	3,094,077	4,081,575	-	-	987,498
Electric services	24,369,833	26,216,645	-	-	1,846,812
Swim & fitness services	2,257,461	2,318,465	-	-	61,004
Total Business-Type Activities	33,338,297	38,603,375	-	-	5,265,078
Total	\$ <u>139,325,062</u>	\$ <u>46,656,503</u>	\$ <u>11,154,020</u>	\$ <u>778,865</u>	(80,735,674)

(continued)

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2015)

(continued)

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Changes in Net Position:			
Net (Expenses) revenue from previous page	\$ (86,000,752)	\$ 5,265,078	\$ (80,735,674)
General Revenues and Transfers:			
Property taxes	82,097,807	-	82,097,807
Excises	3,834,002	-	3,834,002
Penalties, interest and other taxes	460,027	-	460,027
Grants and contributions not restricted to specific programs	1,724,579	-	1,724,579
Investment income	296,328	117,816	414,144
Other income	567,722	31,738	599,460
Transfers, net	<u>951,442</u>	<u>(558,961)</u>	<u>392,481</u>
Total general revenues and transfers	<u>89,931,907</u>	<u>(409,407)</u>	<u>89,522,500</u>
Change in Net Position	3,931,155	4,855,671	8,786,826
Net Position:			
Beginning of year, as restated ⁽¹⁾	<u>138,874,834</u>	<u>97,514,728</u>	<u>236,389,562</u>
End of year	<u>\$ 142,805,989</u>	<u>\$ 102,370,399</u>	<u>\$ 245,176,388</u>

⁽¹⁾ Electric fund within Business-Type Activities only

(concluded)

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2016

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 28,237,493	\$ 13,264,505	\$ 41,501,998
Investments	11,366,834	5,669,751	17,036,585
Receivables:			
Property taxes	1,464,332	12,651	1,476,983
Excises	112,898	-	112,898
Departmental	-	289,101	289,101
Intergovernmental	36,997	785,650	822,647
Accrued interest and other	<u>10,485</u>	<u>-</u>	<u>10,485</u>
TOTAL ASSETS	<u>\$ 41,229,039</u>	<u>\$ 20,021,658</u>	<u>\$ 61,250,697</u>
LIABILITIES			
Warrants payable	\$ 926,794	\$ 609,230	\$ 1,536,024
Accrued liabilities	3,149,749	20,873	3,170,622
Notes payable	-	224,804	224,804
Other liabilities	<u>376,414</u>	<u>247,433</u>	<u>623,847</u>
TOTAL LIABILITIES	4,452,957	1,102,340	5,555,297
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	1,372,223	300,666	1,672,889
FUND BALANCES			
Nonspendable	-	4,972,345	4,972,345
Restricted	9,824,326	12,866,613	22,690,939
Committed	4,444,871	925,000	5,369,871
Assigned	6,385,454	-	6,385,454
Unassigned	<u>14,749,208</u>	<u>(145,306)</u>	<u>14,603,902</u>
TOTAL FUND BALANCES	<u>35,403,859</u>	<u>18,618,652</u>	<u>54,022,511</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 41,229,039</u>	<u>\$ 20,021,658</u>	<u>\$ 61,250,697</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

RECONCILIATION OF TOTAL GOVERNMENTAL FUND
BALANCES TO NET POSITION OF GOVERNMENTAL
ACTIVITIES IN THE STATEMENT OF NET POSITION

JUNE 30, 2016

Total governmental fund balances	\$ 54,022,511
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	154,205,588
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,263,170
• Deferred outflows of resources related to pensions will be recognized as a increase of the pension expense in the years ending June 30, 2017 through June 30, 2020.	8,441,371
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(344,363)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(40,495,475)
Net OPEB obligation	(7,308,365)
Net pension liability	(23,967,947)
Other (compensated absences, landfill closure liability, etc.)	<u>(3,010,501)</u>
Net position of governmental activities	<u>\$ 142,805,989</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>General</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:			
Property taxes	\$ 81,253,467	\$ 1,085,226	\$ 82,338,693
Excise taxes	3,837,781	-	3,837,781
Penalties, interest and other taxes	249,066	-	249,066
Departmental	1,482,533	4,941,086	6,423,619
Licenses and permits	1,517,571	-	1,517,571
Fines and forfeitures	153,052	-	153,052
Intergovernmental	4,468,352	3,800,715	8,269,067
Investment income	260,355	35,973	296,328
Contributions	-	195,673	195,673
Other	<u>708,597</u>	<u>457,473</u>	<u>1,166,070</u>
Total Revenues	93,930,774	10,516,146	104,446,920
Expenditures:			
Current:			
General government	5,465,319	2,571,339	8,036,658
Public safety	8,961,053	399,660	9,360,713
Education	54,242,367	3,265,079	57,507,446
Public works	3,606,210	3,357,136	6,963,346
Health and human services	491,140	94,965	586,105
Culture and recreation	2,155,578	1,719,681	3,875,259
Employee benefits	10,939,128	-	10,939,128
Debt service	7,655,197	162,936	7,818,133
Intergovernmental	<u>492,837</u>	<u>-</u>	<u>492,837</u>
Total Expenditures	<u>94,008,829</u>	<u>11,570,796</u>	<u>105,579,625</u>
Excess (deficiency) of revenues over expenditures	(78,055)	(1,054,650)	(1,132,705)
Other Financing Sources (Uses):			
Issuance of bonds	-	4,250,000	4,250,000
Issuance of refunding bonds	3,541,800	-	3,541,800
Premium on refunding	462,357	-	462,357
Payment to refunded bond escrow agent	(3,967,948)	-	(3,967,948)
Transfers in	1,058,837	940,000	1,998,837
Transfers out	<u>(1,020,895)</u>	<u>(26,500)</u>	<u>(1,047,395)</u>
Total Other Financing Sources (Uses)	<u>74,151</u>	<u>5,163,500</u>	<u>5,237,651</u>
Changes in fund balances	(3,904)	4,108,850	4,104,946
Fund Balances, at Beginning of Year	<u>35,407,763</u>	<u>14,509,802</u>	<u>49,917,565</u>
Fund Balances, at End of Year	<u>\$ 35,403,859</u>	<u>\$ 18,618,652</u>	<u>\$ 54,022,511</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

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

FOR THE YEAR ENDED JUNE 30, 2016

Net changes in fund balances - Total governmental funds	\$ 4,104,946																										
<ul style="list-style-type: none"> • 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: <table style="margin-left: 40px; width: 100%;"> <tr> <td>Capital outlay purchases</td> <td style="text-align: right;">4,716,670</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(5,328,358)</td> </tr> <tr> <td>Loss on disposal</td> <td style="text-align: right;">(14,625)</td> </tr> </table> • Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue. <table style="margin-left: 40px; width: 100%;"> <tr> <td></td> <td style="text-align: right;">(74,818)</td> </tr> </table> • The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position: <table style="margin-left: 40px; width: 100%;"> <tr> <td>Issuance of general obligation bonds</td> <td style="text-align: right;">(7,791,800)</td> </tr> <tr> <td>Repayments of general obligation bonds</td> <td style="text-align: right;">10,212,935</td> </tr> <tr> <td>Bond premium activity, net</td> <td style="text-align: right;">(827,811)</td> </tr> </table> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. <table style="margin-left: 40px; width: 100%;"> <tr> <td></td> <td style="text-align: right;">105,037</td> </tr> </table> • Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds: <table style="margin-left: 40px; width: 100%;"> <tr> <td>Change in unfunded compensated absences</td> <td style="text-align: right;">104,563</td> </tr> <tr> <td>Change in landfill liability</td> <td style="text-align: right;">10,000</td> </tr> <tr> <td>Change in net pension liability</td> <td style="text-align: right;">(10,802,149)</td> </tr> <tr> <td>Change in deferred inflows and outflows related to pensions</td> <td style="text-align: right;">9,433,590</td> </tr> <tr> <td>Change in net OPEB obligation</td> <td style="text-align: right;"><u>82,975</u></td> </tr> </table> 	Capital outlay purchases	4,716,670	Depreciation	(5,328,358)	Loss on disposal	(14,625)		(74,818)	Issuance of general obligation bonds	(7,791,800)	Repayments of general obligation bonds	10,212,935	Bond premium activity, net	(827,811)		105,037	Change in unfunded compensated absences	104,563	Change in landfill liability	10,000	Change in net pension liability	(10,802,149)	Change in deferred inflows and outflows related to pensions	9,433,590	Change in net OPEB obligation	<u>82,975</u>	
Capital outlay purchases	4,716,670																										
Depreciation	(5,328,358)																										
Loss on disposal	(14,625)																										
	(74,818)																										
Issuance of general obligation bonds	(7,791,800)																										
Repayments of general obligation bonds	10,212,935																										
Bond premium activity, net	(827,811)																										
	105,037																										
Change in unfunded compensated absences	104,563																										
Change in landfill liability	10,000																										
Change in net pension liability	(10,802,149)																										
Change in deferred inflows and outflows related to pensions	9,433,590																										
Change in net OPEB obligation	<u>82,975</u>																										
Change in net position of governmental activities	\$ <u>3,931,155</u>																										

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

GENERAL FUND

STATEMENT OF REVENUES, TRANSFERS IN AND OTHER SOURCES, AND EXPENDITURES,
TRANSFERS OUT AND OTHER USES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues and Transfers:				
Taxes	\$ 80,775,435	\$ 80,775,435	\$ 81,253,467	\$ 478,032
Excise taxes	3,715,000	3,715,000	3,837,781	122,781
Penalties, interest and other taxes	170,000	170,000	249,066	79,066
Departmental	1,403,200	1,403,200	1,482,533	79,333
Licenses and permits	1,090,000	1,090,000	1,517,571	427,571
Fines and forfeitures	90,000	90,000	153,052	63,052
Intergovernmental	4,272,640	4,272,640	4,468,352	195,712
Investment income	100,000	100,000	158,041	58,041
Other	122,100	122,100	708,597	586,497
Transfers in	472,400	2,139,454	2,139,454	-
Total Revenues and Transfers	92,210,775	93,877,829	95,967,914	2,090,085
Expenditures and Transfers:				
General government	3,327,467	3,910,016	3,839,675	70,341
Finance and administration	2,116,924	2,719,343	2,714,345	4,998
Public safety	8,703,216	9,009,106	8,948,441	60,665
Education	34,542,735	34,542,735	34,542,735	-
Regional school assessments	20,477,691	20,477,691	20,477,691	-
Public works and facilities	3,357,312	3,969,085	3,917,081	52,004
Snow and ice	570,000	570,000	469,208	100,792
Human services	2,680,690	2,803,070	2,709,604	93,466
Unclassified	983,404	425,447	144,829	280,618
Employee benefits	10,185,000	10,185,000	10,138,585	46,415
Debt service	6,344,605	6,344,605	6,118,988	225,617
Intergovernmental	514,943	514,943	492,837	22,106
Transfers out	80,895	80,895	80,895	-
Total Expenditures and Transfers	93,884,882	95,551,936	94,594,914	957,022
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(1,674,107)	(1,674,107)	1,373,000	3,047,107
Other Financing Sources (Uses):				
Use of fund balance:				
To reduce the tax levy	950,000	950,000	-	(950,000)
For debt service	409,878	409,878	-	(409,878)
For other purposes	625,000	625,000	-	(625,000)
Raise prior year deficits	(310,771)	(310,771)	-	310,771
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 1,373,000	\$ 1,373,000

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2016

(DECEMBER 31, 2015 FOR THE ELECTRIC LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
ASSETS					
Current:					
Cash and short-term investments	\$ 7,656,721	\$ 9,645,732	\$ 7,821,170	\$ 3,687,104	\$ 28,810,727
User fees, net of allowance for uncollectibles	1,250,551	508,353	4,354,391	-	6,113,295
Betterment receivables	-	55,000	-	-	55,000
Inventory	77,588	-	1,173,294	-	1,250,882
Prepaid expenses	-	-	3,060,984	-	3,060,984
Other assets	-	-	164,751	-	164,751
Total Current Assets	8,984,860	10,209,085	16,574,590	3,687,104	39,455,639
Noncurrent:					
Betterment receivables, net of current portion	-	600,814	-	-	600,814
Restricted cash	-	-	7,787,308	-	7,787,308
Net OPEB asset	36,582	11,862	60,065	38,390	146,899
Capital assets being depreciated, net	17,246,523	18,082,718	35,039,211	8,873,780	79,242,232
Capital assets not being depreciated	3,343,702	512,492	4,152,014	-	8,008,208
Total Noncurrent Assets	20,626,807	19,207,886	47,038,598	8,912,170	95,785,461
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions	278,794	69,468	196,240	148,348	692,850
Total Deferred Outflows of Resources	278,794	69,468	196,240	148,348	692,850
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCE	29,890,461	29,486,439	63,809,428	12,747,622	135,933,950
LIABILITIES					
Current:					
Warrants payable	157,103	116,404	3,586,128	141,343	4,000,978
Accrued liabilities	14,043	83,957	111,081	-	209,081
Customer deposits	-	-	320,226	-	320,226
Provision for rate stabilization	-	-	4,498,788	-	4,498,788
Notes payable	-	-	400,000	-	400,000
Other current liabilities	-	-	384,920	823,610	1,208,530
Current portion of long-term liabilities:					
Bonds payable	456,442	820,588	792,500	-	2,069,530
Accrued employee benefits	13,109	3,277	7,047	4,443	27,876
Total Current Liabilities	640,697	1,024,226	10,100,690	969,396	12,735,009
Noncurrent:					
Bonds payable, net of current portion	2,839,667	8,353,806	6,478,840	-	17,672,313
Accrued employee benefits, net of current portion	117,977	29,494	133,886	39,987	321,344
Net pension liability	598,812	149,700	1,639,399	318,597	2,706,508
Total Noncurrent Liabilities	3,556,456	8,533,000	8,252,125	358,584	20,700,165
DEFERRED INFLOWS OF RESOURCES					
Related to pensions	-	4,826	123,551	-	128,377
Total Deferred Inflows of Resources	-	4,826	123,551	-	128,377
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	4,197,153	9,562,052	18,476,366	1,327,980	33,563,551
NET POSITION					
Net investment in capital assets	17,477,025	10,671,036	32,243,725	8,873,780	69,265,566
Restricted - debt service	-	1,408,809	-	-	1,408,809
Restricted - capital improvements	-	3,982,417	2,657,066	-	6,639,483
Unrestricted	8,216,283	3,862,125	10,432,271	2,545,862	25,056,541
TOTAL NET POSITION	\$ 25,693,308	\$ 19,924,387	\$ 45,333,062	\$ 11,419,642	\$ 102,370,399

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2016
 (DECEMBER 31, 2015 FOR THE ELECTRIC LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds				<u>Total</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Swim & Fitness Fund</u>	
Operating Revenues:					
Charges for services	\$ 5,986,690	\$ 2,893,952	\$ 26,216,645	\$ 2,318,465	\$ 37,415,752
Other	-	1,187,623	-	-	1,187,623
Total Operating Revenues	<u>5,986,690</u>	<u>4,081,575</u>	<u>26,216,645</u>	<u>2,318,465</u>	<u>38,603,375</u>
Operating Expenses:					
Personnel services	1,500,923	512,496	-	1,127,467	3,140,886
Non-personnel services	1,042,950	976,704	-	725,873	2,745,527
Depreciation	884,146	1,421,384	1,766,403	404,121	4,476,054
Electric operations	-	-	22,220,319	-	22,220,319
Total Operating Expenses	<u>3,428,019</u>	<u>2,910,584</u>	<u>23,986,722</u>	<u>2,257,461</u>	<u>32,582,786</u>
Operating Income	2,558,671	1,170,991	2,229,923	61,004	6,020,589
Nonoperating Revenues (Expenses):					
Investment income	31,175	34,717	37,816	14,108	117,816
Interest expense	(188,907)	(183,493)	(237,234)	-	(609,634)
Other nonoperating income, net	-	1,065	30,673	-	31,738
Other nonoperating expense, net	-	-	(145,877)	-	(145,877)
Total Nonoperating Revenues (Expenses), Net	<u>(157,732)</u>	<u>(147,711)</u>	<u>(314,622)</u>	<u>14,108</u>	<u>(605,957)</u>
Income Before Transfers	2,400,939	1,023,280	1,915,301	75,112	5,414,632
Transfers in	-	80,895	-	-	80,895
Transfers out	<u>(72,280)</u>	<u>(18,070)</u>	<u>(472,400)</u>	<u>(77,106)</u>	<u>(639,856)</u>
Change in Net Position	2,328,659	1,086,105	1,442,901	(1,994)	4,855,671
Net Position at Beginning of Year, as restated ⁽¹⁾	<u>23,364,649</u>	<u>18,838,282</u>	<u>43,890,161</u>	<u>11,421,636</u>	<u>97,514,728</u>
Net Position at End of Year	<u>\$ 25,693,308</u>	<u>\$ 19,924,387</u>	<u>\$ 45,333,062</u>	<u>\$ 11,419,642</u>	<u>\$ 102,370,399</u>

⁽¹⁾ Electric fund only

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016
(DECEMBER 31, 2015 FOR THE ELECTRIC LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 5,760,922	\$ 4,060,323	\$ 27,709,120	\$ 2,294,267	\$ 39,824,632
Payments to vendors and employees	(2,737,286)	(1,600,653)	(21,509,034)	(2,015,212)	(27,862,185)
Net Cash Provided By Operating Activities	3,023,636	2,459,670	6,200,086	279,055	11,962,447
Cash Flows From Noncapital Financing Activities:					
Transfers in	-	80,895	-	-	80,895
Transfers out	(72,280)	(18,070)	(472,400)	(77,106)	(639,856)
Net Cash Provided By (Used for) Noncapital Financing Activities	(72,280)	62,825	(472,400)	(77,106)	(558,961)
Cash Flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets, net of disposals	(1,424,516)	(656,434)	(1,960,223)	(54,626)	(4,095,799)
Contributions in aid of construction	-	-	139,100	-	139,100
Proceeds from issuance of bonds and notes	1,638,200	12,500	800,000	-	2,450,700
Principal payments on bonds and notes	(2,270,000)	(893,324)	(847,500)	-	(4,010,824)
Interest expense	(188,907)	(183,493)	(221,026)	-	(593,426)
Premium from sale of bonds	-	1,065	-	-	1,065
Net Cash (Used For) Capital and Related Financing Activities	(2,245,223)	(1,719,686)	(2,089,649)	(54,626)	(6,109,184)
Cash Flows From Investing Activities:					
Investment income	31,175	34,717	37,816	14,108	117,816
(Increase) in restricted cash and investments	-	-	(1,763,949)	-	(1,763,949)
Net Cash Provided By (Used for) Investing Activities	31,175	34,717	(1,726,133)	14,108	(1,646,133)
Net Change in Cash and Short-Term Investments	737,308	837,526	1,911,904	161,431	3,648,169
Cash and Short-Term Investments, Beginning of Year	6,919,413	8,808,206	5,909,266	3,525,673	25,162,558
Cash and Short-Term Investments, End of Year	\$ 7,656,721	\$ 9,645,732	\$ 7,821,170	\$ 3,687,104	\$ 28,810,727
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating income	\$ 2,558,671	\$ 1,170,991	\$ 2,229,923	\$ 61,004	\$ 6,020,589
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	884,146	1,421,384	1,766,403	404,121	4,476,054
Changes in assets and liabilities:					
User fees receivables	(225,768)	(128,842)	101,736	-	(252,874)
Betterments	-	107,590	-	-	107,590
Inventory	9,691	-	(212,004)	-	(202,313)
Prepaid and other assets	-	-	109,859	-	109,859
Net OPEB asset	5,327	178	-	(8,344)	(2,839)
Deferred outflows	(278,794)	(69,468)	-	(148,348)	(496,610)
Net pension liability	204,778	46,673	(77,592)	108,927	282,786
Accounts payable and accrued liabilities	(222,808)	(61,519)	805,063	(70,961)	449,775
Accrued expenses	(63,275)	(23,992)	(37,592)	(2,338)	(127,197)
Deferred inflows	(29,696)	(2,938)	-	(15,801)	(48,435)
Other liabilities	181,364	(387)	195,213	(49,241)	326,949
Provisions	-	-	1,319,077	36	1,319,113
Net Cash Provided By Operating Activities	\$ 3,023,636	\$ 2,459,670	\$ 6,200,086	\$ 279,055	\$ 11,962,447

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2016

	Pension Trust Fund (As of <u>December 31, 2015</u>)	Private Purpose Trust <u>Funds</u>	OPEB Trust <u>Fund</u>	Agency <u>Funds</u>
ASSETS				
Cash and short-term investments	\$ 1,347,804	\$ -	\$ -	\$ 354,491
Investments	132,221,755	1,185,883	10,174,780	-
Accounts receivable	197,206	-	-	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,522</u>
Total Assets	133,766,765	1,185,883	10,174,780	416,013
LIABILITIES				
Other liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,013</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>416,013</u>
NET POSITION				
Total net position restricted for pensions, OPEB, and other purposes	<u>\$ 133,766,765</u>	<u>\$ 1,185,883</u>	<u>\$ 10,174,780</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEAR ENDED JUNE 30, 2016

	Pension Trust Fund (For the Year Ended December 31, 2015)	Private Purpose Trust Funds	OPEB Trust Fund
Additions:			
Contributions:			
Employers	\$ 4,537,799	\$ -	\$ 1,780,000
Other systems and Commonwealth of Massachusetts	273,566	-	-
Plan members	<u>3,354,351</u>	<u>-</u>	<u>-</u>
Total contributions	8,165,716	-	1,780,000
Investment Income:			
Increase/(decrease) in fair value of investments	1,079,773	(8,328)	(104,979)
Less: management fees	<u>(630,678)</u>	<u>-</u>	<u>-</u>
Net investment gain (loss)	<u>449,095</u>	<u>(8,328)</u>	<u>(104,979)</u>
Total additions	8,614,811	(8,328)	1,675,021
Deductions:			
Benefit payments to plan members and beneficiaries	7,197,470	-	-
Refunds to plan members	160,794	-	-
Administrative expenses	216,246	-	-
Other	<u>347,766</u>	<u>35,880</u>	<u>-</u>
Total deductions	<u>7,922,276</u>	<u>35,880</u>	<u>-</u>
Net change	692,535	(44,208)	1,675,021
Net position:			
Beginning of year	<u>133,074,230</u>	<u>1,230,091</u>	<u>8,499,759</u>
End of year	<u>\$ 133,766,765</u>	<u>\$ 1,185,883</u>	<u>\$ 10,174,780</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Concord (the Town) conform to generally accepted accounting principles (GAAP) as applicable to governmental units. The following is a summary of the more significant policies:

A. Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by generally accepted accounting principles, these financial statements present the government and applicable component units for which the government is considered to be financially accountable.

The Concord Contributory Retirement System (the System) was established to provide retirement benefits primarily to employees and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. Additional financial information of the System can be obtained by contacting the System located at 22 Monument Square, Concord, Massachusetts 01742.

The Town of Concord Municipal Light Plant (the Light Plant) was established to purchase electricity which it distributes to consumers within the Town of Concord, Massachusetts. The Light Plant is presented using the accrual basis of accounting and is reported as an enterprise fund of the Town. Additional financial information of the Light Plant can be obtained by contacting the Light Plant located at 1175 Elm Street, Concord, Massachusetts 01742.

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified service recipients. The following is a list of the Town's joint ventures, their purpose, the address where the joint venture financial statements are available, and the annual assessment paid by the Town in 2016:

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2016 Assessment</u>
Concord-Carlisle Regional School District 120 Meriam Road Concord, MA 01742	To provide education services	\$ 20,070,650
Minuteman Regional Vocational Technical School District 758 Marrett Road Lexington, MA 02421	To provide education services	\$ 407,041

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given 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 (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter 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.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *Water Fund* accounts for user charges collected to finance costs associated with operating costs and maintain the related infrastructure within the Town boundaries by which the water activities are processed.

- The *Sewer Fund* accounts for user charges collected to finance costs associated with operating costs and maintain the related infrastructure within the Town boundaries by which the sewer activities are processed.
- The *Electric Fund* accounts for the operation of the Town's Municipal Light Plant which purchases electricity then distributes the electricity to consumers within the Town of Concord.
- The *Swim & Fitness Fund* accounts for the operation of the Beede Swim and Fitness Center which includes four pools and a fitness center. The fund is funded by memberships and program fees.

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

The Town reports the following fiduciary funds:

- The *Pension Trust Fund* accounts for the activities of the Employees Contributory Retirement System, which includes individuals employed by the Town, Concord-Carlisle Regional School District and the Concord Housing Authority. The fund accumulates resources for pension benefit payments to qualified employees.
- The *Private-Purpose Trust Fund* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *OPEB Trust Fund* is used to account for reserves set aside by the Town to fund future OPEB costs.
- The *Agency Fund* accounts for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of other. This fund primarily is used for student activity funds, developer escrow funds, and employee details. Agency funds report only assets and liabilities, and thus have no measurement focus.

D. Municipal Light Plant Business Activity

The Light Plant operates under the provisions of Chapter 164 of the Massachusetts General Laws, with a Municipal Light Board appointed by the Town Manager. The Town Manager appoints the CMLP Director who has full charge of the day-to-day operations and management of the Light Plant, under the general direction of the Town Manager.

E. Municipal Light Plant Regulation

Under Massachusetts General Laws, the Light Plant's electric rates are set by the Municipal Light Board. Electric rates, excluding the fuel charge, cannot be changed more often than once every three months. Rate schedules are filed with the Massachusetts Department of Public Utilities (DPU). While the DPU exercises general authority over the Plant, the Plant's rates are not subject to DPU approval. The Light Plant's policy is to prepare its financial statements in conformity with generally accepted accounting principles.

F. Municipal Light Plant Concentrations

The Light Plant operates within the electric utility industry which has undergone significant restructuring and deregulation. Legislation enacted by the Commonwealth of Massachusetts in 1998 introduced competition and provided consumers with additional power supply choices while assuring continued reliable service. However, municipal electric utilities are not currently subject to this legislation.

G. Municipal Light Plant Revenues

Light Plant revenues are based on rates established by the Light Plant and filed with the DPU. Revenues from sales of electricity are recorded on the basis of bills rendered from monthly meter readings taken on a cycle basis. Recognition is given to the amount of sales to customers which are unbilled at the end of the fiscal period.

A key component of Light Plant operating revenues is the Purchased Power & Fuel Cost Adjustment (PP&FCA). This adjustment allows the Light Plant to recover fluctuating power supply and fuel costs from customers by increasing or decreasing their energy charges per kilowatt hour by the amount that actual power supply and fuel costs exceed their standard base rate.

H. Cash, Cash Equivalents, and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits, certificates of deposits, and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments." The interest earnings attributable to each fund type are included under investment income.

The Town considers investments with original maturities of three months or less to be short-term investments. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase. During the fiscal year the Town did not enter into any repurchase agreements.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels with the financial institution. The Town's investments consist of U.S. Government and agency securities, equities, mutual funds, and long-term certificates of deposit. Investments are carried at market value except non-negotiable certificates of deposit which are reported at cost.

For the purposes of the Statement of Cash flows, the Light Plant considers all restricted and unrestricted cash on deposit with the Town Treasurer as cash and short-term investments. For the purposes of the Statement of Net Position, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

I. Property Tax Limitations

Legislation known as "Proposition 2½" limits the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5 percent (excluding new growth), unless an override or debt exemption is voted. The actual fiscal year 2016 tax levy reflected an excess capacity of \$3,203,743.

J. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

Light Plant supplies inventory consists of parts and accessories purchased for use in the utility business for construction, operation, and maintenance purposes and are stated at average cost. Meters and transformers are capitalized when purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (for enterprise funds only) are reported in the applicable governmental or business-type activities columns in the government-wide financial

statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Massachusetts General Laws require utility plants in service to be depreciated at an annual rate of three percent. Temporary increases in annual depreciation rates may be made for financial factors relating to cash flow for plant expansion, and are subject to DPU notification and review.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 40
Machinery, equipment and furnishings	5 - 10
Infrastructure	20 - 75

L. Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The general fund and applicable enterprise funds typically repay these obligations.

N. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

The Town’s fund balance classification policies and procedures are as follows:

- 1) Nonspendable funds are either unspendable in the current form (i.e., inventory or prepaid items) or can never be spent subject to various trust agreements (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. In the case of the general fund, the restricted funds represent restricted pension funds and MSBA grant revenues restricted for debt service. In the case of special revenue funds, these funds are created by statute or otherwise have external constraints on how the funds can be expended. For capital projects these amounts represent remaining balances that are restricted by state law and borrowing terms. Other permanent funds represent assets that are restricted by donors for specific governmental programs and users.
- 3) Committed funds are reported and expended as a result of motions passed by the highest decision making authority in the government (i.e., Town Meeting). Those committed amounts cannot be used for any other purpose unless Town Meeting removes or changes the specified use by taking some type of action (through Town Meeting articles) it employed to previously commit those amounts. In the general fund, this represents the amounts committed for the following purposes:

<u>Purpose</u>	<u>Amount</u>
School technology stabilization	\$ 694
School capital stabilization	42,272
High school debt stabilization	2,045,330
Emergency response stabilization	708,884
Insurance reserve	<u>1,647,691</u>
Total	<u>\$ 4,444,871</u>

- 4) Assigned funds represent amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. The Town has by bylaw authorized the Town Accountant to assign fund balance. These funds, which include encumbrances, have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance authorized by Town Meeting to be used in the subsequent fiscal year's appropriated budget.
- 5) Unassigned funds represent amounts that have not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance. Temporary fund balance deficits are reports as negative amounts in the unassigned classification in other governmental funds. Unassigned amounts in the general fund are available for any purpose.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position - Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows. Net investment in capital assets, net of related debt, consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

O. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

P. Municipal Light Plant Rate of Return

The Light Plant's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of the plant. In 2015, the Light Plant's earnings did not exceed this threshold.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

At the annual Town Meeting, the Select Board and School Committee present an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by town meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance Committee is empowered to transfer funds from the Reserve Fund (a contingency appropriation) to a departmental appropriation. "Extraordinary" includes expenses which are not in the usual line, or are great or exceptional. "Unforeseen" includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the appropriation as voted. Line items within each department may exceed the line item budget without being in violation of Massachusetts General Laws. Certain departments may exceed their appropriation if it is for an emergency and for the safety of the general public. These items are limited by the Massachusetts General Laws and must be raised in the next year's tax rate.

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds. Effective budgetary control is achieved for all other funds through provisions of the Massachusetts General Laws.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

B. Budgetary Basis

The general fund final appropriation appearing on the "Budget and Actual" page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

C. Budget/GAAP Reconciliation

The budgetary data for the general and proprietary funds is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting:

<u>General Fund</u>	<u>Revenues and Other Financing Sources</u>	<u>Expenditures and Other Financing Uses</u>
Revenues/Expenditures (GAAP Basis)	\$ 93,930,774	\$ 94,008,829
Other financing sources/uses (GAAP Basis)	<u>5,062,994</u>	<u>4,988,843</u>
Subtotal (GAAP Basis)	98,993,768	98,997,672
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,684,633)
Add end-of-year appropriation carryforwards from expenditures	-	2,921,844
Reclass indirect costs reimbursements to respective enterprise fund	1,640,554	1,640,554
To reflect non-budgeted activity (primarily refunding)	<u>(4,666,408)</u>	<u>(7,280,523)</u>
Budgetary Basis	<u>\$ 95,967,914</u>	<u>\$ 94,594,914</u>

D. Deficit Fund Equity

The following funds had deficits as of June 30, 2016:

<u>Nonmajor Governmental Funds:</u>	
CMLP Energy Efficiency Grant	\$ (29,148)
State 911 Training	(1,248)
State 911 Support	(8,571)
Cambridge Turnpike	<u>(106,339)</u>
Total	<u>\$ (145,306)</u>

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's and Contributory Retirement System's (the System) deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or trust company or banking company to an amount not exceeding sixty percent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess."

Massachusetts General Law Chapter 32, Section 23, limits the System's deposits "in a bank or trust company to an amount not exceeding ten percent of the capital and surplus of such bank or trust company."

The Town and System do not have a deposit policy for custodial credit risk.

As of June 30, 2016 and December 31, 2015, \$21,701 and \$0 of the Town's and System's bank balances of \$80,039,907 and \$1,808,731, respectively, was exposed to custodial credit risk as uninsured or uncollateralized. Of the bank balance, \$76,002,231 and \$434,140, respectively, was invested in MMDT.

4. Investments

Statutes authorize the Investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investments of funds of savings banks under the laws of the Commonwealth.

A. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law, Chapter 44, Section 55, limits the Town's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

Presented below (in thousands) is the actual rating as of year-end for each investment of the Town (All federal agency securities have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Exempt From Disclosure</u>	<u>Average Rating as of Year-end AA</u>
Corporate equities	\$ 10,660	\$ 10,660	\$ -
Long-term CDs	5,010	5,010	-
Bond mutual funds	2,552	-	2,552
Mutual funds	<u>10,175</u>	<u>10,175</u>	<u>-</u>
Total investments	<u>\$ 28,397</u>	<u>\$ 25,845</u>	<u>\$ 2,552</u>

Massachusetts General Law, Chapter 32, Section 23, limits the investment of System funds, to the extent not required for current disbursements, in the PRIT Fund or in securities, other than mortgages or collateral loans,

which are legal for the investment of funds in savings banks under the laws of the Commonwealth, provided that no more than the established percentage of assets, is invested in any one security.

Presented below is the actual rating as of year-end of the System (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Exempt From Disclosure</u>	<u>Average Rating as of Year-end</u>			
			<u>Aaa</u>	<u>Aa1</u>	<u>A1</u>	<u>A3</u>
U.S. Treasury bonds and notes	\$ 8,713	\$ -	\$ 8,713	\$ -	\$ -	\$ -
Mortgage-backed securities	5,526	-	-	5,526	-	-
Municipal bonds	782	-	-	-	782	-
Corporate bonds	11,667	-	-	-	-	11,667
Foreign bonds and notes	1,301	-	-	-	-	1,301
State investment pool*	57,286	57,286	-	-	-	-
Pooled investments	25,254	25,254	-	-	-	-
Corporate equities	21,693	21,693	-	-	-	-
Total investments	\$ 132,222	\$ 104,233	\$ 8,713	\$ 5,526	\$ 782	\$ 12,968

*Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust was created under Massachusetts General Law, Chapter 32, Section 22, in December 1983. The Pension Reserves Investment Trust is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board. The Pension Reserves Investment Management Board shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts General Law, Chapter 30B.

B. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and System do not have policies for custodial credit risk.

The System has a custodial credit risk exposure of \$132,221,755 because the related securities are uninsured, unregistered and held by the System's brokerage firm, which is also the counterparty to these securities. The System manages this risk with SIPC, Excess SIPC and because the assets are held in separately identifiable trust accounts. Of the System's total exposure, \$57,286,063 is invested in the State Investment Pool.

The Town's investments are subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the Town's brokerage firm, which is also the Counterparty to these securities. The Town manages this custodial credit risk with SIPC and excess SIPC.

C. Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. Investments in any one issuer (other than U.S. Treasury securities) that represent 5% or more of total investments are as follows (in thousands):

Vantagepoint Milestone 2030 Mutual Fund	\$	10,175
Middlesex Savings CD	\$	2,005
BNY Mellon Intermediate Bond Fund	\$	2,552

The System does not have an investment in one issue greater than 5% of total investments, with the exception of the PRIT Fund and U.S. Treasury Securities.

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town and System's investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is as follows (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Rating</u>	<u>Average Duration (in years)</u>
Bond mutual funds	\$ 2,552	AA	3.23

Information about the sensitivity of the fair values of the System's investments to market interest rate fluctuations is as follows (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Average Duration (in years)</u>
U.S. Treasury bonds and notes	\$ 8,713	12.98
Mortgage-backed securities	5,526	15.40
Municipal bonds	782	16.48
Corporate bonds	11,667	12.13
Foreign bonds and notes	<u>1,301</u>	8.95
Total	\$ <u><u>27,989</u></u>	

E. Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The policy of the Town and System is to not invest in foreign currencies.

F. Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following fair value measurements as of June 30, 2016:

<u>Description</u>	<u>Fair Value Measurements Using:</u>			
	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>	
Investments by fair value level:				
Town of Concord				
Mutual Funds				
BNY Mellon Intermediate Bond Fund	\$ 2,551,927	\$ -	\$ 2,551,927	
Vantagepoint Mileston 2030	10,174,780	-	10,174,780	
Equity securities	10,660,142	10,660,142	-	
Concord Contributory Retirement System				
U.S. Treasury bonds and notes	8,712,799	-	8,712,799	
Mortgage-backed securities	5,525,542	-	5,525,542	
Municipal bonds	782,467	-	782,467	
Corporate bonds	11,666,557	-	11,666,557	
Foreign bonds and notes	1,300,896	-	1,300,896	
Pooled investments	25,254,030	-	25,254,030	
Equity securities	21,693,401	21,693,401	-	
Investments measured at the net asset value (NAV):				
External investment pool (PRIT)	<u>57,286,063</u>			
Total	<u>\$ 155,608,604</u>			
<u>Description</u>	<u>Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency (If currently eligible)</u>	<u>Redemption Notice Period</u>
External investment pool (PRIT)	\$ 57,286,063	\$ -	Monthly	30 days

5. Tax Receivables

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 a quarterly basis 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 they relate to.

Fourteen days after the due date for the final tax bill for real estate taxes, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the tax collector may proceed to file a lien against the delinquent taxpayers' property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Tax and motor vehicle excise receivables at June 30, 2016 consist of the following (in thousands):

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Property taxes	\$ 916	\$ (326)	\$ 590
Tax title	548	(55)	493
CPA	13	-	13
Total property taxes	1,477	(381)	1,096
Motor vehicle excise	113	(28)	85
Grand total	<u>\$ 1,590</u>	<u>\$ (409)</u>	<u>\$ 1,181</u>

6. User Fee Receivable

The Town provides water and sewer charges for its residents. Bills are issued based on usage and are sent out either bi-monthly or monthly.

Sewer betterments are assessed to properties for the cost of "bettering" by expanding the sewer capacity. The property owner may pay the betterments within 30 days after the assessments are committed to the collector without interest. Alternatively, the property owner can pay some or none of the assessment and request an apportionment of the unpaid amount into a maximum of 20 equal portions.

Receivables for water user charges, sewer user charges and betterments at June 30, 2016 consist of the following, net of an estimated allowance for doubtful accounts (in thousands):

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Amount</u>
Water user charges	\$ 1,366	\$ (115)	\$ 1,251
Sewer user charges	559	(51)	508
Sewer betterments - current	55	-	55
Sewer betterments - noncurrent	601	-	601
Total	<u>\$ 2,581</u>	<u>\$ (166)</u>	<u>\$ 2,415</u>

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2016.

8. Municipal Light Plant Receivables

Light Plant receivables consist of the following at December 31, 2015:

Customer Accounts:		
Billed	\$ 2,300,441	
Less allowances:		
Uncollectible accounts	<u>(30,000)</u>	
Total billed		2,270,441
Unbilled, net		<u>1,796,215</u>
Total customer accounts		4,066,656
Other Accounts:		
Merchandise sales	147,021	
Liens and other	<u>140,714</u>	
Total other accounts		<u>287,735</u>
Total net receivables		<u>\$ 4,354,391</u>

9. Municipal Light Plant Prepaid Expenses

Prepaid expenses of the Light Plant consist of advance payments for purchased power.

Purchase power	\$ 2,919,499
NYPA prepayment fund	85,886
Pension	6,507
Insurance and other	<u>49,092</u>
Total	<u>\$ 3,060,984</u>

10. Municipal Light Plant Inventory

Light Plant inventory is comprised of supplies and materials at December 31, 2015 and is valued using the average cost method.

11. Interfund Transfers In and (Out)

The Town reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers in the fund financial statements. Although the total of interfund transfers balance throughout the year, the Electric Light Plant Enterprise Fund is presented at December 31, 2015, not June 30, 2016. Therefore, a timing difference of \$392,481 exists in the accompanying Statement of Activities and Statements of Revenues, Expenditures and Changes in Fund Net Position. The following is an analysis of interfund transfers made in fiscal year 2016.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,058,837	\$ 1,020,895
Nonmajor Governmental Funds:		
Receipts reserved for appropriation	-	11,500
Land Acquisition	15,000	-
State grants	-	15,000
Capital project funds	925,000	-
Major Enterprise Funds:		
Water	-	72,280
Sewer	80,895	18,070
Electric	-	472,400
Swim & Fitness	-	77,106
Total	<u>\$ 2,079,732</u>	<u>\$ 1,687,251</u>

Of the transfer into the general fund, \$472,400 was transferred from the electric light plant enterprise fund for their PILOT payment and \$559,937 represents additional funding from the major enterprise funds for the restricted pension component of the general fund. Of the transfer out of the general fund, \$925,000 was transferred to the capital project funds for development of transportation infrastructure at the schools. The Town's other routine transfers include transfers made to move (1) unrestricted revenues or balances that have been collected or accumulated in the general fund to other funds based on budgetary authorization, and (2) revenues from a fund that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them. In addition, the Town budgets indirect costs from enterprise funds to the general fund as transfers, however these costs are being shown as direct expenditures within the funds.

12. Deferred Outflows of Resources

In addition to assets, the basic financial statements may include a separate element for deferred outflows of resources. Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. The Town reports one item as a deferred outflow of resources which is attributable to changes in the net pension liability. This will be recognized in pension expense in future years and is more fully described in Note 25.

13. Municipal Light Plant Restricted Cash

Restricted cash of the Light Plant consists of the following at December 31, 2015:

	<u>Cash</u>
Bond fund 2006-2015	\$ 87,500
Bond fund 2007-2017	200,000
Bond fund 2011-2026	175,000
Bond fund 2014-2027	20,833
Bond interest fund	35,019
Broadband bond fund 2014-2018	14,583
Customer advances for construction fund	202,502
Customer deposits fund	320,226
Depreciation fund	2,657,066
Emergency repairs fund	1,130,000
Rate stabilization fund	1,465,365
Underground fund	1,294,880
Worker's compensation insurance fund	<u>184,334</u>
	<u>\$ 7,787,308</u>

The Light Plant maintains the following restricted cash and investment accounts:

- Bond funds – These funds consist of current bond principal and interest payable being set aside monthly for interest and bond payments due within twelve months per the Massachusetts Department of Public Utilities.
- Bond interest fund – This fund consists of current bond interest payable being set aside monthly for bond interest payments due within twelve months per the Massachusetts Department of Public Utilities.
- Customer advances for construction fund – This represents customer deposits held for special construction projects.

- Customer deposits fund – This represents residential and commercial customer service deposits that are held in escrow.
- Depreciation fund - The Light Plant reserves 3.0% of depreciable utility plant assets each year to fund current and future capital improvements.
- Emergency repairs fund – This fund was established to be used in the event of a major equipment failure.
- Rate stabilization fund - This account is used to stabilize customer rates and reflects the accumulated difference between estimated and actual purchase power costs.
- Underground fund – This fund was established in 1987 for the purpose of placing existing overhead lines underground. Currently a 1.5% charge on all electric bills is used to replenish this fund.
- Worker’s compensation insurance fund – The Light Plant maintains a self-insurance fund for payment of workers compensation claims and for injury and damage claims.

14. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows (in thousands):

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 109,667	\$ 1,245	\$ -	\$ 110,912
Machinery, equipment, and furnishings	19,073	1,324	(102)	20,295
Infrastructure	33,914	3,006	-	36,920
Total capital assets, being depreciated	162,654	5,575	(102)	168,127
Less accumulated depreciation for:				
Buildings and improvements	(29,173)	(3,121)	-	(32,294)
Machinery, equipment, and furnishings	(15,006)	(835)	87	(15,754)
Infrastructure	(16,371)	(1,372)	-	(17,743)
Total accumulated depreciation	(60,550)	(5,328)	87	(65,791)
Total capital assets, being depreciated, net	102,104	247	(15)	102,336
Capital assets, not being depreciated:				
Land	50,754	-	-	50,754
Construction in progress	1,974	1,116	(1,974)	1,116
Total capital assets, not being depreciated	52,728	1,116	(1,974)	51,870
Governmental activities capital assets, net	\$ <u>154,832</u>	\$ <u>1,363</u>	\$ <u>(1,989)</u>	\$ <u>154,206</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 19,702	\$ 62	\$ -	\$ 19,764
Machinery, equipment, and furnishings	18,903	379	(402)	18,880
Infrastructure	89,264	2,830	(753)	91,341
Intangible	<u>2,086</u>	<u>-</u>	<u>-</u>	<u>2,086</u>
Total capital assets, being depreciated	129,955	3,271	(1,155)	132,071
Less accumulated depreciation for:				
Buildings and improvements	(5,430)	(593)	-	(6,023)
Machinery, equipment, and furnishings	(8,276)	(852)	340	(8,788)
Infrastructure	(34,846)	(3,017)	579	(37,284)
Intangible	<u>(721)</u>	<u>(13)</u>	<u>-</u>	<u>(734)</u>
Total accumulated depreciation	<u>(49,273)</u>	<u>(4,475)</u>	<u>919</u>	<u>(52,829)</u>
Total capital assets, being depreciated, net	80,682	(1,204)	(236)	79,242
Capital assets, not being depreciated:				
Land	4,055	908	-	4,963
Construction in progress	<u>3,040</u>	<u>173</u>	<u>(168)</u>	<u>3,045</u>
Total capital assets, not being depreciated	<u>7,095</u>	<u>1,081</u>	<u>(168)</u>	<u>8,008</u>
Business-type activities capital assets, net	<u>\$ 87,777</u>	<u>\$ (123)</u>	<u>\$ (404)</u>	<u>\$ 87,250</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Water:				
Capital assets, being depreciated:				
Machinery, equipment, and furnishings	\$ 3,074	\$ 150	\$ -	\$ 3,224
Infrastructure	<u>23,649</u>	<u>1,274</u>	<u>-</u>	<u>24,923</u>
Total capital assets, being depreciated	26,723	1,424	-	28,147
Less accumulated depreciation for:				
Machinery, equipment, and furnishings	(2,190)	(159)	-	(2,349)
Infrastructure	<u>(7,827)</u>	<u>(725)</u>	<u>-</u>	<u>(8,552)</u>
Total accumulated depreciation	<u>(10,017)</u>	<u>(884)</u>	<u>-</u>	<u>(10,901)</u>
Total capital assets, being depreciated, net	16,706	540	-	17,246
Capital assets, not being depreciated:				
Land	3,271	-	-	3,271
Construction in progress	<u>73</u>	<u>-</u>	<u>-</u>	<u>73</u>
Total capital assets, not being depreciated	<u>3,344</u>	<u>-</u>	<u>-</u>	<u>3,344</u>
Business-type activities capital assets, net	<u>\$ 20,050</u>	<u>\$ 540</u>	<u>\$ -</u>	<u>\$ 20,590</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Sewer:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 26	\$ -	\$ -	\$ 26
Machinery, equipment, and furnishings	1,709	38	-	1,747
Infrastructure	<u>30,925</u>	<u>206</u>	<u>-</u>	<u>31,131</u>
Total capital assets, being depreciated	32,660	244	-	32,904
Less accumulated depreciation for:				
Buildings and improvements	(26)	-	-	(26)
Machinery, equipment, and furnishings	(1,162)	(92)	-	(1,254)
Infrastructure	<u>(12,212)</u>	<u>(1,329)</u>	<u>-</u>	<u>(13,541)</u>
Total accumulated depreciation	<u>(13,400)</u>	<u>(1,421)</u>	<u>-</u>	<u>(14,821)</u>
Total capital assets, being depreciated, net	19,260	(1,177)	-	18,083
Capital assets, not being depreciated:				
Land	<u>100</u>	<u>412</u>	<u>-</u>	<u>512</u>
Total capital assets, not being depreciated	<u>100</u>	<u>412</u>	<u>-</u>	<u>512</u>
Business-type activities capital assets, net	<u>\$ 19,360</u>	<u>\$ (765)</u>	<u>\$ -</u>	<u>\$ 18,595</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Electric:				
Capital assets, being depreciated:				
Structures and improvements	\$ 8,603	\$ 7	\$ -	\$ 8,610
Equipment and furnishings	13,501	191	(402)	13,290
Infrastructure	34,690	1,350	(753)	35,287
Intangible	<u>2,086</u>	<u>-</u>	<u>-</u>	<u>2,086</u>
Total capital assets, being depreciated	58,880	1,548	(1,155)	59,273
Less accumulated depreciation for:				
Structures and improvements	(3,368)	(258)	-	(3,626)
Equipment and furnishings	(4,491)	(532)	340	(4,683)
Infrastructure	(14,807)	(963)	579	(15,191)
Intangible	<u>(721)</u>	<u>(13)</u>	<u>-</u>	<u>(734)</u>
Total accumulated depreciation	<u>(23,387)</u>	<u>(1,766)</u>	<u>919</u>	<u>(24,234)</u>
Total capital assets, being depreciated, net	35,493	(218)	(236)	35,039
Capital assets, not being depreciated:				
Land	684	496	-	1,180
Construction in progress	<u>2,967</u>	<u>173</u>	<u>(168)</u>	<u>2,972</u>
Total capital assets, not being depreciated	<u>3,651</u>	<u>669</u>	<u>(168)</u>	<u>4,152</u>
Business-type activities capital assets, net	<u>\$ 39,144</u>	<u>\$ 451</u>	<u>\$ (404)</u>	<u>\$ 39,191</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Swim & Fitness:				
Capital assets, being depreciated:				
Structures and improvements	\$ 11,073	\$ 55	\$ -	\$ 11,128
Machinery, equipment, and furnishings	<u>619</u>	<u>-</u>	<u>-</u>	<u>619</u>
Total capital assets, being depreciated	11,692	55	-	11,747
Less accumulated depreciation for:				
Structures and improvements	(2,036)	(335)	-	(2,371)
Equipment and furnishings	<u>(433)</u>	<u>(69)</u>	<u>-</u>	<u>(502)</u>
Total accumulated depreciation	<u>(2,469)</u>	<u>(404)</u>	<u>-</u>	<u>(2,873)</u>
Total capital assets, being depreciated, net	9,223	(349)	-	8,874
Capital assets, not being depreciated:				
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 9,223</u>	<u>\$ (349)</u>	<u>\$ -</u>	<u>\$ 8,874</u>

Depreciation expense was charged to functions of the Town as follows (in thousands):

Governmental Activities:	
General government	\$ 476
Public safety	636
Education	2,119
Public works	1,687
Health and human services	91
Culture and recreation	<u>319</u>
Total depreciation expense - governmental activities	<u>\$ 5,328</u>
Business-Type Activities:	
Water	\$ 884
Sewer	1,421
Electric	1,766
Swim & Fitness	<u>404</u>
Total depreciation expense - business-type activities	<u>\$ 4,475</u>

15. Warrants Payable

Warrants payable represent 2016 expenditures paid by July 15, 2016 as permitted by law.

16. Customer Deposits

This balance represents deposits received from residential and commercial customers that are held in escrow. Earned interest is applied to customer accounts at year-end or when the deposit is applied to their closed accounts.

17. Notes Payable

The following summarizes activity in notes payable during fiscal year 2016:

	Interest Rate	Date of Issue	Date of Maturity	Balance Beginning of Year	New Issues	Maturities	Balance End of Year
MWPAT interim note	0.00%	04/09/15	Ongoing	\$ 18,139	\$ 206,665	\$ -	\$ 224,804
Electric light	0.45%	05/21/15	05/20/16	<u>400,000</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>
Total				<u>\$ 418,139</u>	<u>\$ 206,665</u>	<u>\$ (400,000)</u>	<u>\$ 224,804</u>

The notes as listed above include transactions for the electric light fund through June 30, 2016, however the amounts presented on the Statement of Net Position are as of December 31, 2015.

18. Long-Term Debt

A. Long-Term Debt Supporting Governmental Activities

General obligation bonds, issued by the Town for various municipal projects, are approved by voters and repaid primarily with property taxes recorded in the general fund, or user fees recorded in enterprise funds. Other debt issued to support governmental activities is repaid from the general fund.

B. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The bonds as listed below include transactions for the electric light fund through June 30, 2016, however the amounts presented on the Statement of Net Position are as of December 31, 2015. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/16</u>
School Remodeling	2017	3.63	\$ 140,000
Road Improvements	2017	2.50	80,000
Alcott School	2017	4.00	155,000
Thoreau School	2017	4.00	555,000
Public Works Improvements	2017	3.63	50,000
Thoreau School	2018	3.75 - 4.00	760,000
Building Renovations	2018	2.00 - 4.00	200,000
Land Acquisition	2018	3.00 - 4.00	200,000
Road Improvements	2018	3.00 - 4.00	150,000
Recreation Improvements	2018	3.63 - 3.75	250,000
School Building Improvements	2018	3.00	200,000
Willard School Design	2018	3.63 - 3.75	360,000
Land Acquisition	2018	2.00	180,000
Fire Equipment (Ladder Truck)	2019	3.00	300,000
Road Improvements	2019	3.00	300,000
Title V Loans	2019	0.00	210,951
Police/Fire radio systems	2019	3.00 - 4.00	270,000
Title V Loans	2020	0.00	54,365
Police/Fire Station Improvements	2020	2.00	400,000
School Remodeling	2020	2.00	345,000
Town House Renovations	2020	3.00 - 4.00	385,000
Recreation Improvements	2020	3.00	60,000
School Building Renovations	2020	3.00	300,000
Building Renovations	2020	3.00	220,000
Knox Trail Site Planning	2020	3.00	55,000
Road Improvements	2021	2.00	560,000
Land Acquisition	2021	3.00 - 4.00	350,000
Title V Loans	2022	0.00	208,248
Road Improvements	2022	3.00	1,050,000
Knox Trail Land Acquisition	2022	3.00	540,000
Title V Loans	2023	0.00	227,299
School Building Renovations	2023	3.00 - 4.00	525,000
Roads	2023	3.00 - 4.00	700,000
Public School Renovations	2023	3.00 - 4.00	615,000
Alcott School Refunding	2025	3.00	2,480,000
Alcott School Refunding	2025	3.00	515,500
Thoreau School Refunding	2025	3.00	1,124,500
Title V Loans	2025	0.00	177,711
Willard School	2028	3.25 - 4.375	7,500,000
Willard School Remodeling	2029	2.50 - 4.00	8,820,000
Keyes Road Building Improvements	2021	4.00	200,000
Road Improvements	2028	2.00 - 4.00	1,200,000
Parking Management Plan	2021	4.00	150,000
Town House Interior Improvements	2025	2.00 - 4.00	350,000
Building Renovation and Site Work	2024	4.00	200,000
Fire Engine Replacement	2024	4.00	550,000
School Building Renovations	2026	2.00 - 4.00	650,000
School Bus Depot	2028	2.00 - 4.00	950,000
Alcott School Refunding	2022	4.00	737,400
Thoreau School Refunding	2026	2.00 - 4.00	<u>2,804,400</u>
Total Governmental Activities:			<u>\$ 39,365,374</u>

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/16</u>
Water:			
Water	2017	4.00	\$ 175,000
Water	2018	3.63 - 3.75	150,000
Water	2026	3.00 - 4.00	900,000
Water	2021	2.00	250,000
Water Refunding	2027	2.00 - 4.00	<u>1,638,200</u>
Total Water:			3,113,200
Sewer:			
Sewer Land Acquisition	2017	4.00	12,500
Sewer Land Acquisition	2022	3.00	337,500
Sewer MWPAT	2026	2.00	2,313,315
Sewer MWPAT	2027	2.00	<u>6,511,079</u>
Total Sewer:			9,174,394
Electric:			
Electric	2017	4.00	30,000
Telcom Services	2018	3.00	50,000
Electric	2022	3.00	337,500
Electric	2026	3.00 - 4.00	2,500,000
Light Plant Expansion	2027	2.25 - 4.00	3,300,000
Electric Land Acquisition	2017	4.00	12,500
Telecom Services	2022	4.00	<u>500,000</u>
Total Electric:			<u>6,730,000</u>
Total Business-Type Activities:			<u>\$ 19,017,594</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2016 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 6,466,779	\$ 1,249,192	\$ 7,715,971
2018	5,263,023	1,094,261	6,357,284
2019	4,393,067	932,385	5,325,452
2020	3,952,795	791,410	4,744,205
2021	3,403,060	665,685	4,068,745
2022 - 2026	12,336,650	1,831,774	14,168,424
2027 - 2029	<u>3,550,000</u>	<u>249,482</u>	<u>3,799,482</u>
Total	<u>\$ 39,365,374</u>	<u>\$ 6,814,189</u>	<u>\$ 46,179,563</u>

<u>Water</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 441,200	\$ 94,730	\$ 535,930
2018	410,000	87,228	497,228
2019	335,000	72,015	407,015
2020	335,000	60,815	395,815
2021	335,000	49,615	384,615
2022 - 2026	1,102,000	113,440	1,215,440
2027	<u>155,000</u>	<u>1,550</u>	<u>156,550</u>
Total	<u>\$ 3,113,200</u>	<u>\$ 479,393</u>	<u>\$ 3,592,593</u>

<u>Sewer</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 820,588	\$ 191,058	\$ 1,011,646
2018	823,150	172,830	995,980
2019	838,517	154,436	992,953
2020	841,694	135,895	977,589
2021	857,688	117,202	974,890
2022 - 2026	4,339,892	305,203	4,645,095
2027	<u>652,865</u>	<u>7,018</u>	<u>659,883</u>
Total	<u>\$ 9,174,394</u>	<u>\$ 1,083,642</u>	<u>\$ 10,258,036</u>

<u>Electric</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 755,000	\$ 196,174	\$ 951,174
2018	787,500	192,688	980,188
2019	762,500	165,063	927,563
2020	750,000	138,375	888,375
2021	750,000	111,875	861,875
2022 - 2026	2,625,000	258,875	2,883,875
2027	<u>300,000</u>	<u>7,500</u>	<u>307,500</u>
Total	<u>\$ 6,730,000</u>	<u>\$ 1,070,550</u>	<u>\$ 7,800,550</u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2016 are as follows:

<u>Purpose</u>	<u>Amount</u>
Land Acquisition	\$ 375,000
Telecommunications Services	400,000
Keyes Road Building Improvements	400,000
Community Center/Police Station Improvements	85,000
Keyes Road Building Design & Feasibility Study	150,000
West Concord Infrastructure Improvements	100,000
Rideout & Emerson Playground Improvements	600,000
Town House Interior Renovations	350,000
Parking Management Plan Implementation	100,000
Concord Public School Building Renovations	570,000
New CPS Facilities - Transportation Debt	300,000
Concord Public Schools - Bus Dept	1,950,000
Municipal Building Renovations	200,000
Public Safety Equipment Rehabilitation	150,000
Road Improvements	1,350,000
Land Acquisition (1/2 tax support, 1/2 enterprise)	1,600,000
Cemetery Improvements	50,000
Water System Improvements	16,500,000
Rail Trail Design & Engineering	<u>250,000</u>
Total	<u>\$ 25,480,000</u>

E. Overlapping Debt

The Town is a member community of other governmental agencies which are authorized to issue debt. The Town is not directly responsible for the payment or guarantee of these debts; however, annual debt service costs are included in the operating budgets of these agencies, and are funded through user charges and/or assessments to the Town. The following summarizes the debt of these other agencies and the Town's related participation percentages as of June 30, 2016:

<u>Related Entity</u>	<u>Total Principal</u>	<u>Town's Percent</u>	<u>Town's Share</u>
Concord-Carlisle Regional School District	\$ 60,485,000	73.71%	\$ 44,583,494

This liability is appropriately not reported in the accompanying financial statements.

F. Changes in General Long-Term Liabilities

During the year ended June 30, 2016, the following changes occurred in long-term liabilities (in thousands):

	Total Balance 7/1/15	Additions	Reductions	Total Balance 6/30/16	Less Current Portion	Equals Long-Term Portion 6/30/16
<u>Governmental Activities</u>						
Bonds payable	\$ 41,787	\$ 7,792	\$ (10,214)	\$ 39,365	\$ (6,466)	\$ 32,899
Unamortized bond premium	302	858	(30)	1,130	(72)	1,058
Subtotal	42,089	8,650	(10,244)	40,495	(6,538)	33,957
Net OPEB obligation	7,391	3,238	(3,321)	7,308	-	7,308
Net pension liability	13,166	10,802	-	23,968	-	23,968
Accrued employee benefits	3,790	64	(120)	3,734	(374)	3,360
Landfill closure	170	-	(10)	160	(10)	150
Governmental Activities	\$ 66,606	\$ 22,754	\$ (13,695)	\$ 75,665	\$ (6,922)	\$ 68,743
<u>Business-Type Activities</u>						
<u>Water</u>						
Bonds payable	\$ 3,745	\$ 1,638	\$ (2,270)	\$ 3,113	\$ (441)	\$ 2,672
Unamortized bond premium	-	183	-	183	(15)	168
Subtotal	3,745	1,821	(2,270)	3,296	(456)	2,840
Accrued employee benefits	132	12	(13)	131	(13)	118
Net pension liability	394	205	-	599	-	599
Total Water	4,271	2,038	(2,283)	4,026	(469)	3,557
<u>Sewer</u>						
Bonds payable	10,055	13	(893)	9,175	(821)	8,354
Accrued employee benefits	33	3	(4)	32	(3)	29
Net pension liability	103	47	-	150	-	150
Total Sewer	10,191	63	(897)	9,357	(824)	8,533
<u>Electric</u>						
Bonds payable	7,010	513	(793)	6,730	(755)	5,975
Unamortized bond premium	324	16	(32)	308	-	308
Subtotal	7,334	529	(825)	7,038	(755)	6,283
Accrued employee benefits	224	-	(29)	195	(19)	176
Total Electric *	7,558	529	(854)	7,233	(774)	6,459
<u>Swim & Fitness</u>						
Accrued employee benefits	70	-	(26)	44	(4)	40
Net pension liability	210	109	-	319	-	319
Total Swim & Fitness	280	109	(26)	363	(4)	359
Business-Type Activities	\$ 22,300	\$ 2,739	\$ (4,060)	\$ 20,979	\$ (2,071)	\$ 18,908

* - Long-term liabilities are as of June 30, 2016, however the electric light fund is reported on the Statement of Net Position as of December 31, 2015.

G. Current and Advance Refunding

Current Year

On May 19, 2016, the Town issued general obligation bonds in the amount of \$9,955,000, of which \$5,180,000 represented refunding bonds with interest rates ranging from 2.0% to 4.0% throughout the life of the bonds. The bonds were issued at a true interest cost (TIC) of 1.1653%.

The \$5,180,000 in refunding bonds were issued to advance refund \$2,525,000 of the March 1, 2007 bonds (the "March 2007 Bonds"), comprised of serial bonds with interest rates ranging from 3.75% to 4.10%, and to advance refund \$3,000,000 of the September 15, 2007 bonds (the "September 2007 Bonds"), comprised of serial bonds with interest rates ranging from 4.00% to 4.25%. The March 2007 serial bonds mature on March 1, 2018 through March 1, 2027 and will be called on March 1, 2017. The September 2007 serial bonds mature on September 15, 2008 through September 15, 2025 and will be called on September 15, 2017.

\$5,771,199 of the net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the serial bonds are called on March 1, 2017, with respect to the March 2007 Bonds, and September 15, 2017, with respect to the September 2007 Bonds. The refunding met the requirements of an in-substance debt defeasance and the serial bonds were removed from the Town's financial statements.

As a result of the March 2007 advance refunding, the Town reduced its total debt service cash flow requirements by \$314,991, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$279,284.

As a result of the September 2007 advance refunding, the Town reduced its total debt service cash flow requirements by \$354,502, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$324,263.

Defeased debt for the March 2007 Bonds still outstanding at June 30, 2016 is \$2,525,000.

Defeased debt for the September 2007 Bonds issue still outstanding at June 30, 2016 is \$3,000,000.

19. Landfill Closure and Postclosure Care Costs

The Town stopped accepting waste and permanently capped its landfill in fiscal 2003. State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Since the Town’s landfill has stopped accepting waste, the Town reports these closure and postclosure care costs as a liability in the government-wide financial statements.

The \$160,000 reported as landfill closure and postclosure care liability at June 30, 2016 represents that cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. These amounts are based on what it would cost to perform all postclosure care in 2016. Actual cost may differ due to inflation, changes in technology, or changes in regulations.

20. Deferred Inflows of Resources

In addition to liabilities, the basic financial statements may include a separate element for deferred inflows of resources. Deferred inflows of resources represent the acquisition of net position by the Town that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. The Town reports two items as deferred inflows of resources, one which is attributable to changes in the net pension liability, and the other which arises from the current financial resources measurement focus and the modified accrual basis of accounting in governmental funds. Deferred inflows of resources related to pension will be recognized in pension expense in future year and is more fully described in Note 25. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

The following is a summary of unavailable revenue balances as of June 30, 2016 (in thousands):

	<u>General Fund</u>	<u>Non-Major Funds</u>
Unavailable revenues		
Property taxes	\$ 711	\$ -
Tax title	549	-
Excise	112	-
CPA	-	13
Title V Betterments	<u>-</u>	<u>288</u>
Total	<u>\$ 1,372</u>	<u>\$ 301</u>

21. **Restricted Net Position**

The accompanying entity-wide financial statements report restricted net position when external constraints from grantors or contributors are placed on net position.

Permanent fund restricted net position are segregated between nonexpendable and expendable. The nonexpendable portion represents the original restricted principal contribution, and the expendable represents accumulated earnings which are available to be spent based on donor restrictions. Assets that have restrictions placed on them from federal and state granting agencies, as well as assets that restricted by state law to specific capital purposes and borrowing terms are reported as a component of "Grants and other statutory restrictions".

22. **Governmental Funds - Balances**

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The Town has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2016:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes nonmajor governmental fund balances for the principal portion of permanent trust funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes restricted funds for pensions and debt service in the general fund, while nonmajor funds are comprised of capital project funds, various special revenue funds, and the income portion of permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. This fund balance classification includes the Town's insurance reserve fund as well as stabilization funds set aside by Town Meeting vote for future capital acquisitions and improvements.

Assigned - Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period. By Charter, the Town Manager is authorized to assign fund balance amounts to a specific purpose, although fund balance to be applied against a subsequent year's budget is voted by Town Meeting.

Unassigned - Represents amounts that are available to be spent in future periods, the Town's general stabilization fund, and deficit balances in nonmajor governmental funds.

Following is a breakdown of the Town's fund balances at June 30, 2016:

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable			
Permanent funds	\$ -	\$ 4,972,345	\$ 4,972,345
Total Nonspendable	-	4,972,345	4,972,345
Restricted			
School debt service	409,878	-	409,878
Pension fund	9,414,448	-	9,414,448
Community Preservation	-	2,049,110	2,049,110
Parking	-	258,065	258,065
Cemetery	-	407,571	407,571
PEG Access	-	661,965	661,965
Receipts Reserved for Appropriation	-	592,655	592,655
53G Review	-	14,570	14,570
Miscellaneous grants and contributions	-	58,743	58,743
School lunch	-	127,883	127,883
Gifts	-	1,360,731	1,360,731
Recreation	-	867,596	867,596
Other Revolving	-	479,418	479,418
Federal Grants	-	19,974	19,974
State Grants	-	885,184	885,184
Solid Waste	-	317,825	317,825
Sawyer Gift Fund	-	212,625	212,625
Capital project funds	-	3,746,521	3,746,521
Permanent funds	-	806,177	806,177
Total Restricted	9,824,326	12,866,613	22,690,939

(continued)

(continued)

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Committed			
School capital*	42,272	-	42,272
High school debt*	2,045,330	-	2,045,330
Emergency response*	708,884	-	708,884
Insurance	1,647,691	-	1,647,691
Transportation infrastructure	-	925,000	925,000
School technology*	694	-	694
Total Committed	<u>4,444,871</u>	<u>925,000</u>	<u>5,369,871</u>
Assigned			
For encumbrances			
Human resources admin.	114,050	-	114,050
Town-wide building fund	190,603	-	190,603
Resource sustainability	123,274	-	123,274
Computer equipment	260,842	-	260,842
Planning admin	151,055	-	151,055
Other general government	431,941	-	431,941
Assessors	125,558	-	125,558
Other finance and administration	255,322	-	255,322
Police	119,584	-	119,584
Fire	121,971	-	121,971
Other public safety	94,462	-	94,462
Education	1,055,755	-	1,055,755
Engineering	254,784	-	254,784
Highway maintenance	183,566	-	183,566
Park & Trees	207,244	-	207,244
Drainage program	543,247	-	543,247
Sidewalk management	212,735	-	212,735
133/135 Keyes Road	106,871	-	106,871
Other public works and facilities	118,783	-	118,783
Library	243,120	-	243,120
Harvey Wheeler Community Center	111,921	-	111,921
Other human services	129,742	-	129,742
Sick leave buyback	212,465	-	212,465
Employee benefits	16,559	-	16,559
For next year's expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Assigned	<u>6,385,454</u>	<u>-</u>	<u>6,385,454</u>
Unassigned			
General fund	14,745,005	-	14,745,005
General stabilization*	4,203	-	4,203
Deficit balances	<u>-</u>	<u>(145,306)</u>	<u>(145,306)</u>
Total Unassigned	<u>14,749,208</u>	<u>(145,306)</u>	<u>14,603,902</u>
Total Fund Balance	<u>\$ 35,403,859</u>	<u>\$ 18,618,652</u>	<u>\$ 54,022,511</u>

* - The Town's stabilization accounts are authorized in accordance with Massachusetts General Laws Chapter 40, Section 5B. The creation of, appropriation into, and appropriation out of these stabilization accounts requires two-thirds approval at Town Meeting.

23. Commitments and Contingencies

Outstanding Legal Issues - There are several pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of such claims would not materially affect its financial statements taken as a whole.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Abatements - There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. According to the Town's counsel, the probable outcome of these cases at the present time is indeterminable.

24. Post-Employment Healthcare and Life Insurance Benefits

Other Post-Employment Benefits

GASB Statement 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB), primarily healthcare, on an accrual basis rather than on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the Statement of Activities when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefit. To the extent that an entity does not fund their actuarially required contribution, a post-employment benefit liability is recognized on the Statement of Net Position over time.

A. Plan Description

The Town provides post-employment health and life insurance benefits for retired employees through the Minuteman-Nashoba Health Group. Benefits, benefit levels, employee contributions and employer contributions are governed by Chapter 32 of the Massachusetts General Laws. As of June 30, 2016, the actuarial valuation date, approximately 501 retirees and 666 active employees meet the eligibility requirements. The plan does not issue a separate financial report.

B. Benefits Provided

The Town provides post-employment medical, prescription drug, and life insurance benefits to all eligible retirees and their surviving spouses. All active employees who retire from the Town and meet the eligibility criteria will be eligible to receive these benefits.

C. Funding Policy

Medicare eligible retirees contribute 50% of the cost of the medical and prescription drug plan. Early retirees and non-Medicare eligible retirees age 65 or greater remain eligible for coverage under active employee plans and contribute at active employee rates ranging from 37% to 48%. Retirees also contribute 50% of the premium for a \$5,000 life insurance benefit. The Town contributes the remainder of the medical, prescription drug, and life insurance plan costs on a pay-as-you-go basis.

D. Annual OPEB Costs and Net OPEB Asset/Obligation

The Town's fiscal 2016 annual OPEB expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost per year and amortize the unfunded actuarial liability over a period of thirty years. The following table shows the components of the Town's annual OPEB cost for the year ending June 30, 2016, the amount actually contributed to the plan, and the change in the Town's net OPEB obligation based on an actuarial valuation as of June 30, 2016.

	Governmental Funds	Water Fund	Sewer Fund	Electric Fund	Swim Fund	Total
Annual Required Contribution (ARC)	\$ 3,220,721	\$ 39,946	\$ 9,880	\$ 182,328	\$ 35,418	\$ 3,488,293
Interest on net OPEB obligation	535,872	(3,038)	(873)	(4,355)	(2,178)	525,428
Adjustment to ARC	<u>(518,170)</u>	<u>2,744</u>	<u>788</u>	<u>3,932</u>	<u>1,967</u>	<u>(508,739)</u>
Annual OPEB cost	3,238,423	39,652	9,795	181,905	35,207	3,504,982
Contributions made	<u>(3,321,398)</u>	<u>(34,325)</u>	<u>(9,617)</u>	<u>(116,603)</u>	<u>(43,551)</u>	<u>(3,525,494)</u>
Change in net OPEB obligation	(82,975)	5,327	178	65,302	(8,344)	(20,512)
Net OPEB obligation (asset) - 7/01/2015	<u>7,391,340</u>	<u>(41,909)</u>	<u>(12,040)</u>	<u>(60,065)</u>	<u>(30,046)</u>	<u>7,247,280</u>
Net OPEB obligation (asset) - 6/30/2016 *	<u>\$ 7,308,365</u>	<u>\$ (36,582)</u>	<u>\$ (11,862)</u>	<u>\$ 5,237</u>	<u>\$ (38,390)</u>	<u>\$ 7,226,768</u>

* The Net OPEB obligation is as of June 30, 2016, however the electric light fund is reported on the Statement of Net Position as of December 31, 2015.

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation, net of the OPEB asset, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 3,504,982	100.59%	\$ 7,226,768
2015	\$ 2,996,249	108.37%	\$ 7,247,280
2014	\$ 2,914,456	105.76%	\$ 7,498,150
2013	\$ 3,421,244	64.48%	\$ 7,666,151
2012	\$ 3,237,615	64.06%	\$ 6,451,050
2011	\$ 4,310,122	73.24%	\$ 5,287,579
2010	\$ 4,053,093	51.30%	\$ 4,134,335

The Town's net OPEB obligation as of June 30, 2016 is recorded as a noncurrent liability. The Town's net OPEB asset as of June 30, 2016 is recorded as a noncurrent asset.

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2016, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 39,184,555
Actuarial value of plan assets	<u>8,394,780</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 30,789,775</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>21.4%</u>
Covered payroll (active plan members)	<u>\$ 47,652,000</u>
UAAL as a percentage of covered payroll	<u>64.6%</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability 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 to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

F. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the plan as understood by the Town and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the Town 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.

In the June 30, 2016 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a partially funded 7.25% investment rate of return and an initial annual healthcare cost trend rate range of 8.00% to 9.00% which decreases to a 5.00% long-term rate for all healthcare benefits after seven years. The amortization costs for

the initial UAAL is a level percentage of payroll amortization, with amortization payments increasing at 3.25% per year for a period of 23 years.

25. Retirement System

The Town follows the provisions of GASB Statement No. 67 *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25* and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, with respect to the employees' retirement funds.

A. Plan Description

The Town is a member of the Concord, Massachusetts Contributory Retirement System (the System) and is governed by Chapter 32 of the Massachusetts General Laws. Because of the significance of its operational and financial relationship with the Town, the System is included as a pension trust fund in the Town's basic financial systems.

Substantially all employees of the Town (except teachers), Concord Housing Authority, and Concord-Carlisle Regional High School (except teachers) are members of the System, a cost sharing, multiple employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid.

The System is governed by a five-member board. The five members include two appointed by the Town, two elected by the members and retirees, and a fifth member chosen by the other four members with the approval of the Public Employee Retirement Administration Commission. The System Retirement Board does not have the authority to amend benefit provisions.

Membership of each plan consisted of the following at January 1, 2015 (the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	274
Terminated plan members entitled to but not yet receiving benefits	120
Active plan members	<u>513</u>
Total	<u>907</u>
Number of participating employers	3

Participant Retirement Benefits

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest five-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100 percent, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4, have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of

service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Participants Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee's individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year, calculated on a weekly basis (52.2 week basis). The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town's contribution to the System for the year ended June 30, 2016 was \$3,901,380, which was equal to its annual required contribution.

B. Summary of Significant Accounting Policies

The accounting policies of the System as reflected in the accompanying financial statements for the year ended December 31, 2015 conform to generally accepted accounting principles for public employee retirement systems (PERS). The more significant accounting policies of the System are summarized below:

Basis of Accounting - Contributory retirement system financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized as revenue in the period in which the members provide services to the employer. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments

Investment Policy

Investments are reported at fair value in accordance with PERAC requirements. System assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

Rate of Return

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 0.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

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 System and additions to/deductions from System's fiduciary net position have been determined on the same basis as they are reported by System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

C. Net Pension Liability of Participating Employers

The net pension liability was based on an actuarial valuation dated January 1, 2015 and rolled forward to December 31, 2015.

The components of the net pension liability of the participating employers at June 30, 2016 were as follows (in thousands):

Net Pension Liability of Employers

Total pension liability	\$ 165,699
Plan fiduciary net position	<u>(133,767)</u>
Employers' net pension liability	<u>\$ 31,932</u>
Plan fiduciary net position as a percentage of total pension liability	80.7%
Covered payroll	\$ 29,283
Plan net pension liability as a percentage of covered payroll	109.0%

The allocation of the Employer's net pension liability to the employer participants is as follows (in thousands):

Town of Concord*	\$ 27,522
Concord-Carlisle Regional School District	4,097
Concord Housing Authority	313
	<u>\$ 31,932</u>

* The net pension liability is as of June 30, 2016, however the electric light fund is reported on the Statement of Net Position as of December 31, 2015.

Actuarial Assumptions

A summary of the actuarial assumptions as of the latest actuarial valuation is shown below:

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	4.25%
Group 1 and 2	3.00% for 10 years
Fire	4.70% for 3 years
Police	5.20% in year 1, 5.60% in year 2, 7.30% in year 3, 5.99% in year 4, and 4.80% in year 5
Inflation rate	3.00%
Post-retirement cost-of-living adjustment	3% on first \$12,000
Mortality	Generational Mortality, Scale BB (sex-distinct). During employment the healthy employee mortality table is used. Post-employment the healthy annuitant table is used. In-service death is assumed to be 55% accidental for group 1 and 2 and 90% accidental for group 4.
Disabled life mortality	Generational Mortality, Scale BB for health annuitants, set forward by 2 years (sex-distinct). Death is assumed to be due to the same cause as the disability 40% of the time.

Actuarial valuation of the ongoing Systems involves estimates of the reported amounts and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates

are made about the future. The actuarial assumptions used in the December 31, 2015 valuation were based on the results of the most recent actuarial experience study dated January 1, 2015, which was for the period January 1, 2013 through December 31, 2014.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Cash	1.0%	-2.9%
Global Equity	49.8%	4.9%
Core Fixed Income	25.6%	0.7%
Value-Added Fixed Income	3.6%	3.7%
Private equity	3.6%	6.3%
Real Estate	8.8%	3.4%
Timberland	1.5%	4.0%
Hedge Funds	4.6%	3.4%
Portfolio Completion	1.5%	3.1%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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 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 7.25%, 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 one percentage-point lower (6.25%) or one percentage-point higher (8.25%) than the current rate (in thousands):

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
12/31/2015	\$ 44,091	\$ 27,522	\$ 13,919

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

At June 30, 2016, the Town reported a liability of \$27,522,599^(A) for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2015, the Town's proportion was 86.19%.

For the year ended June 30, 2016, the Town recognized pension expense of \$4,844,744. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,071,573	\$ -
Changes in proportional share of contributions	69,170	9,652
Changes of assumptions	3,304,464	-
Net difference between projected and actual investment earnings	<u>5,472,469</u>	<u>-</u>
Total ^(A)	<u>\$ 9,917,676</u>	<u>\$ 9,652</u>

^(A) Amounts do not agree to the Statement of Net Position as the electric light fund is reported as of December 31, 2015.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental Activities	Business- Type Activities	Total Deferred Outflows/ (Inflows) of Resources
Year ended June 30:			
2017	\$ 1,890,079	\$ 328,733	\$ 2,218,812
2018	1,890,079	328,733	2,218,812
2019	1,890,079	328,733	2,218,812
2020	2,139,597	372,732	2,512,329
Thereafter	631,538	107,721	739,259
Total ^(A)	<u>\$ 8,441,372</u>	<u>\$ 1,466,652</u>	<u>\$ 9,908,024</u>

(A) Amounts do not agree to the Statement of Net Position as the electric light fund is reported as of December 31, 2015.

26. Massachusetts Teachers' Retirement System (MTRS)

A. Plan Description

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans. MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

B. Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. 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, and 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.

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. Costs of administering the plan are funded out of plan assets.

C. Contributions

Member contributions for MTRS vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

D. Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of January 1, 2015 rolled forward to June 30, 2015. The valuation used the following assumptions:

- (a) 7.50% investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase per year.
- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Mortality rates were as follows:
 - Pre-retirement - reflects RP-2014 Employees table projected generationally with Scale BB and a base year of 2014 (gender district)
 - Post-retirement - reflects RP-2014 Healthy Annuitant table projected generationally with Scale BB and a base year (gender district)
 - Disability – assumed to be in accordance with the RP-2014 Health Annuitant Table projected generationally with Scale BB and a base year 2014 set forward 4 years

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, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	40.0%	6.9%
Core fixed income	13.0%	2.4%
Private equity	10.0%	8.5%
Real estate	10.0%	6.5%
Value added fixed income	10.0%	5.8%
Hedge funds	9.0%	5.8%
Portfolio completion strategies	4.0%	5.5%
Timber/natural resources	4.0%	6.6%
Total	<u>100.0%</u>	

E. Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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.

F. Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (amounts in thousands):

<u>Fiscal Year</u> <u>Ended</u>	<u>1% Decrease</u> <u>to 6.50%</u>	<u>Current Discount</u> <u>Rate 7.50%</u>	<u>1% Increase</u> <u>to 8.50%</u>
June 30, 2015	\$ 25,449,000	\$ 20,489,643	\$ 16,221,000

G. Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

H. Town Proportions

In fiscal year 2015 (the most recent measurement period), the Commonwealth's proportionate share of the MTRS' collective net pension liability and pension expense that is associated with the Town was \$60,737,174 and \$4,926,325 respectively, based on a proportionate share of 0.296429%. As required by GASB 68, the Town has recognized its portion of the collective pension expense as both a revenue and expense in the government-wide Statement of Activities.

27. Participation in Massachusetts Municipal Wholesale Electric Company

The Town of Concord, acting through its Light Plant, is a participant in the New York Power Administration Niagara Project (NYPA) which is administered through the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities.

The Power Purchase Agreement with MMWEC for NYPA requires that each Project Participant pay its pro rata share of MMWEC's costs related to the Project in addition to its share of capacity, energy, transmission and working capital funding.

CMLP is a 2.090% entitlement holder in the Massachusetts allocation of the NYPA firm and peaking energy. The contracts are for the life of the units and the 2015 average energy price for the NYPA is \$0.04924/kWh.

28. Payment in Lieu of Taxes

The language "payment in lieu of taxes" is used with reference to the interfund transfer within the municipal corporate entity because it is the language used in the statute authorizing the establishment and operation of municipal light plants (MGL Ch. 164). The Light Plant PILOT is a transfer from the electric light fund to the general fund.

The particular method in arriving at an appropriate amount of this transfer is not prescribed by statute, but rather Concord's specific amount has been derived from a formula worked out jointly by the Finance Department and the Light Plant and approved by the Town Manager. The formula is based on annual kilowatt-hour sales as well as unbilled sales and is multiplied by 2.75 mils per kwh or \$2,750 per million kilowatt hours sold.

29. Risk Management

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 government carries commercial insurance. There were no significant reductions in insurance coverage from the previous year and have been no material settlements in excess of coverage in any of the past three fiscal years.

30. Beginning Net Position Restatement

The Electric Fund's beginning (January 1, 2015) net position has been restated from the previous fiscal year to conform to GASB Statement 68. Prior periods have not been restated due to the impractical nature of allocating annual activity and lack of information for measurement dates June 30, 2012 and prior; as this is a new standard and beginning net position restatement does not recognize beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions per GASB 71. Accordingly, the following reconciliation is provided:

Government-Wide Financial Statements:

	<u>Business-Type Activities</u>
As previously reported	\$ 99,231,717
GASB 68 Implementation for net pension liability	<u>(1,716,989)</u>
As restated	<u><u>\$ 97,514,728</u></u>

Fund Basis Financial Statements:

	<u>Electric Fund</u>
As previously reported	\$ 45,607,150
GASB 68 Implementation for net pension liability	<u>(1,716,989)</u>
As restated	<u><u>\$ 43,890,161</u></u>

**TOWN OF CONCORD, MASSACHUSETTS
SCHEDULE OF OPEB FUNDING PROGRESS
REQUIRED SUPPLEMENTARY INFORMATION**

June 30, 2016

(Unaudited)

(Amounts Expressed in thousands)

Other Post-Employment Benefits

Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Liability (AAL) - Entry Age <u>(b)</u>	Unfunded AAL (UAAL) <u>(b-a)</u>	Funded Ratio <u>(a/b)</u>	Covered Payroll <u>(c)</u>	UAAL as a Percent- age of Covered Payroll <u>[(b-a)/c]</u>
06/30/16	\$ 8,395	\$ 39,185	\$ 30,790	21.4%	\$ 47,652	64.6%
06/30/14	\$ 6,577	\$ 33,452	\$ 26,875	19.7%	\$ 44,152	60.9%
01/01/12	\$ 1,885	\$ 29,985	\$ 28,100	6.3%	\$ 41,453	67.8%
01/01/09	\$ -	\$ 46,353	\$ 46,353	0.0%	\$ 33,707	129.9%

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS
SCHEDULE OF PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016
(Unaudited)

Concord Contributory Retirement System

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2016	86.19%	\$27,522,599	\$ 27,411,211	100.41%	80.70%
June 30, 2015	85.82%	\$15,511,928	\$ 26,329,364	58.91%	88.00%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town</u>	<u>Total Net Pension Liability Associated with the Town</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
June 30, 2016	0.296429%	\$ -	\$ 60,737,174	\$ 60,737,174	\$ 18,790,302	0.00%	55.38%
June 30, 2015	0.297613%	\$ -	\$ 47,309,570	\$ 47,309,570	\$ 18,248,123	0.00%	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

**SCHEDULE OF PENSION CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2016
(Unaudited)**

Concord Contributory Retirement System					
<u>Fiscal Year</u>	<u>Contractually Required Contribution</u>	<u>Contributions in Relation to the Contractually Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2016	\$ 3,901,380	\$ (3,901,380)	\$ -	\$ 27,411,211	14.23%
June 30, 2015	\$ 3,467,672	\$ (3,467,672)	\$ -	\$ 26,329,364	13.17%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available

See Independent Auditors' Report.

**TOWN OF CONCORD, MASSACHUSETTS
CONCORD CONTRIBUTORY RETIREMENT SYSTEM**

Schedule of Changes in the Net Pension Liability

(Unaudited)

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 4,331,620	\$ 3,925,201
Interest on unfunded liability - time value of \$	11,020,878	10,782,666
Differences between expected and actual experience	1,502,282	-
Change in assumptions	4,632,665	-
Benefit payments, including refunds of member contributions	<u>(6,937,394)</u>	<u>(6,804,721)</u>
Net change in total pension liability	14,550,051	7,903,146
Total pension liability - beginning	<u>151,149,187</u>	<u>143,246,041</u>
Total pension liability - ending (a)	<u>\$ 165,699,238</u>	<u>\$ 151,149,187</u>
 Plan fiduciary net position		
Contributions - employer	\$ 4,537,799	\$ 4,051,945
Contributions - member	2,865,147	3,018,008
Net investment income	443,230	10,866,359
Benefit payments, including refunds of member contributions	(6,937,394)	(6,804,721)
Administrative expense	<u>(216,247)</u>	<u>(212,725)</u>
Net change in plan fiduciary net position	692,535	10,918,866
Plan fiduciary net position - beginning	<u>133,074,230</u>	<u>122,155,364</u>
Plan fiduciary net position - ending (b)	<u>\$ 133,766,765</u>	<u>\$ 133,074,230</u>
 Net pension liability (asset) - ending (a-b)	<u>\$ 31,932,473</u>	<u>\$ 18,074,957</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

**TOWN OF CONCORD, MASSACHUSETTS
CONCORD CONTRIBUTORY RETIREMENT SYSTEM**

Schedules of Net Pension Liability, Contributions, and Investment Returns

(Unaudited)

Schedule of Net Pension Liability

	<u>2015</u>	<u>2014</u>
Total pension liability	\$ 165,699,238	\$ 151,149,187
Plan fiduciary net position	<u>133,766,765</u>	<u>133,074,230</u>
Net pension liability (asset)	<u>\$ 31,932,473</u>	<u>\$ 18,074,957</u>
Plan fiduciary net position as a percentage of the total pension liability	80.7%	88.0%
Covered payroll	\$ 29,283,408	\$ 29,023,015
Net pension liability (asset) as a percentage of covered payroll	109.0%	62.3%

Schedule of Contributions

	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 4,537,799	\$ 4,051,945
Contributions in relation to the actuarially determined contribution	<u>4,537,799</u>	<u>4,051,945</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 29,283,408	\$ 29,023,015
Contributions as a percentage of covered payroll	15.5%	14.0%

Schedule of Investment Returns

Year Ended December 31

	<u>2015</u>	<u>2014</u>
Annual money weighted rate of return, net of investment expense	0.26%	8.88%

*Schedules are intended to show information for 10 years.
Additional years will be displayed as they become available.*

See Independent Auditors' Report.

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Combining Financial Statements

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

- Community Preservation: To account for funds raised by a property tax surcharge that can be used for acquisition and preservation of open space, affordable housing, historic preservation, and recreation
- Parking: To account for funds raised by parking charges and fines, to be used for parking lot maintenance, traffic signalization and traffic and parking control projects
- Cemetery: To account for funds derived from the sale of burial lots and interment fees used to provide support to the Cemetery operating budget
- PEG Access: To account for funds derived from the cable television franchise agreement used to operate the Community Television program
- Receipts Reserved for Appropriation: To account for receipts, which according to Massachusetts General Laws, must be segregated in the treasury and appropriated to be spent for specific purposes
- 53G Review: To account for funds associated with the Massachusetts General Law Chapter 44, Section 53G
- Miscellaneous Grants and Contributions: To account for various other funds of the Town restricted for particular purposes
- School Lunch: To account for operating revenues and expenses associated with the School Department student lunch program
- Gifts: To account for various gifts to the Town restricted by the donor for particular purposes
- Recreation: To account for funds associated with the Town recreation activities
- Other Revolving: To account for receipts (other than Recreation) which may be spent without appropriation for expenditures related to the source of the receipt

- Land Acquisition: To account for funds associated with the Town's land acquisition program
- Federal Grants: To account for various Federal grant programs
- State Grants: To account for various State grant programs other than Chapter 90
- Highway Grants: To account for the Town's Chapter 90 state grant program
- Solid Waste: To account for funds for use in the operation of the curbside and recycling program
- Sawyer Gift Fund: To account for funds distributed by the Trustees of Town Donations from the Sawyer Trust Gift to be used for specific projects to improve the energy efficiency of municipal buildings

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment other than those employed in the delivery of services accounted for in Enterprise Funds.

PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the Town in a fiduciary capacity as trustee. Funds are used to report resources that are legally restricted to the extent that only the earning, and not principal, may be used for purposes that benefit the Town or its citizenry.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2016

	Special Revenue Funds				
	<u>Community Preservation</u>	<u>Parking</u>	<u>Cemetery</u>	<u>PEG Access</u>	<u>Receipts Reserved for Appropriation</u>
ASSETS					
Cash and short-term investments	\$ 2,049,428	\$ 268,299	\$ 407,571	\$ 661,965	\$ 823,516
Investments	-	-	-	-	-
Receivables:					
Property taxes	12,651	-	-	-	-
Departmental	-	-	-	-	288,015
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>\$ 2,062,079</u>	<u>\$ 268,299</u>	<u>\$ 407,571</u>	<u>\$ 661,965</u>	<u>\$ 1,111,531</u>
LIABILITIES					
Warrants payable	\$ 318	\$ 10,234	\$ -	\$ -	\$ 6,057
Accrued liabilities	-	-	-	-	-
Notes payable	-	-	-	-	224,804
Other liabilities	-	-	-	-	-
TOTAL LIABILITIES	318	10,234	-	-	230,861
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	12,651	-	-	-	288,015
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	2,049,110	258,065	407,571	661,965	592,655
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,049,110</u>	<u>258,065</u>	<u>407,571</u>	<u>661,965</u>	<u>592,655</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,062,079</u>	<u>\$ 268,299</u>	<u>\$ 407,571</u>	<u>\$ 661,965</u>	<u>\$ 1,111,531</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>53 G Review</u>	<u>Miscellaneous Grants and Contributions</u>	<u>School Lunch</u>	<u>Gifts</u>	<u>Recreation</u>	<u>Other Revolving</u>
\$ 19,070	\$ 58,743	\$ 130,143	\$ 1,368,696	\$ 940,079	\$ 475,415
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,086
<u>-</u>	<u>-</u>	<u>7,252</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 19,070</u>	<u>\$ 58,743</u>	<u>\$ 137,395</u>	<u>\$ 1,368,696</u>	<u>\$ 940,079</u>	<u>\$ 476,501</u>
\$ 4,500	\$ -	\$ 7,794	\$ 6,042	\$ 72,483	\$ 32,622
-	-	1,718	1,923	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4,500	-	9,512	7,965	72,483	32,622
-	-	-	-	-	-
-	-	-	-	-	-
14,570	58,743	127,883	1,360,731	867,596	443,879
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>14,570</u>	<u>58,743</u>	<u>127,883</u>	<u>1,360,731</u>	<u>867,596</u>	<u>443,879</u>
<u>\$ 19,070</u>	<u>\$ 58,743</u>	<u>\$ 137,395</u>	<u>\$ 1,368,696</u>	<u>\$ 940,079</u>	<u>\$ 476,501</u>

(continued)

(continued)

	Special Revenue Funds			
	<u>Land Acquisition</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Highway Grants</u>
ASSETS				
Cash and short-term investments	\$ 35,539	\$ (532,897)	\$ 652,813	\$ -
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Departmental	-	-	-	-
Intergovernmental	-	570,459	207,939	-
TOTAL ASSETS	<u>\$ 35,539</u>	<u>\$ 37,562</u>	<u>\$ 860,752</u>	<u>\$ -</u>
LIABILITIES				
Warrants payable	\$ -	\$ 10,624	\$ 110,606	\$ -
Accrued liabilities	-	6,964	10,268	-
Notes payable	-	-	-	-
Other liabilities	-	-	-	-
TOTAL LIABILITIES	-	17,588	120,874	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	35,539	19,974	885,184	-
Committed	-	-	-	-
Unassigned	-	-	(145,306)	-
TOTAL FUND BALANCES	<u>35,539</u>	<u>19,974</u>	<u>739,878</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 35,539</u>	<u>\$ 37,562</u>	<u>\$ 860,752</u>	<u>\$ -</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>Solid Waste</u>	<u>Sawyer Gift Fund</u>	<u>Subtotals</u>
\$ 642,720	\$ 212,625	\$ 8,213,725
-	-	-
-	-	12,651
-	-	289,101
-	-	<u>785,650</u>
<u>\$ 642,720</u>	<u>\$ 212,625</u>	<u>\$ 9,301,127</u>
\$ 77,462	\$ -	\$ 338,742
-	-	20,873
-	-	224,804
<u>247,433</u>	<u>-</u>	<u>247,433</u>
324,895	-	831,852
-	-	300,666
-	-	-
317,825	212,625	8,313,915
-	-	-
-	-	<u>(145,306)</u>
<u>317,825</u>	<u>212,625</u>	<u>8,168,609</u>
<u>\$ 642,720</u>	<u>\$ 212,625</u>	<u>\$ 9,301,127</u>

(continued)

(continued)

	Capital Project Funds	Permanent Funds			Total Nonmajor Governmental Funds
		Nonexpendable Trust Funds	Expendable Trust Funds	Subtotals	
ASSETS					
Cash and short-term investments	\$ 4,942,009	\$ -	\$ 108,771	\$ 108,771	\$ 13,264,505
Investments	-	5,669,751	-	5,669,751	5,669,751
Receivables:					
Property taxes	-	-	-	-	12,651
Departmental	-	-	-	-	289,101
Intergovernmental	-	-	-	-	785,650
TOTAL ASSETS	<u>\$ 4,942,009</u>	<u>\$ 5,669,751</u>	<u>\$ 108,771</u>	<u>\$ 5,778,522</u>	<u>\$ 20,021,658</u>
LIABILITIES					
Warrants payable	\$ 270,488	\$ -	\$ -	\$ -	\$ 609,230
Accrued liabilities	-	-	-	-	20,873
Notes payable	-	-	-	-	224,804
Other liabilities	-	-	-	-	247,433
TOTAL LIABILITIES	270,488	-	-	-	1,102,340
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	300,666
FUND BALANCES					
Nonspendable	-	4,972,345	-	4,972,345	4,972,345
Restricted	3,746,521	697,406	108,771	806,177	12,866,613
Committed	925,000	-	-	-	925,000
Unassigned	-	-	-	-	(145,306)
TOTAL FUND BALANCES	<u>4,671,521</u>	<u>5,669,751</u>	<u>108,771</u>	<u>5,778,522</u>	<u>18,618,652</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 4,942,009</u>	<u>\$ 5,669,751</u>	<u>\$ 108,771</u>	<u>\$ 5,778,522</u>	<u>\$ 20,021,658</u>

See Independent Auditors' Report.

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TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Balance

Nonmajor Governmental Funds

For the Year Ended June 30, 2016

	Special Revenue Funds				
	<u>Community Preservation</u>	<u>Parking</u>	<u>Cemetery</u>	<u>PEG Access</u>	<u>Receipts Reserved for Appropriation</u>
Revenues:					
Property taxes	\$ 1,085,226	\$ -	\$ -	\$ -	\$ -
Departmental	-	404,204	148,315	384,794	127,825
Intergovernmental	302,422	-	-	-	16,507
Investment income	8,423	-	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>1,396,071</u>	<u>404,204</u>	<u>148,315</u>	<u>384,794</u>	<u>144,332</u>
Expenditures:					
Current:					
General government	1,174,702	49,192	3,000	-	-
Public safety	-	271,085	-	-	-
Education	-	-	-	-	-
Public works	-	-	136,228	-	157,799
Health and human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	162,936
Total Expenditures	<u>1,174,702</u>	<u>320,277</u>	<u>139,228</u>	<u>-</u>	<u>320,735</u>
Excess (deficiency) of revenues over (under) expenditures	221,369	83,927	9,087	384,794	(176,403)
Other Financing Sources (Uses):					
Proceeds of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(11,500)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,500)</u>
Changes in fund balances	221,369	83,927	9,087	384,794	(187,903)
Fund Balances, at Beginning of Year	<u>1,827,741</u>	<u>174,138</u>	<u>398,484</u>	<u>277,171</u>	<u>780,558</u>
Fund Balances, at End of Year	<u>\$ 2,049,110</u>	<u>\$ 258,065</u>	<u>\$ 407,571</u>	<u>\$ 661,965</u>	<u>\$ 592,655</u>

See Independent Auditors' Report.

Special Revenue Funds

53 G <u>Review</u>	Miscellaneous Grants and <u>Contributions</u>	School <u>Lunch</u>	<u>Gifts</u>	<u>Recreation</u>	Other <u>Revolving</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16,927	-	439,619	-	1,802,114	330,904
-	-	118,782	-	-	-
-	-	-	-	-	-
-	-	-	195,363	-	-
-	91,686	-	266,399	-	-
<u>16,927</u>	<u>91,686</u>	<u>558,401</u>	<u>461,762</u>	<u>1,802,114</u>	<u>330,904</u>
31,008	100,144	-	94,719	7,103	241,357
-	-	-	17,355	-	-
-	-	595,662	110,718	-	502
-	-	-	157,735	15,000	86,065
-	-	-	52,971	-	-
-	-	-	26,944	1,680,910	-
-	-	-	-	-	-
<u>31,008</u>	<u>100,144</u>	<u>595,662</u>	<u>460,442</u>	<u>1,703,013</u>	<u>327,924</u>
(14,081)	(8,458)	(37,261)	1,320	99,101	2,980
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(14,081)	(8,458)	(37,261)	1,320	99,101	2,980
<u>28,651</u>	<u>67,201</u>	<u>165,144</u>	<u>1,359,411</u>	<u>768,495</u>	<u>440,899</u>
<u>\$ 14,570</u>	<u>\$ 58,743</u>	<u>\$ 127,883</u>	<u>\$ 1,360,731</u>	<u>\$ 867,596</u>	<u>\$ 443,879</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Land Acquisition</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Highway Grants</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Departmental	-	-	-	-
Intergovernmental	-	745,491	1,838,648	778,865
Investment income	129	-	-	-
Contributions	-	-	-	-
Other	<u>9,889</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	10,018	745,491	1,838,648	778,865
Expenditures:				
Current:				
General government	4,500	-	399,088	-
Public safety	-	1,300	77,502	-
Education	-	681,436	928,831	-
Public works	-	69,720	109,426	778,865
Health and human services	-	-	41,994	-
Culture and recreation	-	6,456	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,500</u>	<u>758,912</u>	<u>1,556,841</u>	<u>778,865</u>
Excess (deficiency) of revenues over (under) expenditures	5,518	(13,421)	281,807	-
Other Financing Sources (Uses):				
Proceeds of bonds	-	-	-	-
Transfers in	15,000	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Changes in fund balances	20,518	(13,421)	266,807	-
Fund Balances, at Beginning of Year,	<u>15,021</u>	<u>33,395</u>	<u>473,071</u>	<u>-</u>
Fund Balances, at End of Year	<u>\$ 35,539</u>	<u>\$ 19,974</u>	<u>\$ 739,878</u>	<u>\$ -</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>Solid Waste</u>	<u>Sawyer Gift Fund</u>	<u>Subtotals</u>
\$ -	\$ -	\$ 1,085,226
1,286,384	-	4,941,086
-	-	3,800,715
-	894	9,446
-	310	195,673
<u>9</u>	<u>-</u>	<u>367,983</u>
1,286,393	1,204	10,400,129
51,853	-	2,156,666
-	-	367,242
-	-	2,317,149
1,146,588	-	2,657,426
-	-	94,965
-	-	1,714,310
<u>-</u>	<u>-</u>	<u>162,936</u>
<u>1,198,441</u>	<u>-</u>	<u>9,470,694</u>
87,952	1,204	929,435
-	-	-
-	-	15,000
<u>-</u>	<u>-</u>	<u>(26,500)</u>
<u>-</u>	<u>-</u>	<u>(11,500)</u>
87,952	1,204	917,935
<u>229,873</u>	<u>211,421</u>	<u>7,250,674</u>
\$ <u><u>317,825</u></u>	\$ <u><u>212,625</u></u>	\$ <u><u>8,168,609</u></u>

(continued)

(continued)

	Capital Project Funds	Permanent Funds			Total Nonmajor Governmental Funds
		Nonexpendable Trust Funds	Expendable Trust Funds	Subtotal	
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,085,226
Departmental	-	-	-	-	4,941,086
Intergovernmental	-	-	-	-	3,800,715
Investment income	-	21,727	4,800	26,527	35,973
Contributions	-	-	-	-	195,673
Other	-	89,490	-	89,490	457,473
Total Revenues	-	111,217	4,800	116,017	10,516,146
Expenditures:					
Current:					
General government	414,673	-	-	-	2,571,339
Public safety	31,603	-	815	815	399,660
Education	947,930	-	-	-	3,265,079
Public works	590,286	109,424	-	109,424	3,357,136
Health and human services	-	-	-	-	94,965
Culture and recreation	5,371	-	-	-	1,719,681
Debt service	-	-	-	-	162,936
Total Expenditures	1,989,863	109,424	815	110,239	11,570,796
Excess (deficiency) of revenues over (under) expenditures	(1,989,863)	1,793	3,985	5,778	(1,054,650)
Other Financing Sources (Uses):					
Proceeds of bonds	4,250,000	-	-	-	4,250,000
Transfers in	925,000	-	-	-	940,000
Transfers out	-	-	-	-	(26,500)
Total Other Financing Sources (Uses)	5,175,000	-	-	-	5,163,500
Changes in fund balances	3,185,137	1,793	3,985	5,778	4,108,850
Fund Balances, at Beginning of Year,	1,486,384	5,667,958	104,786	5,772,744	14,509,802
Fund Balances, at End of Year	\$ 4,671,521	\$ 5,669,751	\$ 108,771	\$ 5,778,522	\$ 18,618,652

See Independent Auditors' Report.

**Detail and Combining Budget
and Actual Schedules – General Fund**

TOWN OF CONCORD, MASSACHUSETTS

GENERAL FUND

DETAIL SCHEDULE OF REVENUES, TRANSFERS IN AND OTHER SOURCES,
AND EXPENDITURES, TRANSFERS OUT AND OTHER USES

FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues and Transfers:				
Taxes	\$ 80,775,435	\$ 80,775,435	\$ 81,253,467	\$ 478,032
Excise taxes	3,715,000	3,715,000	3,837,781	122,781
Penalties, interest and other taxes	170,000	170,000	249,066	79,066
Departmental	1,403,200	1,403,200	1,482,533	79,333
Licenses and permits	1,090,000	1,090,000	1,517,571	427,571
Fines and forfeitures	90,000	90,000	153,052	63,052
Intergovernmental	4,272,640	4,272,640	4,468,352	195,712
Investment income	100,000	100,000	158,041	58,041
Other	122,100	122,100	708,597	586,497
Transfers in	472,400	2,139,454	2,139,454	-
Total Revenues and Transfers	92,210,775	93,877,829	95,967,914	2,090,085
Expenditures and Transfers:				
General government:				
Town Manager's Office				
Town manager	366,308	568,300	567,750	550
Human resources	215,367	354,710	354,334	376
Town-wide building fund	220,000	225,962	224,962	1,000
Resource sustainability fund	75,000	75,000	75,000	-
Visitor's center	27,426	27,426	26,976	450
Total Town Manager's Office	904,101	1,251,398	1,249,022	2,376
Legal services	225,000	225,000	178,150	46,850
Elections and Registrars				
Elections	52,164	52,164	52,164	-
Registrars	8,103	8,103	8,103	-
Total Elections and Registrars	60,267	60,267	60,267	-
Town meeting and reports	81,550	81,550	64,266	17,284
Planning				
Planning administration	439,629	515,332	508,025	7,307
Natural resources	205,256	265,458	263,900	1,558
Inspections	422,087	451,574	465,385	(13,811)
Health	291,209	361,069	355,187	5,882
Total Planning	1,358,181	1,593,433	1,592,497	936
141 Keyes Road	73,368	73,368	70,472	2,896
Selectmen Articles	625,000	625,000	625,001	(1)
Total General government	3,327,467	3,910,016	3,839,675	70,341

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	<u>Budgeted Amounts</u>			Variance with
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Final Budget Positive (Negative)
Finance and administration:				
Finance committee	3,410	3,410	2,151	1,259
Finance				
Finance administration	275,831	474,962	474,878	84
Treasurer-Collector	281,056	486,269	485,092	1,177
Town Accountant	150,769	300,362	299,651	711
Assessors	392,676	409,152	408,238	914
Town Clerk	233,879	241,590	241,590	-
Total Finance	<u>1,334,211</u>	<u>1,912,335</u>	<u>1,909,449</u>	<u>2,886</u>
Information systems	675,933	681,610	681,613	(3)
Town House	103,370	121,988	121,132	856
Total Finance and administration	<u>2,116,924</u>	<u>2,719,343</u>	<u>2,714,345</u>	<u>4,998</u>
Public safety:				
Police department	4,217,360	4,386,437	4,371,429	15,008
Fire department	4,143,072	4,279,385	4,237,888	41,497
West Concord fire station	60,062	60,062	57,720	2,342
Police-Fire station	234,812	234,812	234,793	19
Emergency management	22,810	22,810	22,647	163
Animal control officer	25,100	25,100	23,464	1,636
Dog inoculation	-	500	500	-
Total Public safety	<u>8,703,216</u>	<u>9,009,106</u>	<u>8,948,441</u>	<u>60,665</u>
School department	34,542,735	34,542,735	34,542,735	-
Regional school assessments:				
Regional school assessment	20,070,650	20,070,650	20,070,650	-
Vocational school assessment	407,041	407,041	407,041	-
Total Regional school assessments	<u>20,477,691</u>	<u>20,477,691</u>	<u>20,477,691</u>	<u>-</u>
Public works and facilities:				
Public works				
CPW administration	181,462	379,387	374,100	5,287
Engineering	373,062	500,126	494,924	5,202
Highway maintenance	1,281,985	1,327,102	1,313,356	13,746
Parks and trees	633,992	669,895	661,356	8,539
Cemetery	67,381	204,344	193,499	10,845
Total Public works	<u>2,537,882</u>	<u>3,080,854</u>	<u>3,037,235</u>	<u>43,619</u>
Snow and ice removal	570,000	570,000	469,208	100,792
Street lighting	73,463	73,463	65,249	8,214
CPW equipment	250,000	250,000	250,000	-
Drainage program	205,000	205,000	205,000	-
Sidewalk management	100,000	100,000	100,000	-
Road improvements	90,000	90,000	90,000	-
133/135 Keyes rd.	100,967	169,768	169,597	171
Total Public works and facilities	<u>3,927,312</u>	<u>4,539,085</u>	<u>4,386,289</u>	<u>152,796</u>
Human services:				
Library	1,995,097	2,060,561	1,979,237	81,324
Human services administration	9,000	9,000	6,845	2,155
Recreation administration	50,000	50,000	49,391	609
Hunt recreation center	95,623	117,281	116,829	452
Council on Aging	328,996	336,888	334,849	2,039
Harvey Wheeler community center	117,079	117,945	115,301	2,644
Veterans	60,889	87,389	86,763	626
Ceremonies and celebrations	24,006	24,006	20,389	3,617
Total Human services	<u>2,680,690</u>	<u>2,803,070</u>	<u>2,709,604</u>	<u>93,466</u>

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	Budgeted Amounts			Variance with
	Original Budget	Final Budget	Actual Amounts	Final Budget Positive (Negative)
Unclassified:				
Town employee benefits				
Unused sick leave	90,000	90,000	90,000	-
Public safety disability	2,500	2,500	152	2,348
Employee assistance program	7,500	7,500	7,177	323
Total Town employee benefits	100,000	100,000	97,329	2,671
Reserve fund	225,000	188,500	-	188,500
Salary reserve	643,404	121,947	32,500	89,447
Land fund	15,000	15,000	15,000	-
Total Unclassified	983,404	425,447	144,829	280,618
Employee benefits:				
Insurance				
Group insurance	4,650,000	4,650,000	4,650,000	-
OPEB	1,150,000	1,150,000	1,150,000	-
Property/liability	225,000	225,000	225,000	-
Total Insurance	6,025,000	6,025,000	6,025,000	-
Unemployment and workers comp				
Unemployment compensation	100,000	100,000	53,495	46,505
Workers' compensation	100,000	100,000	131,537	(31,537)
Total Unemployment and workers comp	200,000	200,000	185,032	14,968
Retirement	3,220,000	3,220,000	3,220,000	-
Social security and medicare	740,000	740,000	708,553	31,447
Total Employee benefits	10,185,000	10,185,000	10,138,585	46,415
Debt service:				
Debt within the levy limit				
Town principal and interest	2,551,988	2,551,988	2,551,988	-
CPS principal and interest	940,113	940,113	940,113	-
Interest on notes	72,899	72,899	-	72,899
Other debt expense	154,216	154,216	2,917	151,299
Total Debt within the levy limit	3,719,216	3,719,216	3,495,018	224,198
Excluded debt				
Town principal and interest	124,012	124,012	122,594	1,418
CPS principal and interest	2,501,377	2,501,377	2,501,376	1
Total Excluded debt	2,625,389	2,625,389	2,623,970	1,419
Total Debt service	6,344,605	6,344,605	6,118,988	225,617
Intergovernmental	514,943	514,943	492,837	22,106
Transfers out	80,895	80,895	80,895	-
Total Expenditures and Transfers	93,884,882	95,551,936	94,594,914	957,022
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(1,674,107)	(1,674,107)	1,373,000	3,047,107
Other Financing Sources (Uses):				
Use of fund balance:				
To reduce the tax levy	950,000	950,000	-	(950,000)
For debt service	409,878	409,878	-	(409,878)
For other purposes	625,000	625,000	-	(625,000)
Raise prior year deficits	(310,771)	(310,771)	-	310,771
Excess of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ 1,373,000	\$ 1,373,000

(concluded)

Fiduciary Funds

Agency Fund

Agency Funds are established to account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others.

Agency Funds represents assets held for student activities, developer escrow deposits, and employee details.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2016

	Balance July 1, <u>2015</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2016</u>
Assets - cash and short-term investments	\$ 216,871	\$ 8,957,822	\$ (8,820,202)	\$ 354,491
Assets - other assets	<u>69,545</u>	<u>-</u>	<u>(8,023)</u>	<u>61,522</u>
Total Assets	<u>\$ 286,416</u>	<u>\$ 8,957,822</u>	<u>\$ (8,828,225)</u>	<u>\$ 416,013</u>
Liabilities - other liabilities	<u>\$ 286,416</u>	<u>\$ 8,957,822</u>	<u>\$ (8,828,225)</u>	<u>\$ 416,013</u>
Total liabilities	<u>\$ 286,416</u>	<u>\$ 8,957,822</u>	<u>\$ (8,828,225)</u>	<u>\$ 416,013</u>

TOWN OF CONCORD, MASSACHUSETTS

STATISTICAL SECTION

The Town of Concord, Massachusetts 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 government's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Town of Concord, Massachusetts
Net Position By Component
Last Ten Fiscal Years

Fiscal Year

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities										
Net Investment in Capital Assets.....	\$ 84,852,742	\$ 89,828,643 *	\$ 94,349,032	\$ 97,386,783	\$ 100,788,002	\$ 104,111,001	\$ 106,166,057	\$ 109,255,510	\$ 115,573,285	\$ 119,465,307
Restricted.....	13,699,839	15,194,228	13,317,472	20,413,100	21,997,609	23,909,571	24,142,379	22,201,498	24,081,526	27,253,854
Unrestricted.....	15,030,686	17,876,376	15,814,177	14,829,606	12,334,942	10,773,638	10,563,077	15,792,659	(779,977)	(3,913,172)
Total governmental activities net position.....	<u>\$ 113,583,267</u>	<u>\$ 122,899,247</u>	<u>\$ 123,480,681</u>	<u>\$ 132,629,489</u>	<u>\$ 135,120,553</u>	<u>\$ 138,794,210</u>	<u>\$ 140,871,513</u>	<u>\$ 147,249,667</u>	<u>\$ 138,874,834</u>	<u>\$ 142,805,989</u>
Business-type activities										
Net Investment in Capital Assets.....	\$ 63,776,577	\$ 63,009,038 *	\$ 65,053,376	\$ 65,308,646	\$ 61,420,167	\$ 65,318,550	\$ 66,337,551	\$ 69,273,602	\$ 67,974,268	\$ 69,265,566
Restricted.....	2,456,995	2,349,628	2,240,091	4,183,090	4,137,596	3,884,556	3,826,390	6,097,111	6,288,292	8,048,292
Unrestricted.....	15,368,755	18,407,584	18,068,531	16,462,704	21,909,226	19,871,002	22,244,148	22,209,233	24,969,157	25,056,541
Total business-type activities net position.....	<u>\$ 81,602,327</u>	<u>\$ 83,766,250</u>	<u>\$ 85,361,998</u>	<u>\$ 85,954,440</u>	<u>\$ 87,466,989</u>	<u>\$ 89,074,108</u>	<u>\$ 92,408,089</u>	<u>\$ 97,579,946</u>	<u>\$ 99,231,717</u>	<u>\$ 102,370,399</u>
Primary Government										
Net Investment in Capital Assets.....	\$ 148,629,319	\$ 152,837,681 *	\$ 159,402,408	\$ 162,695,429	\$ 162,208,169	\$ 169,429,551	\$ 172,503,608	\$ 178,529,112	\$ 183,547,553	\$ 188,730,873
Restricted.....	16,156,834	17,543,856	15,557,563	24,596,190	26,135,205	27,794,127	27,968,769	28,298,609	30,369,818	35,302,146
Unrestricted.....	30,399,441	36,283,960	33,882,708	31,292,310	34,244,168	30,644,640	32,807,225	38,001,892	24,189,180	21,143,369
Total primary government net position.....	<u>\$ 195,185,594</u>	<u>\$ 206,665,497</u>	<u>\$ 208,842,679</u>	<u>\$ 218,583,929</u>	<u>\$ 222,587,542</u>	<u>\$ 227,868,318</u>	<u>\$ 233,279,602</u>	<u>\$ 244,829,613</u>	<u>\$ 238,106,551</u>	<u>\$ 245,176,388</u>

Data source: Audited financial statements.

Town of Concord, Massachusetts
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental activities:										
General government.....	\$ 6,106,270	\$ 7,414,524	\$ 8,510,717	\$ 8,413,892	\$ 8,404,895	\$ 9,305,383	\$ 9,832,347	\$ 9,031,843	\$ 8,924,883	\$ 10,287,666
Public safety.....	9,686,770	10,056,938	10,891,957	11,159,206	11,405,417	11,796,092	12,047,819	12,269,514	12,249,903	13,340,235
Education.....	46,783,893	48,858,792	51,015,323	52,981,052	55,280,989	55,737,840	57,046,303	60,479,426	59,706,056	67,292,487
Public works.....	6,024,518	6,374,296	6,892,561	7,064,011	7,706,245	7,266,727	8,945,193	8,347,235	7,909,352	7,403,929
Health and human services.....	750,760	550,162	642,124	678,387	756,580	722,644	742,479	817,470	1,115,805	1,002,832
Culture and recreation.....	3,813,464	4,311,466	4,856,597	4,822,723	4,827,635	4,623,967	5,020,450	5,173,470	5,261,485	5,158,002
Interest.....	2,413,411	1,806,471	1,837,251	1,924,780	1,939,930	1,861,413	1,752,745	1,732,788	1,936,308	1,501,614
Total governmental activities expenses.....	<u>75,579,086</u>	<u>79,372,649</u>	<u>84,646,530</u>	<u>87,044,051</u>	<u>90,321,691</u>	<u>91,314,066</u>	<u>95,387,336</u>	<u>97,851,746</u>	<u>97,103,792</u>	<u>105,986,765</u>
Business-type activities:										
Water operations.....	2,337,209	2,677,507	2,617,205	2,711,990	2,798,406	2,733,105	2,740,499	2,861,140	2,962,045	3,616,926
Sewer operations.....	2,334,776	3,267,277	2,848,317	3,154,603	3,109,426	3,263,652	3,125,442	3,263,977	2,968,131	3,094,077
Electric operations.....	15,611,386	15,337,032	15,807,354	18,426,381	26,687,510	25,954,481	26,450,705	23,276,147	24,901,305	24,369,833
Swim & fitness operations.....	1,782,892	2,248,100	2,210,992	2,252,483	2,169,206	2,178,625	2,091,407	2,227,881	2,159,452	2,257,461
Total business-type activities expenses.....	<u>22,066,263</u>	<u>23,529,916</u>	<u>23,483,868</u>	<u>26,545,457</u>	<u>34,764,548</u>	<u>34,129,863</u>	<u>34,408,053</u>	<u>31,629,145</u>	<u>32,990,933</u>	<u>33,338,297</u>
Total primary government expenses.....	<u>\$ 97,645,349</u>	<u>\$ 102,902,565</u>	<u>\$ 108,130,398</u>	<u>\$ 113,589,508</u>	<u>\$ 125,086,239</u>	<u>\$ 125,443,929</u>	<u>\$ 129,795,389</u>	<u>\$ 129,480,891</u>	<u>\$ 130,094,725</u>	<u>\$ 139,325,062</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 350,593	\$ 639,324	\$ 333,550	\$ 384,477	\$ 669,923	\$ 604,839	\$ 610,873	\$ 678,726	\$ 1,121,995	\$ 1,187,123
Public safety.....	1,919,448	1,714,243	1,505,918	1,430,738	2,014,970	2,266,546	1,929,053	2,339,235	2,205,210	2,776,059
Education.....	373,132	582,605	590,144	647,755	519,009	562,669	514,649	572,792	722,613	599,205
Public works.....	1,660,651	1,392,774	1,062,075	1,430,298	1,442,378	1,661,684	1,494,413	1,552,351	1,604,826	1,606,568
Health and human services.....	105,388	112,074	135,815	137,230	12,714	12,368	15,510	13,113	11,226	47,119
Culture and recreation.....	1,627,264	1,729,549	1,580,800	1,577,087	1,589,545	1,634,122	1,718,319	1,886,241	1,960,377	1,837,054
Operating grants and contributions.....	8,559,657	9,421,443	9,305,274	8,830,469	9,106,669	8,829,655	9,101,157	9,450,635	9,095,653	11,154,020
Capital grants and contributions.....	628,363	959,194	566,685	920,510	363,852	650,154	159,892	736,587	475,579	778,865
Total government activities program revenues	<u>15,224,496</u>	<u>16,551,206</u>	<u>15,080,261</u>	<u>15,358,564</u>	<u>15,719,060</u>	<u>16,222,037</u>	<u>15,543,866</u>	<u>17,229,680</u>	<u>17,197,479</u>	<u>19,986,013</u>
Business-type activities:										
Charges for services:										
Water operations.....	3,441,791	4,121,503	3,531,191	3,719,334	4,374,329	4,325,314	4,554,423	4,654,206	4,945,876	5,986,690
Sewer operations.....	4,750,385	2,128,956	2,648,839	2,447,770	2,648,063	2,409,318	2,586,879	3,048,386	2,934,142	4,081,575
Electric operations.....	17,829,056	16,248,165	17,032,870	19,590,144	28,048,826	27,703,175	28,473,103	25,844,375	26,378,663	26,216,645
Swim & fitness operations.....	2,677,069	2,433,255	2,537,763	2,503,352	2,391,610	2,355,081	2,429,579	2,450,179	2,283,710	2,318,465
Total business-type activities revenues.....	<u>28,698,301</u>	<u>24,931,879</u>	<u>25,750,663</u>	<u>28,260,600</u>	<u>37,462,828</u>	<u>36,792,888</u>	<u>38,043,984</u>	<u>35,997,146</u>	<u>36,542,391</u>	<u>38,603,375</u>
Total primary government revenues.....	<u>\$ 43,922,797</u>	<u>\$ 41,483,085</u>	<u>\$ 40,830,924</u>	<u>\$ 43,619,164</u>	<u>\$ 53,181,888</u>	<u>\$ 53,014,925</u>	<u>\$ 53,587,850</u>	<u>\$ 53,226,826</u>	<u>\$ 53,739,870</u>	<u>\$ 58,589,388</u>
Net (Expense)/ Revenue										
Governmental activities.....	\$ (60,354,590)	\$ (62,821,443)	\$ (69,566,269)	\$ (71,685,487)	\$ (74,602,631)	\$ (75,092,029)	(79,843,470)	(80,622,066)	(79,906,313)	(86,000,752)
Business-type activities.....	6,632,038	1,401,963	2,266,795	1,715,143	2,698,280	2,863,025	3,635,931	4,368,001	3,551,458	5,265,078
Total primary government net (expense).....	<u>\$ (53,722,552)</u>	<u>\$ (61,419,480)</u>	<u>\$ (67,299,474)</u>	<u>\$ (69,970,344)</u>	<u>\$ (71,904,351)</u>	<u>\$ (72,429,004)</u>	<u>(76,207,539)</u>	<u>(76,254,065)</u>	<u>(76,354,855)</u>	<u>(80,735,674)</u>

(continued)

Town of Concord, Massachusetts
Changes in Net Position
Last Ten Fiscal Years

(continued)

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of refunds payable.....	\$ 56,045,058	\$ 59,102,393	\$ 63,401,962	\$ 66,102,658	\$ 66,848,494	\$ 68,892,389	\$ 71,876,530	\$ 74,951,202	\$ 78,146,251	\$ 82,097,807
Excises.....	2,700,326	2,779,842	2,798,807	2,531,203	2,823,022	3,016,201	3,522,350	3,664,054	3,834,787	3,834,002
Penalties, interest and other taxes.....	351,433	425,601	148,420	227,958	468,357	860,581	275,379	437,946	459,477	460,027
Grants and contributions not restricted to specific programs.....	10,326,801	2,252,953	1,828,571	1,651,419	1,591,843	1,681,121	1,607,845	2,006,422	1,497,441	1,724,579
Unrestricted investment income.....	3,074,400	596,859	(428,244)	1,937,698	2,147,326	268,967	1,570,680	1,997,613	570,090	296,328
Special Item.....	-	1,700,000 ¹	-	6,336,666 ²	-	-	-	-	-	-
Miscellaneous.....	455,521	4,074,439	801,186	729,417	1,513,996	2,239,448	1,172,130	1,833,517	263,927	567,722
Transfers.....	1,119,108	1,205,336	1,597,001	1,317,276	1,700,657	1,806,979	1,895,859	2,109,466	2,167,558	951,442
Total government activities.....	74,072,647	72,137,423	70,147,703	80,834,295	77,093,695	78,765,686	81,920,773	87,000,220	86,939,531	89,931,907
Business-type activities:										
Unrestricted investment income.....	831,752	1,130,275	790,018	316,470	124,910	95,715	74,042	64,637	63,340	117,816
Miscellaneous.....	722,057	570,949	(428,890)	(428,483)	(181,840)	11,980	854,983	2,100,013	265,664	31,738
Special Item.....	9,135,000 ³	-	-	-	-	-	-	-	-	-
Transfers.....	(828,458)	(939,264)	(1,032,175)	(1,010,688)	(1,128,801)	(1,163,601)	(1,230,975)	(1,364,919)	(1,402,741)	(558,961)
Total business-type activities.....	9,860,351	761,960	(671,047)	(1,122,701)	(1,185,731)	(1,055,906)	(301,950)	799,731	(1,073,737)	(409,407)
Total primary government.....	\$ 83,932,998	\$ 72,899,383	\$ 69,476,656	\$ 79,711,594	\$ 75,907,964	\$ 77,709,780	\$ 81,618,823	\$ 87,799,951	\$ 85,865,794	\$ 89,522,500
Net Position Restatement*										
Governmental activities.....	\$ 99,865,210	\$ 113,583,267	\$ 122,899,247	\$ 123,480,681	\$ 132,629,489	\$ 135,120,553	\$ 138,794,210	\$ 140,871,513	\$ 131,841,616	\$ 138,874,834
Business-type activities.....	65,109,938	81,602,327	83,766,250	85,361,998	85,954,440	87,466,989	89,074,108	92,408,089	96,753,996	97,514,728
Total primary government.....	\$ 164,975,148	\$ 195,185,594	\$ 206,665,497	\$ 208,842,679	\$ 218,583,929	\$ 222,587,542	\$ 227,868,318	\$ 233,279,602	\$ 228,595,612	\$ 236,389,562
Changes in Net Position										
Governmental activities.....	\$ 113,583,267	\$ 122,899,247	\$ 123,480,681	\$ 132,629,489	\$ 135,120,553	\$ 138,794,210	\$ 140,871,513	\$ 147,249,667	\$ 138,874,834	\$ 142,805,989
Business-type activities.....	81,602,327	83,766,250	85,361,998	85,954,440	87,466,989	89,074,108	92,408,089	97,575,821	99,231,717	102,370,399
Total primary government changes in net position	\$ 195,185,594	\$ 206,665,497	\$ 208,842,679	\$ 218,583,929	\$ 222,587,542	\$ 227,868,318	\$ 233,279,602	\$ 244,825,488	\$ 238,106,551	\$ 245,176,388

Data source: Audited financial statements

* 2015 governmental activities and 2016 business-type activities were restated due to the implementation of Governmental Accounting Standards Board Statement No. 68.

¹ Special Item - Sawyer Trust Gift

² Special Item - MSBA Grant

³ Special Item - Beede Center Capital Contribution

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 ⁽¹⁾</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 3,401,308	\$ 6,859,633	\$ 5,338,170	\$ 11,505,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,332,703	8,117,796	8,902,455	9,335,733	-	-	-	-	-	-
Restricted	-	-	-	-	5,904,870	5,477,457	5,067,579	4,657,702	10,291,652	9,824,326
Committed	-	-	-	-	4,178,960	6,757,543	7,090,078	6,987,412	7,582,438	4,444,871
Assigned	-	-	-	-	4,049,542	4,488,246	4,627,414	4,408,403	5,167,430	6,385,454
Unassigned	-	-	-	-	10,199,984	10,283,974	10,720,042	12,314,090	12,366,243	14,749,208
Total general fund	<u>\$ 12,734,011</u>	<u>\$ 14,977,429</u>	<u>\$ 14,240,625</u>	<u>\$ 20,841,051</u>	<u>\$ 24,333,356</u>	<u>\$ 27,007,220</u>	<u>\$ 27,505,113</u>	<u>\$ 28,367,607</u>	<u>\$ 35,407,763</u>	<u>\$ 35,403,859</u>
All Other Governmental Funds										
Reserved	\$ 4,420,310	\$ 4,519,027	\$ 3,728,276	\$ 4,135,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	12,187,158	15,895,713	15,286,237	16,415,813	-	-	-	-	-	-
Capital projects funds	(8,321,634)	(3,131,710)	(6,443,639)	1,208,173	-	-	-	-	-	-
Permanent funds	88,738	98,004	87,163	90,658	-	-	-	-	-	-
Nonspendable	-	-	-	-	4,852,375	4,660,337	5,032,235	5,613,555	4,929,898	4,972,345
Restricted	-	-	-	-	13,067,152	13,771,777	14,082,838	16,677,943	9,679,731	12,866,613
Committed	-	-	-	-	-	-	-	-	-	925,000
Unassigned	-	-	-	-	-	(103,910)	(40,263)	-	(99,827)	(145,306)
Total all other governmental funds	<u>\$ 8,374,572</u>	<u>\$ 17,381,034</u>	<u>\$ 12,658,037</u>	<u>\$ 21,850,047</u>	<u>\$ 17,919,527</u>	<u>\$ 18,328,204</u>	<u>\$ 19,074,810</u>	<u>\$ 22,291,498</u>	<u>\$ 14,509,802</u>	<u>\$ 18,618,652</u>

Data Source: Audited Financial statements

⁽¹⁾ Beginning with FY11, the presentation of Fund Balance conforms with Government Accounting Standards Board Statement No. 54.

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 56,352,487	\$ 59,207,167	\$ 63,040,342	\$ 66,006,467	\$ 66,999,358	\$ 69,652,383	\$ 71,914,919	\$ 75,015,595	\$ 78,450,905	\$ 82,338,693
Motor vehicle and other excise taxes.....	2,636,156	2,671,594	2,822,332	2,521,254	2,774,714	3,062,225	3,482,816	3,741,866	3,826,437	3,837,781
Penalties, interest and other taxes.....	351,433	425,601	148,420	227,958	418,759	535,777	275,379	437,946	459,477	249,066
Charges for services.....	4,366,329	5,570,061	4,483,362	4,862,687	5,239,377	5,060,893	5,338,828	5,671,503	6,541,560	6,423,619
Licenses and permits.....	997,894	886,306	707,516	672,011	909,565	1,213,310	886,261	1,260,434	1,034,287	1,517,571
Fines & Forfeitures.....	125,070	196,555	117,577	111,404	141,189	159,622	141,096	148,074	128,779	153,052
Intergovernmental.....	18,201,286	12,271,158	12,022,639	17,808,408	11,020,766	11,107,429	10,854,453	12,158,075	7,527,366	8,269,067
Investment income.....	3,074,400	596,859	(582,554)	1,765,473	2,147,324	268,966	1,570,731	1,997,613	570,090	296,328
Contributions.....	1,313,535	2,051,226	507,008	454,694	254,857	75,900	162,252	583,711	433,446	195,673
Miscellaneous.....	455,521	3,603,293	348,334	352,092	1,259,139	2,163,538	1,009,874	934,199	615,687	1,166,070
Total Revenue	87,874,111	87,479,820	83,614,976	94,782,448	91,165,048	93,300,043	95,636,609	101,949,016	99,588,034	104,446,920
Expenditures:										
General Government.....	4,419,209	7,602,034	6,535,476	6,567,396	6,579,340	7,008,608	8,230,911	8,574,820	7,913,850	8,036,658
Public Safety.....	6,989,091	7,329,691	7,689,269	7,650,477	7,966,380	8,924,764	8,413,365	9,479,072	9,464,706	9,360,713
Education.....	44,306,533	45,363,781	47,490,682	49,090,004	50,526,901	51,934,795	54,111,500	56,164,681	53,158,540	57,507,446
Public Works.....	4,970,694	5,717,617	5,904,535	6,163,035	6,563,255	6,074,559	7,684,621	7,231,519	8,014,910	6,963,346
Health and Human Services.....	592,984	414,046	424,809	386,492	452,540	434,278	478,458	525,216	887,361	586,105
Culture and Recreation.....	3,435,718	3,947,806	3,760,779	3,555,740	3,555,056	3,841,468	3,730,030	3,852,466	4,072,453	3,875,259
Employee Benefits.....	6,562,935	6,805,715	7,051,243	7,295,811	8,782,177	8,506,573	8,569,422	10,030,943	10,088,531	10,939,128
Intergovernmental.....	356,345	365,050	353,725	377,395	423,065	427,926	441,326	432,414	476,551	492,837
⁽¹⁾ Capital outlay.....	6,856,439	7,161,076	20,376,929	7,548,188	3,852,245	-	-	-	-	-
Debt service:										
Principal.....	2,677,521	3,272,989	4,093,141	4,847,970	5,913,031	6,091,927	6,160,306	6,280,204	9,751,214	6,316,519
Interest.....	2,413,411	1,806,471	1,837,251	1,924,780	1,939,930	1,861,413	1,752,745	1,732,788	1,743,008	1,501,614
Total Expenditures	83,580,880	89,786,276	105,517,839	95,407,288	96,553,920	95,106,311	99,572,684	104,304,123	105,571,124	105,579,625
Excess of revenues over/(under) expenditures	4,293,231	(2,306,456)	(21,902,863)	(624,840)	(5,388,872)	(1,806,268)	(3,936,075)	(2,355,107)	(5,983,090)	(1,132,705)
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	14,200,000	12,351,000	14,846,061	15,100,000	3,250,000	3,081,830	3,284,715	3,985,000	3,022,457	4,250,000
Premiums on bonds.....	-	-	-	-	-	-	-	339,823	302,289	462,357
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	4,560,000	3,541,800
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	-	-	(4,810,754)	(3,967,948)
Transfers in.....	2,151,528	2,521,197	7,626,562	2,426,515	2,206,530	2,326,850	2,445,776	2,681,462	2,649,020	1,998,837
Transfers out.....	(1,032,420)	(1,315,861)	(6,029,561)	(1,109,239)	(505,873)	(519,871)	(549,917)	(571,996)	(481,462)	(1,047,395)
Total other financing sources (uses)	15,319,108	13,556,336	16,443,062	16,417,276	4,950,657	4,888,809	5,180,574	6,434,289	5,241,550	5,237,651
Fund balance restatement	-	-	-	-	-	-	-	-	-	-
Net change in fund balance	\$ 19,612,339	\$ 11,249,880	\$ (5,459,801)	\$ 15,792,436	\$ (438,215)	\$ 3,082,541	\$ 1,244,499	\$ 4,079,182	\$ (741,540)	\$ 4,104,946
⁽²⁾ Debt service as a percentage of noncapital expenditures	6.76%	6.39%	7.10%	7.89%	6.68%	8.74%	8.34%	8.07%	11.47%	7.75%

Data Source: Audited Financial statements

Notes: (1) Capital outlay expenditures have been segregated for additional disclosure in this schedule, however, in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances on page 28 the capital outlay expenditures are reported as budgeted expenditures by function.

(2) Capital outlay expenditures are not included in this calculation.

Town of Concord, Massachusetts
Assessed Value (1) of Taxable Property by Classification
Last Ten Fiscal Years

Fiscal Year	Assessed Value							
	Residential Value	(2) Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	(2) Commercial Tax Rate	Total Town Value
2007	\$ 4,841,849,032	\$ 10.56	\$ 392,997,584	\$ 32,067,100	\$ 42,340,115	\$ 467,404,799	\$ 10.56	\$ 5,309,253,831
2008	5,004,372,457	10.72	417,221,422	33,111,600	44,030,837	494,363,859	10.72	5,498,736,316
2009	4,774,845,032	11.90	407,338,498	32,638,200	49,769,972	489,746,670	11.90	5,264,591,702
2010	4,554,723,932	13.09	389,617,284	31,051,000	51,160,013	471,828,297	13.09	5,026,552,229
2011	4,569,997,261	13.19	389,745,023	29,897,900	55,499,846	475,142,769	13.19	5,045,140,030
2012	4,615,451,797	13.58	392,887,960	28,958,300	52,760,572	474,606,832	13.58	5,090,058,629
2013	4,584,014,351	14.07	391,496,583	28,240,400	51,218,760	470,955,743	14.07	5,054,970,094
2014	4,646,613,799	14.45	411,116,033	26,044,900	46,718,930	483,879,863	14.45	5,130,493,662
2015	4,925,995,175	14.29	411,733,207	27,724,000	46,846,180	486,303,387	14.29	5,412,298,562
2016	5,339,204,392	13.92	428,233,033	23,865,400	50,586,470	502,684,903	13.92	5,841,889,295

Source: Board of Assessors, Town of Concord

- (1) Assessed value is comparable to estimated actual value.
- (2) There is no separate rate for overlapping governments.

**Town of Concord, Massachusetts
Principal Taxpayers
Current Year and Ten Years Ago**

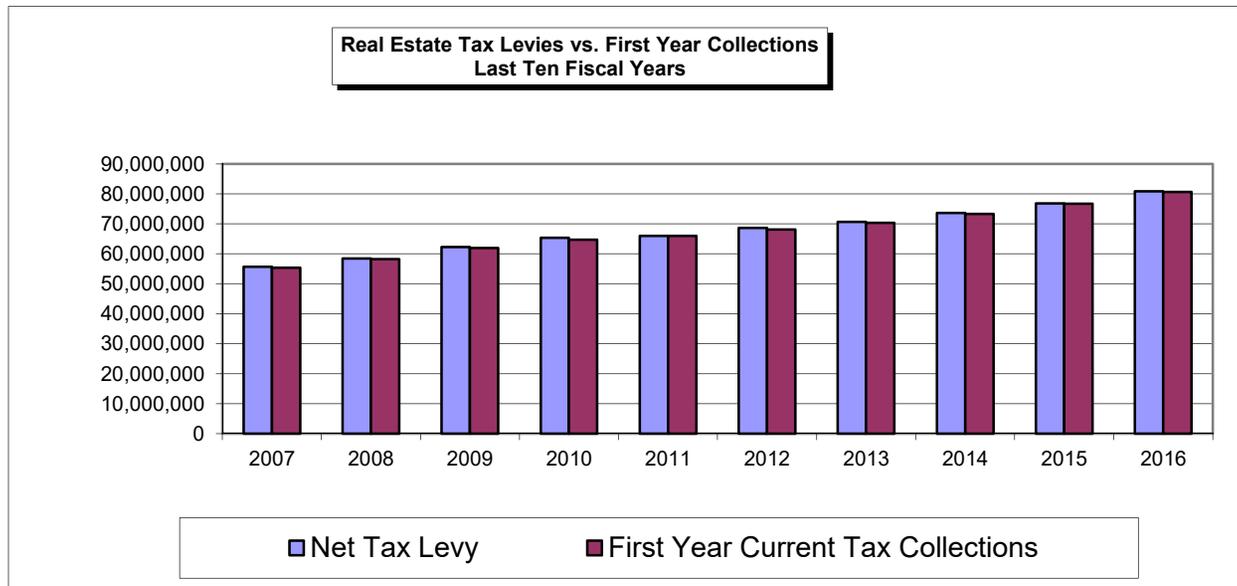
Name	Nature of Business	2016			2007		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CIP/Mort Longview Meadows LLC	# Apartments	\$ 69,063,100	1	1.18%	\$		
New England Deaconess Assoc.	# Continuing Care	55,807,200	2	1.05%	36,776,700	3	0.69%
Normandy 300 Baker LLC	# R&D/Office	49,449,200	3	0.86%	40,879,100	2	0.77%
Charlene B. Engelhard	# Residential/Agriculture	36,229,600	4	0.37%	10,919,825	12	0.21%
Larue H. Renfro, Trustee	# Residential/Agriculture	21,107,000	5	0.35%	11,847,100	6	0.22%
Bently Building Corp.	# Residential Development	20,217,740	6	0.28%			
Period Realty Trust LLC	# Apartments/Retail/Office	15,339,600	7	0.27%	46,764,800	1	0.88%
Warner Woods LLC	# Apartments	14,855,700	8	0.25%	14,072,100	5	0.27%
Cole of Concord MA, LLC	# Medical	13,078,700	9	0.23%			
Brookside Square Owner LLC	# Residential/Retail	12,339,000	10	0.22%			
		<u>\$ 307,486,840</u>		<u>5.07%</u>	<u>\$ 161,259,625</u>		<u>3.04%</u>

* Includes more than one property.

Source: Board of Assessors, Town of Concord

**Town of Concord, Massachusetts
Property Tax Levies & Collections
Last Ten Fiscal Years**

Fiscal Year	Total Tax Levy	Overlay Reserve for Abatements	Net Tax Levy (Less Overlay)	First Year Current Tax Collections	Percent of Net Levy Collected at FY End	Percent of Net Collected at 6/30/16
2007	\$ 56,066,519	\$ 453,991	\$ 55,612,528	\$ 55,302,343	99.4%	100.0%
2008	\$ 58,946,964	\$ 588,461	\$ 58,358,503	\$ 58,150,587	99.6%	100.0%
2009	\$ 62,767,932	\$ 523,555	\$ 62,244,377	\$ 61,934,722	99.5%	99.9%
2010	\$ 65,797,569	\$ 506,857	\$ 65,290,712	\$ 64,728,880	99.1%	99.3%
2011	\$ 66,545,397	\$ 545,082	\$ 66,000,315	\$ 65,922,042	99.9%	100.0%
2012	\$ 69,127,431	\$ 500,183	\$ 68,627,248	\$ 68,026,099	99.1%	100.0%
2013	\$ 71,135,129	\$ 538,810	\$ 70,596,319	\$ 70,274,975	99.5%	100.0%
2014	\$ 74,138,177	\$ 539,880	\$ 73,598,297	\$ 73,291,149	99.6%	100.0%
2015	\$ 77,341,746	\$ 555,513	\$ 76,786,233	\$ 76,674,367	99.9%	99.8%
2016	\$ 81,319,099	\$ 543,633	\$ 80,775,466	\$ 80,607,430	99.8%	99.8%



Source: Office of the Tax Collector

Town of Concord, Massachusetts
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Assessed Valuation	Governmental Activities Debt			
				General Obligation Bonds	Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
2007	16,993	\$ 51,477	\$ 5,309,253,833	\$ 31,052,480	\$ 1,827	3.55%	0.58%
2008	16,993	\$ 51,477	\$ 5,498,736,316	\$ 39,739,546	\$ 2,339	4.54%	0.72%
2009	16,993	\$ 51,477	\$ 5,264,591,702	\$ 49,853,220	\$ 2,934	5.70%	0.95%
2010	16,993	\$ 51,477	\$ 5,026,552,229	\$ 59,831,473	\$ 3,521	6.84%	1.19%
2011	17,567	\$ 67,374	\$ 5,045,140,030	\$ 57,138,277	\$ 3,253	4.83%	1.13%
2012	17,567	\$ 67,374	\$ 5,090,058,629	\$ 53,893,601	\$ 3,068	4.55%	1.06%
2013	17,567	\$ 67,374	\$ 5,054,970,094	\$ 50,782,417	\$ 2,891	4.29%	1.00%
2014	17,567	\$ 67,374	\$ 5,130,493,662	\$ 48,467,197	\$ 2,759	4.10%	0.94%
2015	17,567	\$ 67,374	\$ 5,412,298,562	\$ 42,088,799	\$ 2,396	3.56%	0.78%
2016	17,668	\$ 67,846	\$ 5,841,889,295	\$ 40,495,475	\$ 2,292	3.38%	0.69%

Fiscal Year	Business - Type Activities Debt				Total Primary Government			
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total Debt Outstanding	Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
2007	\$ 5,600,000	\$ 15,934,475	\$ 3,165,000	\$ 400,000	\$ 56,151,955	\$ 3,304	6.42%	1.06%
2008	\$ 5,720,000	\$ 15,224,347	\$ 3,630,000	\$ 300,000	\$ 64,613,893	\$ 3,802	7.39%	1.18%
2009	\$ 5,135,000	\$ 14,346,091	\$ 2,990,000	\$ 200,000	\$ 72,524,311	\$ 4,268	8.29%	1.38%
2010	\$ 4,575,000	\$ 13,597,912	\$ 2,450,000	\$ 100,000	\$ 80,554,385	\$ 4,740	9.21%	1.60%
2011	\$ 5,525,000	\$ 12,836,637	\$ 1,910,000	\$ -	\$ 77,409,914	\$ 4,407	6.54%	1.53%
2012	\$ 4,855,000	\$ 12,062,002	\$ 5,380,000	\$ -	\$ 76,190,603	\$ 4,337	6.44%	1.50%
2013	\$ 4,785,000	\$ 11,273,738	\$ 4,615,000	\$ -	\$ 71,456,155	\$ 4,068	6.04%	1.41%
2014	\$ 4,265,000	\$ 10,471,570	\$ 3,952,315	\$ -	\$ 67,156,082	\$ 3,823	5.67%	1.31%
2015	\$ 3,745,000	\$ 10,055,218	\$ 7,010,000	\$ -	\$ 62,899,017	\$ 3,581	5.31%	1.16%
2016	\$ 3,296,109	\$ 9,174,394	\$ 7,271,340	\$ -	\$ 60,237,318	\$ 3,409	5.03%	1.03%

Data source: Massachusetts Division of Career Centers and Division of Unemployment Assistance
Data source: Audited financial statements

Note: Change to personal income calculation as of 2011

Town of Concord, Massachusetts
Direct and Overlapping Governmental Activities Debt
As of June 30, 2016

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt (2)</u>
Debt repaid with property taxes			
Concord Carlisle Regional High School	\$ 60,485,000	73.71%	\$ <u>44,583,494</u>
Subtotal, overlapping debt			44,583,494
Town direct debt			<u>58,382,966</u>
Total direct and overlapping debt			\$ <u><u>102,966,460</u></u>

Data source: Multiple entities including Town Treasurer

(1) Estimated share based on debt service only

(2) Estimated dollar assessment based upon total net operating expenses, inclusive (where applicable) of debt service

**Town of Concord, Massachusetts
Legal Debt Margin Information
Last Ten Fiscal Years**

(Amounts in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Equalized Valuation (1)	\$ <u>5,385,832</u>	\$ <u>5,385,832</u>	\$ <u>5,775,461</u>	\$ <u>5,775,461</u>	\$ <u>5,562,519</u>	\$ <u>5,562,519</u>	\$ <u>5,374,771</u>	\$ <u>5,374,771</u>	\$ <u>5,540,602</u>	\$ <u>5,540,602</u>
Debt Limit - 5% of Equalized Valuation	269,292	269,292	288,773	288,773	278,126	278,126	268,739	268,739	277,030	277,030
Less:										
Total debt applicable to limitation (2)	<u>(31,052)</u>	<u>(39,740)</u>	<u>(49,853)</u>	<u>(59,813)</u>	<u>(57,138)</u>	<u>(53,894)</u>	<u>(50,782)</u>	<u>(48,545)</u>	<u>(41,730)</u>	<u>(39,391)</u>
Legal debt margin	\$ 238,239	\$ 229,552	\$ 238,920	\$ 228,960	\$ 220,988	\$ 224,232	\$ 217,956	\$ 220,194	\$ 235,300	\$ 237,639
Total debt applicable to the limit as a percentage of debt limit	12%	15%	17%	21%	21%	19%	19%	18%	15%	14%

Data source:

(1) MA Bureau of Local Services (DataBank)

(2) Town of Concord

**Town of Concord, Massachusetts
Demographic and Economic Statistics
Last Ten Fiscal Years**

Calendar Year	Population Estimates *	Per Capita Personal Income **	School Enrollment ***	Unemployment Rate
2007	16,993	\$ 51,477	2,836	3.0%
2008	16,993	\$ 51,477	2,855	4.3%
2009	16,993	\$ 51,477	2,830	5.7%
2010	16,993	\$ 51,477	2,881	5.7%
2011	17,567	\$ 67,374	2,920	5.5%
2012	17,567	\$ 67,374	3,081	4.7%
2013	17,567	\$ 67,374	3,148	4.4%
2014	17,567	\$ 67,374	3,111	3.8%
2015	17,567	\$ 67,374	3,112	3.5%
2016	17,668	\$ 67,846	3,115	3.6%

* Source: Federal Census

** Source: Official Statements

*** School enrollment includes Concord Public Schools and Concord-Carlisle Regional H.S. (less Carlisle)

Data source: Massachusetts Division of Career Services

**Town of Concord, Massachusetts
Principal Employers
Current Year and Ten Years Ago**

Employer	Type of Business	2016			2007		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Emerson Hospital	Health Care	1,731	1	20.20 %	1,600	1	21.72 %
300-310 Baker Avenue	Technology	1,050	2	12.25 %	-		-
Newbury Court	Health Care	290	3	3.38 %	-		- %
Care One of Concord	Health Care	166	4	1.94 %	150	9	2.04 %
Middlesex School	Education	197	5	2.30 %	165	7	2.24 %
Harvard Vanguard Medical	Health Care	162	6	2.30 %	-		-
Concord Academy	Education	165	7	1.89 %	-		-
Hamilton, Brook, Smith, & Reynolds	Professional Services	75	8	1.93 %	139	10	1.89 %
Total Principal Employers		3,836		46.20 %	2,054		27.88 %
Total Town Employment (1)		<u>8,568</u>			<u>7,366</u>		

Data Source:
Final Official Statements for Town of Concord

Notes:
(1) MA Bureau of Local Services (DataBank)

Town of Concord, Massachusetts
Government Employees by Function - Full Time Equivalents
Last Ten Fiscal Years

Function	Fiscal Year									
	2007	2008	* 2009	2010	2011	2012	2013	2014	2015	2016
General Government	53	52	36	36	36	37	37	38	41	40
Public Safety										
Police	-	-	45	45	44	45	45	45	46	46
Fire	-	-	40	39	39	39	39	40	44	44
Total	<u>79</u>	<u>83</u>	<u>85</u>	<u>84</u>	<u>83</u>	<u>84</u>	<u>84</u>	<u>85</u>	<u>90</u>	<u>90</u>
Education	451	508	511	508	510	515	516	513	515	515
Public Works										
Tax Supported	38	38	37	37	37	37	26	37	37	36
Water/Sewer Division	18	16	18	18	19	19	19	18	16	16
Electric/Business Division	36	33	32	32	32	34	34	35	35	35
Total	<u>92</u>	<u>87</u>	<u>87</u>	<u>87</u>	<u>88</u>	<u>90</u>	<u>78</u>	<u>90</u>	<u>88</u>	<u>87</u>
Planning and Human Services										
Planning & Natural Resources**	-	-	9	9	8	9	9	9	9	9
Inspections	-	-	5	5	5	5	5	5	5	5
Health	-	-	4	4	4	4	4	4	4	4
Beede Center	-	-	24	24	18	25	25	26	25	25
Recreation	-	-	26	26	26	27	27	27	26	26
Senior & Social Services	-	-	7	7	7	9	8	9	10	10
Total	<u>66</u>	<u>68</u>	<u>75</u>	<u>75</u>	<u>68</u>	<u>79</u>	<u>78</u>	<u>80</u>	<u>79</u>	<u>79</u>
Library***	-	-	26	26	25	25	26	26	27	27
Total	<u><u>740</u></u>	<u><u>798</u></u>	<u><u>820</u></u>	<u><u>816</u></u>	<u><u>810</u></u>	<u><u>830</u></u>	<u><u>819</u></u>	<u><u>833</u></u>	<u><u>840</u></u>	<u><u>838</u></u>

* From FY05 to FY08 the calculation of FTEs consolidates various personnel accounts per budget books

** Planning, Natural Resources, Inspections and Health are counted in General Government from FY05 - FY08

*** Library counted in Human Services from FY05 - FY08

Source: Town of Concord Budget Manuals

Town of Concord, Massachusetts
Operating Indicators by Function
Last Ten Fiscal Years (1)

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Finance										
Registered voters	11,580	11,982	12,023	12,097	12,069	12,300	12,716	12,674	12,466	13,046
Taxable property parcels assessed	6,500	6,483	6,567	6,580	6,588	6,571	6,590	6,591	6,376	6,634
Motor vehicles registered	14,728	14,753	14,678	14,958	14,521	14,131	15,197	17,001	17,122	16,946
Police (CY)										
Physical arrests	220	175	156	126	172	140	131	132	*	*
Traffic violations	3,401	3,376	2,630	2,261	3,358	2,988	2,476	3,492	*	*
Fire and Rescue (CY)										
Total Emergency Responses	3,012	3,082	2,926	3,254	3,054	2,932	3,067	3,131	3,466	*
Emergency Responses excluding EMS	1,494	1,510	1,367	1,703	1,459	1,172	1,338	1,363	1,577	*
Fires extinguished	49	57	53	56	47	43	45	48	68	*
Emergency medical responses (EMS)	1,518	1,572	1,559	1,551	1,595	1,760	1,729	1,768	1,889	*
Code Administration										
Building permits	739	711	666	796	806	733	925	873	916	1,011
Estimated construction value in millions (\$)	67	64	41	90	44	69	143	80	54	68
Public Works										
Refuse collected (tons)	2,559	2,467	2,387	2,426	2,483	2,484	2,513	2,544	2,574	*
Recycling (tons)	1,982	2,025	1,864	1,810	1,780	1,794	1,734	1,760	1,768	*
Public Library										
Volumes in collections:										
Main Street	266,713	273,078	279,178	278,492	284,012	297,892	598,996	302,917	312,701	323,199
Fowler	40,213	41,971	43,059	40,411	42,377	44,288	44,688	42,351	38,805	36,790
Total volumes borrowed	347,276	373,916	417,459	445,904	419,203	435,566	425,197	409,667	414,084	390,131
Water system: (CY)										
Water main breaks	-	-	-	2	1	-	1	1	*	*
Daily average consumption (millions of gallons)	2.06	1.93	1.85	2.12	1.98	2.04	2.05	1.98	2.10	*
Peak daily consumption (millions of gallons)	3.81	3.47	3.00	4.63	4.11	3.91	3.91	3.82	3.79	*
Sewage System: (CY)										
Miles of sewer	33.36	33.36	33.36	33.36	33.74	33.80	34.00	34.03	34.03	*
Number of house connections	1,772	1,780	1,804	1,811	1,823	1,837	1,832	1,834	1,851	*
Electric System (CY)										
Annual energy sales (MWHR)	177,704	181,690	179,579	182,592	178,430	171,079	164,924	165,376	172,348	*
Number of meters	7,661	7,697	7,755	7,772	8,010	8,263	8,403	8,476	8,610	8,678
Overhead lines (miles)	114.70	109.10	108.34	108.09	108.09	107.71	107.71	107.95	107.95	107.95
Underground lines (miles)	159.40	160.76	162.56	163.02	163.02	164.15	164.15	164.15	163.95	164.59

Data source: Various Town departments
* Calendar year data not available at this time.

Notes:
(1) Calendar year (CY) ending during the fiscal year

**Town of Concord, Massachusetts
Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks (cross-staffed with ambulance)	1	1	1	1	1	1	1	1	1	1
Number of pumpers (front-line structural)	2	2	2	2	2	2	2	2	2	2
Number of ambulances (front-line)	1	1	1	1	1	1	1	2	2	2
Public Works										
Miles of streets	107	107	107	107	107	107	107	107	107	107
Miles of storm drains	50	50	50	50	50	58	58	60	60	60
Number of street lights	1,390	1,382	1,353	867	1,393	1,402	1,402	1,402	1,402	1,402
Recreation:										
Athletic field acreage	39	46	46	46	46	46	46	46	46	46
Number of parks	3	3	3	3	4	4	4	5	5	5
Park acreage	10	10	10	10	10	10	10	10	10	10
Ball Fields	12	12	12	12	12	12	12	12	12	12
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Water system:										
Miles of water mains	129.55	129.75	130.00	130.00	130.90	130.90	131.60	132.50	132.50	132.80
Number of service connections	5,436	5,436	5,437	5,448	5,491	5,537	5,497	5,518	5,518	5,554
Storage capacity in gallons (millions of gallons)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Maximum daily capacity of plant (millions of gallons)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of fire hydrants	1,248	1,250	1,262	1,263	1,270	1,281	1,306	1,318	1,318	1,321
Sewage System:										
Miles of sanitary sewers	33.36	33.36	33.36	33.36	33.74	33.80	34.00	34.03	34.03	34.03
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	1,772	1,780	1,804	1,811	1,823	1,837	1,832	1,834	1,834	1,851

Data Source:
Various city departments