

TOWN OF CONCORD, MASSACHUSETTS
Comprehensive Annual Financial Report



For the Year Ended June 30, 2015

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TOWN OF CONCORD MASSACHUSETTS

Comprehensive Annual Financial Report

**For The Fiscal Year Ended
June 30, 2015**



**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, 2015

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INTRODUCTORY SECTION





OLD NORTH BRIDGE

TOWN OF CONCORD

TOWN MANAGER'S OFFICE
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CONCORD, MASSACHUSETTS 01742

TELEPHONE (978) 318-3000
FAX (978) 318-3002

CHRISTOPHER WHELAN, TOWN MANAGER

December 15, 2015

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 Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2015. The report has been 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 of Concord. 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 of Concord 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 of Concord's financial statements in compliance with GAAP. Because the cost of internal control should not exceed anticipated benefits, the Town of Concord 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 of Concord's financial statements have been audited by Melanson Heath & Company, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Concord for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town of Concord's financial statements for the fiscal year ended June 30, 2015, 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 of Concord was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Concord'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 of Concord's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Concord, 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 of Concord 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 an 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 funds 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 8, 2015.

Acknowledgements

This report represents the first 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 & Company, PC, for their efforts to strive to attain the highest standards in financial and reporting practices.

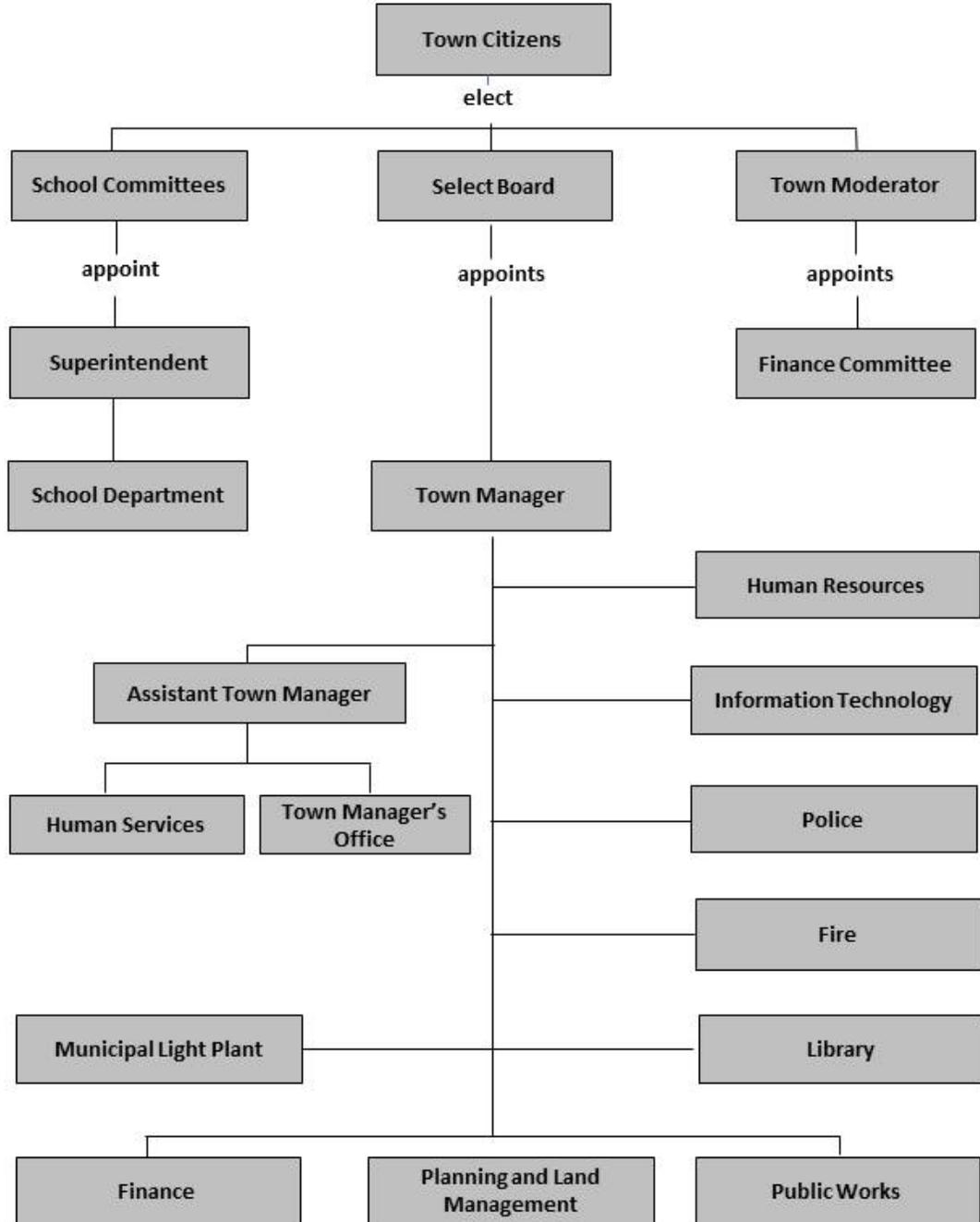
Respectfully submitted,



Christopher Whelan
Town Manager

Town of Concord, Massachusetts

Organizational Chart

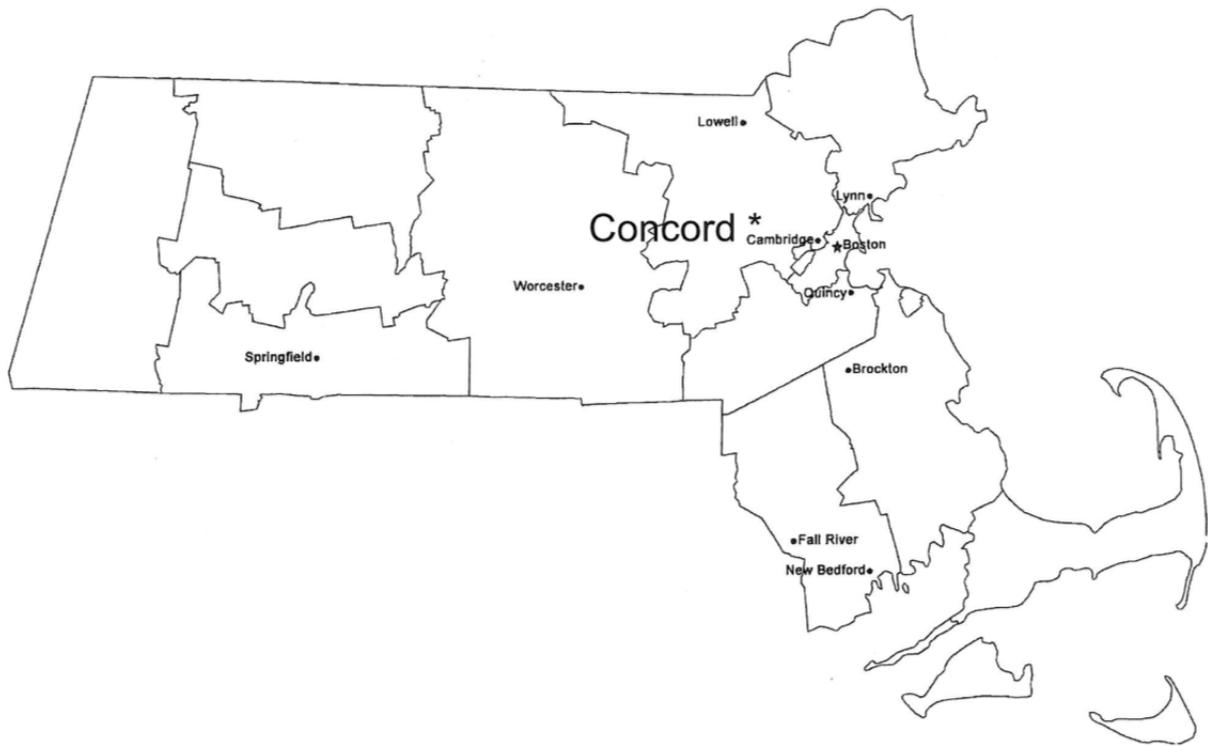


Principal Town Officials

Office	Name	Term and Manner of Selection	Term Expires
Select Board	Alice Kaufman, Chair	Elected for staggered 3 year terms	2016
	Steven Ng		2018
	Michael Lawson		2017
	Carmin C. Reiss		2016
	Jane Hotchkiss Gordy		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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FINANCIAL SECTION



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, 2015, (except for the Concord Contributory Retirement System and Municipal Light Plant, which are as of and for the year ending December 31, 2014) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2015, (except for the Concord Contributory Retirement System and Municipal Light Plant, which are as of and for the year ending December 31, 2014) 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.

Emphasis of Matter

As discussed in Note 24 to the combined financial statements, the Concord, Massachusetts Retirement System adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*, and GASB 68 *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

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 Funding Progress, the Schedule of Proportionate Share of Net Pension Liability, the Schedule of 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

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 accompanying supplementary information appearing on pages 96 through 108 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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 December 15, 2015 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

December 15, 2015

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, 2015. 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes 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, debt service interest, and intergovernmental. The business-type activities include water, sewer, electric, and swim 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 funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Specifically, enterprise funds are used to account for water, sewer, electric, and swim 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 facility 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 exceeded liabilities and deferred inflows by \$238,107 (i.e., net position), a change of \$9,511 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 \$49,918, a change of \$(742) in comparison to the prior year, as restated.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$12,366, a change of \$52 in comparison to the prior year.
- Total bonds payable as of June 30, 2015 was \$62,597 (including unamortized bond premiums) a change of \$(8,002) in comparison to the prior year. Governmental bonds payable of \$41,787 decreased by \$(6,680). Business-type bonds payable of \$20,810 decreased by \$(1,322). See Note 17.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of condensed government-wide 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 57,240	\$ 58,368	\$ 42,534	\$ 43,974	\$ 99,774	\$ 102,342
Capital assets	154,832	154,813	87,777	86,334	242,609	241,147
Total assets	212,072	213,181	130,311	130,308	342,383	343,489
Long-term liabilities	66,606	60,185	22,602	19,042	89,208	79,227
Other liabilities	5,381	5,461	7,582	12,803	12,963	18,264
Deferred inflows	1,210	285	895	883	2,105	1,168
Total liabilities and deferred inflows	73,197	65,931	31,079	32,728	104,276	98,659
Net position:						
Net investment in capital assets	115,573	109,256	67,975	69,274	183,548	178,530
Restricted	24,082	22,201	6,288	6,097	30,370	28,298
Unrestricted	(780)	15,793	24,969	22,209	24,189	38,002
Total net position	\$ 138,875	\$ 147,250	\$ 99,232	\$ 97,580	\$ 238,107	\$ 244,830

CHANGE IN NET POSITION

	<u>Governmental</u>		<u>Business-Type</u>		<u>Total</u>	
	<u>Activities</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,626	\$ 7,042	\$ 36,543	\$ 35,997	\$ 44,169	\$ 43,039
Operating grants and contributions	9,096	10,628	-	-	9,096	10,628
Capital grants and contributions	476	737	-	-	476	737
General revenues:						
Property taxes	78,146	74,951	-	-	78,146	74,951
Excises	3,835	3,664	-	-	3,835	3,664
Penalties and interest on taxes	459	438	-	-	459	438
Grants and contributions not restricted to specific programs	1,497	2,006	-	-	1,497	2,006
Investment income	570	1,998	63	65	633	2,063
Other	264	656	266	2,104	530	2,760
Total revenues	<u>101,969</u>	<u>102,120</u>	<u>36,872</u>	<u>38,166</u>	<u>138,841</u>	<u>140,286</u>
Expenses:						
General government	8,925	9,032	-	-	8,925	9,032
Public safety	12,250	12,270	-	-	12,250	12,270
Education	59,706	60,479	-	-	59,706	60,479
Public works	7,909	8,347	-	-	7,909	8,347
Health and human services	1,116	817	-	-	1,116	817
Culture and recreation	5,261	5,173	-	-	5,261	5,173
Interest on long-term debt	1,936	1,733	-	-	1,936	1,733
Water services	-	-	2,962	2,861	2,962	2,861
Sewer operations	-	-	2,968	3,264	2,968	3,264
Electric operations	-	-	24,901	23,276	24,901	23,276
Swim operations	-	-	2,160	2,228	2,160	2,228
Total expenses	<u>97,103</u>	<u>97,851</u>	<u>32,991</u>	<u>31,629</u>	<u>130,094</u>	<u>129,480</u>
Change in net position before transfers	4,866	4,269	3,881	6,537	8,747	10,806
Transfers in (out)	<u>2,167</u>	<u>2,109</u>	<u>(1,403)</u>	<u>(1,365)</u>	<u>764</u>	<u>744</u>
Change in net position	7,033	6,378	2,478	5,172	9,511	11,550
Net position - beginning of year, as restated*	<u>131,842</u>	<u>140,872</u>	<u>96,754</u>	<u>92,408</u>	<u>228,596</u>	<u>233,280</u>
Net position - end of year	<u>\$ 138,875</u>	<u>\$ 147,250</u>	<u>\$ 99,232</u>	<u>\$ 97,580</u>	<u>\$ 238,107</u>	<u>\$ 244,830</u>

* July 1, 2014 net position was restated for GASB 68. Due to fiscal year 2015 being the first year of implementation of GASB 68, prior periods have not been restated in accordance with standards. Refer to Note 30.

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 \$238,107, a change of \$9,511 from the prior year.

The largest portion of net position, \$183,548, 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 \$5,018 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, \$30,370, represents resources that are subject to external restrictions on how they may be used. This includes:

- Restricted grant assets and other statutory restrictions, \$24,597
- Expendable and nonexpendable permanent fund assets, \$5,773

The remaining balance of unrestricted net position, \$24,189, may be used to meet the government's ongoing obligations to citizens and creditors. Of this total:

- \$(780) is in governmental activities funds, a change of \$(16,573) from the prior year. This change primarily results from recording the Town's unfunded net pension liability, as required by GASB Statement 68.
- \$24,969 is in business-type activities funds, a change of \$2,760 from the prior year.

Governmental activities. Governmental activities for the year resulted in a change in net position of \$7,033. Key elements of this change are as follows (in thousands):

Use of free cash	\$ (850)
General fund operations	204
Pension fund activity	557
CMLP PILOT	820
Enterprise funds indirects, net	809
Other	<u>13</u>
Subtotal General Fund	1,553
Current year revenue used for the acquisition of capital assets	1,958
Decrease in net pension liability, net of related deferred inflows	1,250
Debt service in excess of depreciation, including refunding	1,026
Decrease in net OPEB obligation	272
Other	<u>974</u>
Total change in net position	<u><u>\$ 7,033</u></u>

Business-type activities. Business-type activities for the year resulted in a change in net position of \$2,478. 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	\$ 4,962	\$ 3,627	\$ 1,335
Sewer Fund	3,046	3,187	(141)
Electric Fund	26,420	25,360	1,060
Swim Fund	<u>2,522</u>	<u>2,298</u>	<u>224</u>
Total	<u>\$ 36,950</u>	<u>\$ 34,472</u>	<u>\$ 2,478</u>

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

	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Water Fund	\$ 7,060	\$ 7,332	\$ (272)
Sewer Fund	3,810	3,323	487
Electric Fund	11,901	8,157	3,744
Swim Fund	<u>2,198</u>	<u>3,397</u>	<u>(1,199)</u>
Total	<u>\$ 24,969</u>	<u>\$ 22,209</u>	<u>\$ 2,760</u>

Unrestricted net position for the swim fund decreased as a result of funding swim related capital projects with unrestricted net position.

D. FINANCIAL ANALYSIS OF THE GOVERNMENT'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 \$49,918, a change of \$(742) in comparison to the prior year. Key elements of this change are as follows (in thousands):

Governmental fund highlights

Use of fund balance restricted for debt service	\$ (3,838)
Use of fund balance for other purposes	(850)
General fund revenues in excess of budget	1,595
General fund expenditures less than budget	355
Pension fund activity	557
Nonmajor funds revenues and bond proceeds in excess of expenditures	1,505
Other	<u>(66)</u>
Total	<u>\$ (742)</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 \$12,366, while total fund balance was \$35,408. 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>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Restricted fund balance	\$ 10,292	\$ 13,573	\$ (3,281)
Committed fund balance	7,583	6,988	595
Assigned fund balance	5,167	4,408	759
Unassigned fund balance	<u>12,366</u>	<u>12,314</u>	<u>52</u>
Total fund balance	<u>\$ 35,408</u>	<u>\$ 37,283</u>	<u>\$ (1,875)</u>
Unassigned fund balance as a % of total General Fund expenditures	13.2%	13.4%	-0.2%
Total fund balance as a % of total General Fund expenditures	37.8%	40.7%	-2.9%

The total fund balance of the general fund changed by \$(1,875) 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>Total General Fund</u>
	<u>Operating</u>	<u>Stabilization</u>	<u>Pension</u>	<u>Debt Refunding</u>	
Use of free cash	\$ (1,600)	\$ 750	\$ -	\$ -	\$ (850)
Use of fund balance restricted for debt service	(410)	-	-	(3,428)	(3,838)
Use of general stabilization account	75	(75)	-	-	-
Use of emergency response stabilization account	200	(200)	-	-	-
Use of High School debt stabilization account	500	(500)	-	-	-
Revenues greater than budget	1,595	-	-	-	1,595
Expenditures less than budget	355	-	-	-	355
Current year encumbrances in excess of expenditures of prior year encumbrances	738	-	-	-	738
Pension fund activity	-	-	557	-	557
Other	<u>(442)</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>(432)</u>
Total	<u>\$ 1,011</u>	<u>\$ (15)</u>	<u>\$ 557</u>	<u>\$ (3,428)</u>	<u>\$ (1,875)</u>

Included in the total general fund balance is the Town's stabilization accounts, Insurance Reserve fund and Pension fund with the following balances (in thousands):

	<u>7/1/14</u>	<u>Revenue</u>	<u>Expenditures</u>	Transfers <u>In</u>	<u>6/30/15</u>
High School debt stabilization	\$ 3,279	\$ 6	\$ (500)	\$ 750	\$ 3,535
School debt stabilization	2	-	-	-	2
Emergency response stabilization	1,004	2	(200)	-	806
School capital stabilization	961	2	-	-	963
Other stabilization	79	-	(75)	-	4
Insurance reserve fund	1,663	-	(100)	85	1,648
Pension fund	<u>8,915</u>	<u>381</u>	<u>(363)</u>	<u>539</u>	<u>9,472</u>
Total	<u>\$ 15,903</u>	<u>\$ 391</u>	<u>\$ (1,238)</u>	<u>\$ 1,374</u>	<u>\$ 16,430</u>

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 \$24,969. Total net position of the enterprise funds at the end of the year amounted to \$99,232, a change of \$2,478 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 \$1,637. In addition, the Town used \$3,428 of fund balance restricted for debt service, applied to the redemption of called bonds.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$242,609 (see Note 13) (net of accumulated depreciation), a change of \$1,462 from the prior year. This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings, construction in progress, and infrastructure.

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

Governmental activities:

- \$ 2,991 Various road improvements
- \$ 1,139 Various building improvements
- \$ 620 Land purchase
- \$ 1,202 Truck and equipment purchases

Business-type activities:

- \$ 1,360 Water related infrastructure
- \$ 2,452 CMLP related infrastructure
- \$ 1,545 Swim related structures and improvements

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

	<u>Capital Asset Additions</u>	<u>Disposals and Reclassifications</u>	<u>Depreciation Expense</u>	<u>Accumulated Depreciation on Disposals</u>	<u>Net Activity</u>
<u>Governmental activities</u>					
Fiscal year 2015	\$ 6,163	\$ (1,145)	\$ (5,297)	\$ 298	\$ 19
Fiscal year 2014	7,798	(2,744)	(5,254)	-	(200)
Fiscal year 2013	6,143	(1,425)	(5,339)	-	(621)
<u>Business-type activities</u>					
<i>Water</i>					
Fiscal year 2015	1,457	-	(831)	-	626
Fiscal year 2014	1,028	(586)	(785)	-	(343)
Fiscal year 2013	1,064	(47)	(778)	-	239
<i>Sewer</i>					
Fiscal year 2015	254	-	(1,452)	-	(1,198)
Fiscal year 2014	129	-	(1,484)	-	(1,355)
Fiscal year 2013	178	(5)	(1,642)	-	(1,469)
<i>Electric</i>					
Fiscal year 2015	4,470	(2,067)	(1,667)	102	838
Fiscal year 2014	8,842	(6,563)	(1,593)	1,577	2,263
Fiscal year 2013	4,167	(2,919)	(1,475)	(73)	(300)
<i>Swim</i>					
Fiscal year 2015	1,599	(95)	(327)	-	1,177
Fiscal year 2014	108	-	(330)	-	(222)
Fiscal year 2013	223	-	(317)	-	(94)

Capital Assets, net of <u>Accumulated Depreciation</u>	<u>6/30/15</u>	<u>6/30/14</u>	<u>Change</u>
Governmental activities	\$ 154,832	\$ 154,813	\$ 19
Business activities			
Water	20,050	19,423	627
Sewer	19,360	20,557	(1,197)
Electric (as of 12/31)	39,143	38,308	835
Swim	<u>9,223</u>	<u>8,046</u>	<u>1,177</u>
Subtotal	<u>87,776</u>	<u>86,334</u>	<u>1,442</u>
Grand Total	<u>\$ 242,608</u>	<u>\$ 241,147</u>	<u>\$ 1,461</u>

Long-term debt. As of June 30, 2015, total bonded debt outstanding was \$62,597, 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.

Change in 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 adopted FY16 General Fund budget of \$96,322 is a 7.0 % increase over the prior year. Most of this increase is explained by three factors:

- An increase of \$1,656 in the Town's allocated share of debt service on bonds issued by the Concord-Carlisle Regional School District to finance construction of a new high school; \$30 million of new funding was issued as a 23-year serial maturity bond in March 2015, issued at a TIC of 2.87%; this followed a May 2013 bond issue of \$32.5 million issued at a TIC of 3%, bringing the total local financing to \$62.5 million. An estimated \$2.5 million local share remains to be permanently financed with the balance of the \$92.6 million project paid by the Commonwealth of Massachusetts;
- An increase of \$2,102 in the operating budget of the Concord Public Schools (K-8) approved by the 2015 Annual Town Meeting, following an average annual budget increase of 3.0% over the previous seven-year period while enrollment had increased 16%;
- A one-time appropriation from Free Cash of \$600,000 to fund the purchase of school buses for the Concord Public Schools and return the fleet replacement schedule to a normal schedule, following several years during which school transportation and facility issues had been the subject of public discussion.

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	\$ 5,412,298	\$ 5,841,889	7.9%
Tax Rate (per \$1,000)	\$ 14.29	\$ 13.92	-2.6%
Property Tax Levy	\$ 77,341	\$ 81,319	5.1%

It should be noted that 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 the construction or renovations of residential, commercial, or industrial buildings. 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 \$3,642 in FY15 and \$3,204 in FY16.

PENSION FUNDING STATUS

The Concord Retirement Board's most recent valuation of its net pension liability is as of January 1, 2015. During the last several years, the investment return of the Concord Retirement Fund, managed by the Concord Retirement Board, has produced strong growth. The Town's Pension Reserve Fund, which is available to support future pension contribution requirements, has also grown substantially due to investment results and net additions to the fund.

- Market Value of Pension Plan Assets (MVA) and Town Pension Reserve Fund (in thousands):

	<u>1/1/2012</u>	<u>1/1/2014</u>	<u>1/1/2015</u>	<u>Percent Change</u>	
				<u>1 Year</u>	<u>3 Years</u>
Retirement System (MVA)	\$ 94,704	\$ 122,155	\$ 133,074	8.94%	40.52%
Pension Reserve fund	\$ 5,786	\$ 8,915	\$ 9,529	6.89%	64.69%

SOURCE: Retirement System Assets - Biennial Actuarial Valuation Reports, most recent dated January 1, 2015

Pension Reserve Fund Assets - Town Accountant

- Plan Valuation and Funding (in thousands):

Actuarial Data

	<u>1/1/2012</u>	<u>1/1/2014</u>	<u>1/1/2015</u>
Actuarial value of Assets (AVA)	\$ 94,996	\$ 115,340	\$ 126,817
Actuarial Accrued Liability (AAL)	\$ 123,798	\$ 142,405	\$ 156,552
Unfunded Accrued Liability (UAL)	\$ 28,802	\$ 27,065	\$ 29,735
Funding Level - (AVA/AAL)%	76.73%	80.99%	81.01%
Assumed earnings rate	7.50%	7.50%	7.25%
Ratio, Market to Actuarial Asset Value	0.996	1.059	1.049

Funding Plan

	<u>1/1/2012</u>	<u>1/1/2014</u>	<u>1/1/2015</u>
Amortization Rate Increase	2%	2%	2%
Funding Schedule Term	2030	2030	2030
	18 Years	16 Years	15 Years
Asset Smoothing Policy	4 Years	4 Years	4 Years
(recognition of gains and losses)	(one year prior to valuation date, three years forward)		

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 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, (2) utilizing the Town 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).

GASB 67 and 68:

Based upon the system valuation date of January 1, 2014, the position of the Retirement System at the measurement date of December 31, 2014 reported in a manner consistent with the requirements of GASB Statement 67 is as follows (in thousands):

Total Pension Liability (TPL) at Dec. 31, 2014	\$ 151,149
Plan Fiduciary Net Position (FNP)	<u>133,074</u>
Net Pension Liability (NPL)	<u>\$ 18,075</u>
Plan FNP as a percent of TPL	88.0%

The allocation of the Plan NPL to the employer participants, for the purpose of reporting a balance sheet liability on the Statement of Net Position as of the reporting date of June 30, 2015, is based upon the allocation of the required appropriation for Fiscal Year 2015 as established by the Public Employee Retirement Administration Commission (PERAC) according to the ratio of annualized covered salary. The System Net Pension Liability at December 31, 2014 is allocated as follows (in thousands):

Allocation of Plan NPL:

Employer Unit

Town of Concord	\$ 15,512
Concord-Carlisle RSD	2,386
Concord Housing Authority	<u>177</u>
	<u>\$ 18,075</u>

The Town of Concord Allocation by Governmental and Business-Type Funds is made on an actuarial basis, as follows (in thousands):

Governmental activities	\$ 13,166
<u>Business-Type</u>	
Water Enterprise	\$ 394
Sewer Enterprise	103
⁽¹⁾ Electric Light	1,639
Swim & Fitness Enterprise	<u>210</u>
Total Business-Type	<u>2,346</u>
Total	<u>\$ 15,512</u>

(1) This amount is not on the statement of net position as GASB 68 implementation occurred after December 31, 2014.

OPEB FUNDING STATUS

The Town's most recent actuarial valuation of its non-pension, post-employment benefit liability is as of June 30, 2014. Comparison to the January 1, 2012 valuation is as follows (all funds, in thousands):

	<u>Jan. 1, 2012</u>	<u>June 30, 2014</u>
Actuarial accrued liability	\$ 29,986	\$ 33,452
Assumed investment rate		
Enterprises	7.5%	7.5%
General Government	6.5%	7.5%
OPEB Trust Fund, market value	\$ 1,885	\$ 6,577
Unfunded actuarial accrued liability	\$ 28,100	\$ 26,875
Funded ratio	6.2%	19.6%
	<u>FY2012</u>	<u>FY2014</u>
Annual required contribution	\$ 3,179	\$ 2,817
Interest on Net OPEB Obligation	344	575
ARC adjustment	(285)	(477)
OPEB Cost	<u>\$ 3,238</u>	<u>\$ 2,915</u>
Premiums and Implicit Subsidy paid	\$ 1,286	\$ 1,314
Cash contributions to OPEB trust	788	1,768
Total Contributions	<u>\$ 2,074</u>	<u>\$ 3,082</u>
Contributions as a % of OPEB Cost	64.1%	105.7%

The Town intends to undertake an actuarial valuation at least biennially.

The Town commenced as of FY10 to fully fund the Net OPEB Obligation (NOO) of its Business-type activities (Light, Water, Sewer, and Swim & Fitness Center), about 8.4% of its total Actuarial Accrued Liability of \$33,452 at June 30, 2014. In addition to premium and implicit subsidy payments, a cash contribution to the OPEB Trust Fund from unspent funds in the General Fund Group Insurance appropriation account commenced in FY11, a transfer of \$700 was made in FY11 from the Insurance Reserve Fund to the OPEB Trust by Town Meeting vote, and a specific General Fund budget allocation commenced with the FY12 budget. Actual and planned General Fund budget appropriations to the OPEB Trust and actual and projected transfers to the OPEB Trust from unexpended Group Insurance appropriations are (in thousands):

<u>GENERAL FUND ALLOCATIONS TO OPEB TRUST</u>					
		<u>OPEB</u>	<u>Unexpended</u>	<u>Transfer from</u>	<u>Total</u>
		<u>Appropriation</u>	<u>Group Insurance</u>	<u>Other Reserves</u>	
Actual:	FY11	\$ -	\$ 400	\$ 700	\$ 1,100
	FY12	\$ 150	\$ 350	\$ -	\$ 500
	FY13	\$ 400	\$ 400	\$ -	\$ 800
	FY14	\$ 650	\$ 1,050	\$ -	\$ 1,700
	FY15	\$ 900	\$ 775	\$ -	\$ 1,675
Budgeted:	FY16	\$ 1,150	\$ 555	\$ -	\$ 1,705
Planned:	FY17	\$ 1,400	\$ 300	\$ -	\$ 1,700

The Town's funding plan is to increase the OPEB appropriation by \$250 each year, projecting to reach full funding of the General Fund NOO by FY2017. The Funding Schedule is based on a 30-year closed term commencing FY2009. Liabilities are calculated using a 7.5% discount rate. The market value of the OPEB Trust Fund as of June 30, 2015 is \$8,500.

BUSINESS-TYPE ACTIVITIES

The Town's business-type activities include the Water, Sewer, Light, and Swim Enterprises.

- The Light and Water Funds are projected to record positive net income for FY2016.
- The Sewer Fund is budgeted to report a FY2016 negative net income of approximately \$465, which will be covered by the \$3,810 unrestricted fund balance as of June 30, 2015. Going forward, the Sewer Fund is expected to report negative net income until FY2020 as a result of a substantial investment beginning in 2007 for the rehabilitation of the Wastewater Treatment Plant and the consequent major increase in depreciation expense. Rate adjustments are planned to continue over a multi-year period to ensure the long-term fiscal health of the Sewer Enterprise.
- The Swim & Fitness Fund is budgeted to report a FY2016 negative net income of approximately \$267.

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, 2015

(Except for the Electric Enterprise Fund, which is as of December 31, 2014)

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and short-term investments	\$ 37,187,882	\$ 25,162,558	\$ 62,350,440
Investments	17,070,683	-	17,070,683
Receivables, net of allowance for uncollectibles:			
Property taxes	569,528	-	569,528
Excises	88,328	-	88,328
User fees	-	5,851,254	5,851,254
Betterments	-	59,000	59,000
Departmental and other	329,130	-	329,130
Intergovernmental	1,563,969	-	1,563,969
Inventory	-	1,048,569	1,048,569
Prepaid expenses	-	3,283,723	3,283,723
Other assets	11,542	230,222	241,764
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	418,669	-	418,669
Betterments	-	704,404	704,404
Restricted cash	-	6,023,360	6,023,360
Net OPEB asset	-	171,115	171,115
Capital assets being depreciated, net	102,104,350	80,682,104	182,786,454
Capital assets not being depreciated	<u>52,727,551</u>	<u>7,094,469</u>	<u>59,822,020</u>
TOTAL ASSETS	212,071,632	130,310,778	342,382,410
LIABILITIES			
Current:			
Warrants payable	2,381,894	3,481,768	5,863,662
Retainage payable	167,659	83,425	251,084
Accrued liabilities	2,579,537	336,278	2,915,815
Customer deposits	-	249,372	249,372
Provision for rate stabilization	-	3,179,711	3,179,711
Notes payable	18,139	-	18,139
Other current liabilities	233,536	251,059	484,595
Current portion of long-term liabilities:			
Bonds payable	6,468,165	2,198,324	8,666,489
Accrued employee benefits	378,971	29,873	408,844
Estimated landfill closure and postclosure care costs	10,000	-	10,000
Noncurrent:			
Bonds payable, net of current portion	35,620,634	19,335,201	54,955,835
Net OPEB obligation	7,391,340	-	7,391,340
Net pension liability	13,165,798	706,731	13,872,529
Accrued employee benefits, net of current portion	3,410,738	332,332	3,743,070
Estimated landfill closure and postclosure care costs, net of current portion	<u>160,000</u>	<u>-</u>	<u>160,000</u>
TOTAL LIABILITIES	71,986,411	30,184,074	102,170,485
DEFERRED INFLOWS OF RESOURCES	<u>1,210,387</u>	<u>894,987</u>	<u>2,105,374</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	73,196,798	31,079,061	104,275,859
NET POSITION			
Net investment in capital assets	115,573,285	67,974,268	183,547,553
Restricted for:			
Grants and other statutory restrictions	18,308,782	6,288,292	24,597,074
Permanent funds:			
Nonexpendable	4,929,898	-	4,929,898
Expendable	842,846	-	842,846
Unrestricted	<u>(779,977)</u>	<u>24,969,157</u>	<u>24,189,180</u>
TOTAL NET POSITION	<u>\$ 138,874,834</u>	<u>\$ 99,231,717</u>	<u>\$ 238,106,551</u>

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

TOWN OF CONCORD, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2014)

	<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	\$ 8,924,883	\$ 1,121,995	\$ 1,366,573	\$ -	\$ (6,436,315)
Public safety	12,249,903	2,205,210	39,428	-	(10,005,265)
Education	59,706,056	722,613	7,383,218	-	(51,600,225)
Public works	7,909,352	1,604,826	204,253	475,579	(5,624,694)
Health and human services	1,115,805	11,226	67,500	-	(1,037,079)
Culture and recreation	5,261,485	1,960,377	34,681	-	(3,266,427)
Debt service interest	<u>1,936,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,936,308)</u>
Total Governmental Activities	97,103,792	7,626,247	9,095,653	475,579	(79,906,313)
Business-Type Activities:					
Water services	2,962,045	4,945,876	-	-	1,983,831
Sewer services	2,968,131	2,934,142	-	-	(33,989)
Electric services	24,901,305	26,378,663	-	-	1,477,358
Swim Services	<u>2,159,452</u>	<u>2,283,710</u>	<u>-</u>	<u>-</u>	<u>124,258</u>
Total Business-Type Activities	<u>32,990,933</u>	<u>36,542,391</u>	<u>-</u>	<u>-</u>	<u>3,551,458</u>
Total	<u>\$ 130,094,725</u>	<u>\$ 44,168,638</u>	<u>\$ 9,095,653</u>	<u>\$ 475,579</u>	<u>(76,354,855)</u>

(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, 2015

(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2014)

(continued)

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>Total</u>
Changes in Net Position:			
Net (Expenses) revenue from previous page	\$ (79,906,313)	\$ 3,551,458	\$ (76,354,855)
General Revenues and Transfers:			
Property taxes	78,146,251	-	78,146,251
Excises	3,834,787	-	3,834,787
Penalties, interest and other taxes	459,477	-	459,477
Grants and contributions not restricted to specific programs	1,497,441	-	1,497,441
Investment income	570,090	63,340	633,430
Other income	263,927	265,664	529,591
Transfers, net	<u>2,167,558</u>	<u>(1,402,741)</u>	<u>764,817</u>
Total general revenues and transfers	<u>86,939,531</u>	<u>(1,073,737)</u>	<u>85,865,794</u>
Change in Net Position	7,033,218	2,477,721	9,510,939
Net Position:			
Beginning of year, as restated	<u>131,841,616</u>	<u>96,753,996</u>	<u>228,595,612</u>
End of year	<u>\$ 138,874,834</u>	<u>\$ 99,231,717</u>	<u>\$ 238,106,551</u>

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

TOWN OF CONCORD, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and short-term investments	\$ 28,473,174	\$ 8,714,708	\$ 37,187,882
Investments	11,402,725	5,667,958	17,070,683
Receivables:			
Property taxes	1,315,656	11,103	1,326,759
Excises	119,696	-	119,696
Departmental	-	329,130	329,130
Intergovernmental	101,204	1,462,765	1,563,969
Accrued interest and other	11,542	-	11,542
TOTAL ASSETS	\$ 41,423,997	\$ 16,185,664	\$ 57,609,661
LIABILITIES			
Warrants payable	\$ 1,488,545	\$ 893,349	\$ 2,381,894
Retainage payable	-	167,659	167,659
Accrued liabilities	2,926,466	38,316	2,964,782
Notes payable	-	18,139	18,139
Other liabilities	233,536	-	233,536
TOTAL LIABILITIES	4,648,547	1,117,463	5,766,010
DEFERRED INFLOWS OF RESOURCES	1,367,687	558,399	1,926,086
FUND BALANCES			
Nonspendable	-	4,929,898	4,929,898
Restricted	10,291,652	9,679,731	19,971,383
Committed	7,582,438	-	7,582,438
Assigned	5,167,430	-	5,167,430
Unassigned	12,366,243	(99,827)	12,266,416
TOTAL FUND BALANCES	35,407,763	14,509,802	49,917,565
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 41,423,997	\$ 16,185,664	\$ 57,609,661

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

TOWN OF CONCORD, MASSACHUSETTS

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

JUNE 30, 2015

Total governmental fund balances	\$ 49,917,565
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	154,831,901
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,337,988
• Deferred inflows of resources related to pensions resulting from projected vs. actual earnings will be recognized as a reduction of the net pension liability in the years ending June 30, 2016 through June 30, 2019.	(992,219)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(449,400)
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(42,088,799)
Net OPEB obligation	(7,391,340)
Net pension liability	(13,165,798)
Other (compensated absences, landfill closure liability, etc)	<u>(3,125,064)</u>
Net position of governmental activities	<u><u>\$ 138,874,834</u></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, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 77,422,884	\$ 1,028,021	\$ 78,450,905
Excise taxes	3,826,437	-	3,826,437
Penalties, interest and other taxes	459,477	-	459,477
Departmental	1,591,195	4,950,365	6,541,560
Licenses and permits	1,034,287	-	1,034,287
Fines and forfeitures	128,779	-	128,779
Intergovernmental	4,114,129	3,413,237	7,527,366
Investment income	473,251	96,839	570,090
Contributions	-	433,446	433,446
Other	115,509	500,178	615,687
Total Revenues	<u>89,165,948</u>	<u>10,422,086</u>	<u>99,588,034</u>
Expenditures:			
Current:			
General government	5,526,509	2,387,341	7,913,850
Public safety	8,599,841	864,865	9,464,706
Education	50,409,949	2,748,591	53,158,540
Public works	4,516,385	3,498,525	8,014,910
Health and human services	481,793	405,568	887,361
Culture and recreation	2,181,110	1,891,343	4,072,453
Employee benefits	10,088,531	-	10,088,531
Debt service	11,351,077	143,145	11,494,222
Intergovernmental	476,551	-	476,551
Total Expenditures	<u>93,631,746</u>	<u>11,939,378</u>	<u>105,571,124</u>
Excess (deficiency) of revenues over expenditures	(4,465,798)	(1,517,292)	(5,983,090)
Other Financing Sources (Uses):			
Issuance of bonds	-	3,022,457	3,022,457
Issuance of refunding bonds	4,560,000	-	4,560,000
Premium on refunding	302,289	-	302,289
Payment to refunded bond escrow agent	(4,810,754)	-	(4,810,754)
Transfers in	2,633,840	15,180	2,649,020
Transfers out	(94,472)	(386,990)	(481,462)
Total Other Financing Sources (Uses)	<u>2,590,903</u>	<u>2,650,647</u>	<u>5,241,550</u>
Changes in fund balances	(1,874,895)	1,133,355	(741,540)
Fund Balances, at Beginning of Year, as reclassified	<u>37,282,658</u>	<u>13,376,447</u>	<u>50,659,105</u>
Fund Balances, at End of Year	<u>\$ 35,407,763</u>	<u>\$ 14,509,802</u>	<u>\$ 49,917,565</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, 2015

Net changes in fund balances - Total governmental funds	\$ (741,540)																								
<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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Capital outlay purchases, net of disposal</td> <td style="text-align: right;">5,315,414</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">(5,296,754)</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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">(374,614)</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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Issuance of general obligation bonds</td> <td style="text-align: right;">(3,022,457)</td> </tr> <tr> <td>Repayments of general obligation bonds</td> <td style="text-align: right;">6,323,144</td> </tr> <tr> <td>Payment to escrow agent</td> <td style="text-align: right;">7,940,000</td> </tr> <tr> <td>Proceeds of refunding bonds</td> <td style="text-align: right;">(4,862,289)</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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;"></td> <td style="text-align: right;">105,524</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="width: 100%; margin-left: 20px;"> <tr> <td style="width: 80%;">Change in unfunded compensated absences</td> <td style="text-align: right;">114,612</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 and related deferred inflows</td> <td style="text-align: right;">1,250,034</td> </tr> <tr> <td>Change in net OPEB obligation</td> <td style="text-align: right;"><u>272,144</u></td> </tr> </table> 		Capital outlay purchases, net of disposal	5,315,414	Depreciation	(5,296,754)		(374,614)	Issuance of general obligation bonds	(3,022,457)	Repayments of general obligation bonds	6,323,144	Payment to escrow agent	7,940,000	Proceeds of refunding bonds	(4,862,289)		105,524	Change in unfunded compensated absences	114,612	Change in landfill liability	10,000	Change in net pension liability and related deferred inflows	1,250,034	Change in net OPEB obligation	<u>272,144</u>
Capital outlay purchases, net of disposal	5,315,414																								
Depreciation	(5,296,754)																								
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Change in net OPEB obligation	<u>272,144</u>																								
Change in net position of governmental activities	\$ <u>7,033,218</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, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original Budget	Final Budget		Positive (Negative)
Revenues and Transfers:				
Taxes	\$ 76,786,233	\$ 76,786,233	\$ 77,329,423	\$ 543,190
Excise taxes	3,550,000	3,550,000	3,826,437	276,437
Penalties, interest and other taxes	170,000	170,000	459,477	289,477
Departmental	1,310,400	1,310,400	1,591,195	280,795
Licenses and permits	860,000	860,000	1,034,287	174,287
Fines and forfeitures	90,000	90,000	128,779	38,779
Intergovernmental	4,147,519	4,147,519	4,114,129	(33,390)
Investment income	100,000	100,000	82,546	(17,454)
Other	73,100	73,100	115,509	42,409
Transfers in	458,650	2,095,171	2,095,171	-
Total Revenues and Transfers	87,545,902	89,182,423	90,776,953	1,594,530
Expenditures:				
General government	5,274,787	6,019,519	5,612,816	406,703
Public safety	8,420,305	8,532,841	8,504,872	27,969
Education	50,347,289	50,347,289	50,347,289	-
Public works	3,384,367	3,972,078	3,940,075	32,003
Snow and ice	555,000	555,000	865,773	(310,773)
Health and human services	476,570	497,178	495,883	1,295
Culture and recreation	2,137,984	2,308,418	2,280,586	27,832
Employee benefits	9,800,106	9,800,106	9,727,630	72,476
Debt service	7,416,340	10,844,408	10,799,542	44,866
Intergovernmental	528,484	528,484	476,551	51,933
Transfers out	929,186	929,686	929,366	320
Total Expenditures and Transfers	89,270,418	94,335,007	93,980,383	354,624
Excess (deficiency) of revenues and transfers in over expenditures and transfers out	(1,724,516)	(5,152,584)	(3,203,430)	1,949,154
Other Financing Sources/(Uses):				
Use of fund balance:				
For stabilization funding	750,000	750,000	750,000	-
For debt service	409,878	3,837,946	-	(3,837,946)
For other purposes	850,000	850,000	-	(850,000)
Raise prior year deficits	(285,362)	(285,362)	-	285,362
Excess of expenditures and other uses over revenues and other sources	\$ -	\$ -	\$ (2,453,430)	\$ (2,453,430)

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

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2015

(DECEMBER 31, 2014 FOR THE ELECTRIC LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds				
	Water Fund	Sewer Fund	Electric Fund	Swim Fund	Total
ASSETS					
Current:					
Cash and short-term investments	\$ 6,919,413	\$ 8,808,206	\$ 5,909,266	\$ 3,525,673	\$ 25,162,558
User fees, net of allowance for uncollectibles	1,024,783	379,511	4,446,960	-	5,851,254
Betterment receivables	-	59,000	-	-	59,000
Inventory	87,279	-	961,290	-	1,048,569
Prepaid expenses	-	-	3,283,723	-	3,283,723
Other assets	-	-	230,222	-	230,222
Total current assets	8,031,475	9,246,717	14,831,461	3,525,673	35,635,326
Noncurrent:					
Betterment receivables, net of current portion	-	704,404	-	-	704,404
Restricted cash	-	-	6,023,360	-	6,023,360
Net OPEB asset	41,909	12,040	87,120	30,046	171,115
Capital assets being depreciated, net	16,706,153	19,260,160	35,492,516	9,223,275	80,682,104
Capital assets not being depreciated	3,343,702	100,000	3,650,767	-	7,094,469
Total noncurrent assets	20,091,764	20,076,604	45,253,763	9,253,321	94,675,452
TOTAL ASSETS	28,123,239	29,323,321	60,085,224	12,778,994	130,310,778
LIABILITIES					
Current:					
Warrants payable	368,985	177,923	2,795,055	139,805	3,481,768
Retainage payable	10,926	-	-	72,499	83,425
Accrued liabilities	77,318	107,949	148,673	2,338	336,278
Customer deposits	-	-	249,372	-	249,372
Provision for rate stabilization	-	-	3,179,711	-	3,179,711
Other current liabilities	-	-	245,013	6,046	251,059
Current portion of long-term liabilities:					
Bonds payable	520,000	893,324	785,000	-	2,198,324
Accrued employee benefits	13,263	3,316	6,347	6,947	29,873
Total current liabilities	990,492	1,182,512	7,409,171	227,635	9,809,810
Noncurrent:					
Bonds payable, net of current portion	3,225,000	9,161,894	6,948,307	-	19,335,201
Accrued employee benefits, net of current portion	119,368	29,842	120,596	62,526	332,332
Net pension liability	394,034	103,027	-	209,670	706,731
Total noncurrent liabilities	3,738,402	9,294,763	7,068,903	272,196	20,374,264
DEFERRED INFLOWS OF RESOURCES	29,696	7,764	-	857,527	894,987
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	4,758,590	10,485,039	14,478,074	1,357,358	31,079,061
NET POSITION					
Net investment in capital assets	16,304,855	10,697,855	31,748,283	9,223,275	67,974,268
Restricted - debt service	-	1,534,806	-	-	1,534,806
Restricted - capital improvements	-	2,795,608	1,957,878	-	4,753,486
Unrestricted	7,059,794	3,810,013	11,900,989	2,198,361	24,969,157
TOTAL NET POSITION	\$ 23,364,649	\$ 18,838,282	\$ 45,607,150	\$ 11,421,636	\$ 99,231,717

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, 2015
 (DECEMBER 31, 2014 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 Fund</u>	
Operating Revenues:					
Charges for services	\$ 4,945,876	\$ 2,590,040	\$ 26,378,663	\$ 2,283,710	\$ 36,198,289
Other	-	344,102	-	-	344,102
Total Operating Revenues	<u>4,945,876</u>	<u>2,934,142</u>	<u>26,378,663</u>	<u>2,283,710</u>	<u>36,542,391</u>
Operating Expenses:					
Personnel services	1,161,229	349,467	-	1,117,987	2,628,683
Non-personnel services	821,438	971,386	-	714,462	2,507,286
Depreciation	831,453	1,451,712	1,666,685	327,003	4,276,853
Electric operations	-	-	22,412,198	-	22,412,198
Total Operating Expenses	<u>2,814,120</u>	<u>2,772,565</u>	<u>24,078,883</u>	<u>2,159,452</u>	<u>31,825,020</u>
Operating Income (Loss)	2,131,756	161,577	2,299,780	124,258	4,717,371
Nonoperating Revenues (Expenses):					
Investment income	16,018	16,807	22,182	8,333	63,340
Interest expense	(147,925)	(195,566)	(192,701)	-	(536,192)
Provision for rate refund	-	-	(600,000)	-	(600,000)
Other nonoperating income, net	-	16,206	19,458	230,000	265,664
Other nonoperating expense, net	-	-	(29,721)	-	(29,721)
Total Nonoperating Revenues (Expenses), Net	<u>(131,907)</u>	<u>(162,553)</u>	<u>(780,782)</u>	<u>238,333</u>	<u>(836,909)</u>
Income Before Transfers	1,999,849	(976)	1,518,998	362,591	3,880,462
Transfers in	-	79,292	-	-	79,292
Transfers out - overhead allocations	<u>(664,812)</u>	<u>(219,399)</u>	<u>(458,650)</u>	<u>(139,172)</u>	<u>(1,482,033)</u>
Change in Net Position	1,335,037	(141,083)	1,060,348	223,419	2,477,721
Net Position at Beginning of Year, as restated	<u>22,029,612</u>	<u>18,979,365</u>	<u>44,546,802</u>	<u>11,198,217</u>	<u>96,753,996</u>
Net Position at End of Year	<u>\$ 23,364,649</u>	<u>\$ 18,838,282</u>	<u>\$ 45,607,150</u>	<u>\$ 11,421,636</u>	<u>\$ 99,231,717</u>

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, 2015
(DECEMBER 31, 2014 FOR THE ELECTRIC LIGHT PLANT ENTERPRISE FUND)

	Business-Type Activities Enterprise Funds				Total
	Water Fund	Sewer Fund	Electric Fund	Swim Fund	
Cash Flows From Operating Activities:					
Receipts from customers and users	\$ 4,698,556	\$ 3,040,026	\$ 26,533,300	\$ 2,246,053	\$ 36,517,935
Payments to vendors and employees	<u>(1,773,647)</u>	<u>(1,366,112)</u>	<u>(23,991,317)</u>	<u>(1,808,216)</u>	<u>(28,939,292)</u>
Net Cash Provided By Operating Activities	2,924,909	1,673,914	2,541,983	437,837	7,578,643
Cash Flows From Noncapital Financing Activities:					
Transfers in	-	79,292	-	-	79,292
Transfers out	<u>(664,812)</u>	<u>(219,399)</u>	<u>(458,650)</u>	<u>(139,172)</u>	<u>(1,482,033)</u>
Net Cash (Used for) Noncapital Financing Activities	(664,812)	(140,107)	(458,650)	(139,172)	(1,402,741)
Cash Flows From Capital and Related Financing Activities:					
Acquisition and construction of capital assets, net of disposals	(1,457,890)	(254,914)	(2,531,981)	(1,504,026)	(5,748,811)
Contributions in aid of construction	-	-	(92,024)	-	(92,024)
Proceeds from issuance of bonds and notes	-	400,000	-	-	400,000
Principal payments on bonds and notes	(520,000)	(816,352)	(395,000)	-	(1,731,352)
Interest expense	(147,925)	(195,566)	(192,701)	-	(536,192)
Other	-	16,206	(339,550)	237,358	(85,986)
Net Cash (Used For) Capital and Related Financing Activities	(2,125,815)	(850,626)	(3,551,256)	(1,266,668)	(7,794,365)
Cash Flows From Investing Activities:					
Investment income	16,018	16,807	22,182	8,333	63,340
(Increase) in restricted cash and investments	-	-	(322,896)	-	(322,896)
Net Cash Provided By (Used for) Investing Activities	<u>16,018</u>	<u>16,807</u>	<u>(300,714)</u>	<u>8,333</u>	<u>(259,556)</u>
Net Change in Cash and Short-Term Investments	150,300	699,988	(1,768,637)	(959,670)	(1,878,019)
Cash and Short-Term Investments, Beginning of Year	<u>6,769,113</u>	<u>8,108,218</u>	<u>7,677,903</u>	<u>4,485,343</u>	<u>27,040,577</u>
Cash and Short-Term Investments, End of Year	<u>\$ 6,919,413</u>	<u>\$ 8,808,206</u>	<u>\$ 5,909,266</u>	<u>\$ 3,525,673</u>	<u>\$ 25,162,558</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating income (loss)	\$ 2,131,756	\$ 161,577	\$ 2,299,780	\$ 124,258	\$ 4,717,371
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	831,453	1,451,712	1,666,685	327,003	4,276,853
Changes in assets and liabilities:					
User fees receivables	(247,320)	(16,918)	123,165	-	(141,073)
Betterments	-	122,802	-	-	122,802
Inventory	16,462	-	(82,520)	-	(66,058)
Prepaid and other assets	-	-	(30,121)	(48,473)	(78,594)
Net OPEB asset	4,680	355	-	-	5,035
Net pension liability	(37,350)	(9,017)	-	(19,591)	(65,958)
Accounts payable and accrued liabilities	258,259	80,449	(1,436,972)	49,263	(1,049,001)
Accrued expenses	(38,754)	(118,477)	(28,158)	2,245	(183,144)
Other liabilities	5,723	1,431	(73,890)	3,132	(63,604)
Provisions	-	-	104,014	-	104,014
Net Cash Provided By Operating Activities	<u>\$ 2,924,909</u>	<u>\$ 1,673,914</u>	<u>\$ 2,541,983</u>	<u>\$ 437,837</u>	<u>\$ 7,578,643</u>

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

TOWN OF CONCORD, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Pension Trust Fund (As of <u>December 31, 2014</u>)	Private Purpose Trust <u>Funds</u>	OPEB Trust <u>Fund</u>	Agency <u>Funds</u>
<u>ASSETS</u>				
Cash and short-term investments	\$ 3,401,603	\$ -	\$ -	\$ 216,871
Investments	129,556,738	1,230,091	8,499,759	-
Accounts receivable	190,909	-	-	-
Other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,545</u>
Total Assets	133,149,250	1,230,091	8,499,759	286,416
<u>LIABILITIES</u>				
Other liabilities	<u>75,020</u>	<u>-</u>	<u>-</u>	<u>286,416</u>
Total Liabilities	<u>75,020</u>	<u>-</u>	<u>-</u>	<u>286,416</u>
<u>NET POSITION</u>				
Total net position restricted for pensions, OPEB, and other purposes	<u>\$ 133,074,230</u>	<u>\$ 1,230,091</u>	<u>\$ 8,499,759</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, 2015

	Pension Trust Fund (For the Year Ended <u>December 31, 2014</u>)	Private Purpose <u>Trust Funds</u>	OPEB <u>Trust Fund</u>
Additions:			
Contributions:			
Employers	\$ 4,051,945	\$ -	\$ 1,746,000
Other systems and Commonwealth of Massachusetts	283,376	-	-
Plan members	<u>3,018,008</u>	<u>-</u>	<u>-</u>
Total contributions	7,353,329	-	1,746,000
Investment Income:			
Increase in fair value of investments	11,450,777	10,125	176,714
Less: management fees	<u>(583,219)</u>	<u>-</u>	<u>-</u>
Net investment gain	<u>10,867,558</u>	<u>10,125</u>	<u>176,714</u>
Total additions	18,220,887	10,125	1,922,714
Deductions:			
Benefit payments to plan members and beneficiaries	6,624,374	-	-
Refunds to plan members	121,809	-	-
Administrative expenses	212,725	-	-
Other	<u>343,113</u>	<u>38,795</u>	<u>-</u>
Total deductions	<u>7,302,021</u>	<u>38,795</u>	<u>-</u>
Net change	10,918,866	(28,670)	1,922,714
Net position:			
Beginning of year	<u>122,155,364</u>	<u>1,258,761</u>	<u>6,577,045</u>
End of year	<u>\$ 133,074,230</u>	<u>\$ 1,230,091</u>	<u>\$ 8,499,759</u>

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

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

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 government 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with 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 government reports the following major proprietary funds:

- Water Enterprise Fund
- Sewer Enterprise Fund
- Electric Enterprise Fund
- Swim Enterprise Fund

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* is used to account for student activity funds and employee details. Agency funds report only assets and liabilities, and thus have no measurement focus.

D. Municipal Light Plant Business Activity

The 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 Plant, under the general direction of the Town Manager.

E. Municipal Light Plant Regulation

Under Massachusetts General Laws, the 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 Plant's policy is to prepare its financial statements in conformity with generally accepted accounting principles.

F. Municipal Light Plant Concentrations

The 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

Plant revenues are based on rates established by the 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 Plant operating revenues is the Purchased Power & Fuel Cost Adjustment (PP&FCA). This adjustment allows the 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 and Short-Term 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.

In the prior year, the governmental funds considered investments in Federal securities to be cash; in the current year, the governmental funds considered investments in Federal securities with maturities of three months or less to be cash.

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

I. Investments

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 within the financial institution. 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.

Investments for the Contributory Retirement System consist of marketable securities, bonds, and short-term money market investments. Investments are carried at market value.

J. 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 2015 tax levy reflected an excess capacity of approximately \$3,642,365.

K. 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.

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.

L. 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

M. Compensated Absences

It is the government'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.

N. 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.

O. 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 (i.e., perpetual care).
- 2) Restricted funds are used solely for the purpose in which the fund was established. 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. In the case of the General fund, the restricted funds represent restricted pension funds and MSBA grant revenues restricted for debt service.
- 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). In the General fund, this represents the amounts committed for the following purposes:

<u>Purpose</u>	<u>Amount</u>
General stabilization	\$ 691
Other town stabilization	2,280
School capital stabilization	963,252
School debt stabilization	1,912
High school debt stabilization	3,535,766
Emergency response stabilization	805,790
Insurance reserve	1,647,747
School bus replacements	600,000
White Pond management	<u>25,000</u>
Total	<u>\$ 7,582,438</u>

- 4) Assigned funds are used for specific purposes as established by management. These funds, which include encumbrances totaling \$4,217,430 have been assigned for specific goods and services ordered but not yet paid for. This account also includes fund balance (free cash) voted to be used in the subsequent fiscal year of \$950,000.
- 5) Unassigned funds are available to be spent in future periods.

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.

P. 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.

Q. Municipal Light Plant Rate of Return

The Plant's rates must be set such that earnings attributable to electric operations do not exceed eight percent of the net cost of plant. In 2015, the 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 line items as voted. Certain items may exceed the line item budget as approved 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)	\$ 89,165,948	\$ 93,631,746
Other financing sources/uses (GAAP Basis)	<u>7,496,129</u>	<u>4,905,226</u>
Subtotal (GAAP Basis)	96,662,077	98,536,972
Adjust tax revenue to accrual basis	(107,831)	-
Reverse beginning of year appropriation carryforwards from expenditures	-	(1,500,288)
Add end-of-year appropriation carryforwards from expenditures	-	2,238,089
Use of free cash	750,000	-
To reflect non-budgeted activity (primarily refunding)	<u>(5,777,293)</u>	<u>(5,294,390)</u>
Budgetary Basis	<u>\$ 91,526,953</u>	<u>\$ 93,980,383</u>

D. Deficit Fund Equity

The following funds had deficits as of June 30, 2015:

Nonmajor Governmental Funds:

State 911 Training	\$ (7,786)
State 911 Support	(35,028)
Cambridge Turnpike	<u>(57,013)</u>
Total	<u>\$ (99,827)</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, 2015 and December 31, 2014, \$147,181 and \$0 of the Town's and System's bank balances of \$71,677,388 and \$3,387,137, respectively, was exposed to custodial credit risk as uninsured or uncollateralized.

Of the bank balance, \$67,808,385 and \$2,476,077, 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>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Average Rating as of Year-end AA</u>
Corporate equities	\$ 10,868	N/A	\$ 10,868	\$ -
Long-term CDs	5,012	N/A	5,012	-
Bond mutual funds	2,421		-	2,421
Mutual funds	<u>8,500</u>	N/A	<u>8,500</u>	-
Total investments	<u>\$ 26,801</u>		<u>\$ 24,380</u>	<u>\$ 2,421</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>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Average Rating as of Year-end</u>		
				<u>Aaa</u>	<u>AA1</u>	<u>A2</u>
U.S. Treasury bonds/notes	\$ 6,680		\$ -	\$ 6,680	\$ -	\$ -
State investment pool*	54,053	N/A	54,053	-	-	-
Corporate bonds	18,998		-	-	-	18,998
Pooled investments	25,054	N/A	25,054	-	-	-
Corporate equities	22,407	N/A	22,407	-	-	-
Mortgage-backed securities	<u>2,365</u>		<u>-</u>	<u>-</u>	<u>2,365</u>	<u>-</u>
Total investments	<u>\$ 129,557</u>		<u>\$ 101,514</u>	<u>\$ 6,680</u>	<u>\$ 2,365</u>	<u>\$ 18,998</u>

**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 \$122,876,772 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, \$54,052,477 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	\$ 8,500
Middlesex Savings Long-term CD	\$ 2,004
BNY Mellon Intermediate Bond Fund	\$ 2,421

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	\$ 2,421	AA	4

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/notes	\$ 6,680	13
Mortgage-backed securities	2,365	18
Corporate bonds	18,998	13
Total	\$ <u>28,043</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.

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.

Taxes receivable at June 30, 2015 consist of the following (in thousands):

Real Estate		
2015	\$ 399	
2014	11	
2013	12	
2012	11	
2011	11	
Prior	<u>191</u>	
		635
Personal Property		
2015	1	
2014	2	
2013	2	
2012	2	
2011	3	
Prior	<u>3</u>	
		13
Tax Liens, municipal liens, and supplementals		474
Deferred Taxes		194
CPA Real Estate		<u>11</u>
Total		<u>\$ 1,327</u>

6. Allowance for Doubtful Accounts

The receivables reported in the accompanying entity-wide financial statements reflect the following estimated allowances for doubtful accounts (in thousands):

	<u>Governmental</u>
Property taxes	\$ 339
Excise taxes	\$ 32

7. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal 2015.

8. Municipal Light Plant Receivables

Plant receivables consist of the following at December 31, 2014:

Customer Accounts:		
Billed	\$ 2,109,120	
Less allowances:		
Uncollectible accounts	<u>(30,000)</u>	
Total billed		2,079,120
Unbilled, net		<u>2,089,272</u>
Total customer accounts		4,168,392
Other Accounts:		
Merchandise sales	195,049	
Liens and other	<u>83,519</u>	
Total other accounts		<u>278,568</u>
Total net receivables		<u>\$ 4,446,960</u>

9. Municipal Light Plant Prepaid Expenses

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

Purchase power	\$ 2,929,656
NYPA prepayment fund	85,885
Pension	207,254
Insurance and other	<u>60,928</u>
Total	<u>\$ 3,283,723</u>

10. Municipal Light Plant Inventory

Plant inventory is comprised of supplies and materials at December 31, 2014 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, 2014, not June 30, 2015. Therefore, a timing difference of \$764,817 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 2015.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 2,633,840	\$ 94,472
Nonmajor Governmental Funds:		
Parking	-	62,943
Cemetery	-	124,809
Receipts reserved for appropriation	180	11,500
Recreation	-	41,006
Land Acquisition	15,000	-
State grants	-	15,000
Solid Waste	-	131,732
Major Enterprise Funds:		
Water	-	664,812
Sewer	79,292	219,399
Electric	-	458,650
Swim	-	139,172
Total	<u>\$ 2,728,312</u>	<u>\$ 1,963,495</u>

Of the transfer into the general fund, \$1,839,913 was transferred from the major enterprise funds for indirect costs, \$538,669 represents additional funding from the major enterprise funds for the restricted pension component of the general fund. 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.

12. Municipal Light Plant Restricted Cash

Restricted cash of the Plant consists of the following at December 31, 2014:

	<u>Cash</u>
Bond fund 2006-2015	\$ 45,833
Bond fund 2007-2017	87,500
Bond fund 2011-2026	200,000
Bond fund 2014-2027	175,000
Bond interest fund	36,063
Broadband bond fund 2014-2018	14,583
Customer advances for construction fund	65,286
Customer deposits fund	249,372
Depreciation fund	1,957,878
Emergency repairs fund	1,130,000
Rate stabilization fund	849,799
Underground fund	1,028,519
Worker's compensation insurance fund	<u>183,527</u>
	<u>\$ 6,023,360</u>

The 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 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 Plant maintains a self-insurance fund for payment of workers compensation claims and for injury and damage claims.

13. Capital Assets

Capital asset activity for the year ended June 30, 2015 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	\$ 108,964	\$ 703	\$ -	\$ 109,667
Machinery, equipment, and furnishings	18,179	1,202	(308)	19,073
Infrastructure	<u>31,740</u>	<u>2,174</u>	<u>-</u>	<u>33,914</u>
Total capital assets, being depreciated	158,883	4,079	(308)	162,654
Less accumulated depreciation for:				
Buildings and improvements	(26,083)	(3,090)	-	(29,173)
Machinery, equipment, and furnishings	(14,436)	(868)	298	(15,006)
Infrastructure	<u>(15,032)</u>	<u>(1,339)</u>	<u>-</u>	<u>(16,371)</u>
Total accumulated depreciation	<u>(55,551)</u>	<u>(5,297)</u>	<u>298</u>	<u>(60,550)</u>
Total capital assets, being depreciated, net	103,332	(1,218)	(10)	102,104
Capital assets, not being depreciated:				
Land	50,134	620	-	50,754
Construction in progress	<u>1,347</u>	<u>1,464</u>	<u>(837)</u>	<u>1,974</u>
Total capital assets, not being depreciated	<u>51,481</u>	<u>2,084</u>	<u>(837)</u>	<u>52,728</u>
Governmental activities capital assets, net	<u>\$ 154,813</u>	<u>\$ 866</u>	<u>\$ (847)</u>	<u>\$ 154,832</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 17,973	\$ 1,747	\$ (18)	\$ 19,702
Machinery, equipment, and furnishings	18,073	938	(108)	18,903
Infrastructure	85,216	4,049	(1)	89,264
Intangible	<u>2,086</u>	<u>-</u>	<u>-</u>	<u>2,086</u>
Total capital assets, being depreciated	123,348	6,734	(127)	129,955
Less accumulated depreciation for:				
Buildings and improvements	(4,927)	(509)	6	(5,430)
Machinery, equipment, and furnishings	(7,538)	(834)	96	(8,276)
Infrastructure	(31,924)	(2,922)	-	(34,846)
Intangible	<u>(709)</u>	<u>(12)</u>	<u>-</u>	<u>(721)</u>
Total accumulated depreciation	<u>(45,098)</u>	<u>(4,277)</u>	<u>102</u>	<u>(49,273)</u>
Total capital assets, being depreciated, net	78,250	2,457	(25)	80,682
Capital assets, not being depreciated:				
Land	4,055	-	-	4,055
Construction in progress	<u>4,031</u>	<u>1,044</u>	<u>(2,035)</u>	<u>3,040</u>
Total capital assets, not being depreciated	<u>8,086</u>	<u>1,044</u>	<u>(2,035)</u>	<u>7,095</u>
Business-type activities capital assets, net	<u>\$ 86,336</u>	<u>\$ 3,501</u>	<u>\$ (2,060)</u>	<u>\$ 87,777</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Water:				
Capital assets, being depreciated:				
Machinery, equipment, and furnishings	\$ 3,004	\$ 70	\$ -	\$ 3,074
Infrastructure	<u>22,289</u>	<u>1,360</u>	<u>-</u>	<u>23,649</u>
Total capital assets, being depreciated	25,293	1,430	-	26,723
Less accumulated depreciation for:				
Machinery, equipment, and furnishings	(2,038)	(152)	-	(2,190)
Infrastructure	<u>(7,148)</u>	<u>(679)</u>	<u>-</u>	<u>(7,827)</u>
Total accumulated depreciation	<u>(9,186)</u>	<u>(831)</u>	<u>-</u>	<u>(10,017)</u>
Total capital assets, being depreciated, net	16,107	599	-	16,706
Capital assets, not being depreciated:				
Land	3,271	-	-	3,271
Construction in progress	<u>46</u>	<u>27</u>	<u>-</u>	<u>73</u>
Total capital assets, not being depreciated	<u>3,317</u>	<u>27</u>	<u>-</u>	<u>3,344</u>
Business-type activities capital assets, net	<u>\$ 19,424</u>	<u>\$ 626</u>	<u>\$ -</u>	<u>\$ 20,050</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Sewer:				
Capital assets, being depreciated:				
Buildings and improvements	\$ 26	\$ -	\$ -	\$ 26
Machinery, equipment, and furnishings	1,692	17	-	1,709
Infrastructure	<u>30,688</u>	<u>237</u>	<u>-</u>	<u>30,925</u>
Total capital assets, being depreciated	32,406	254	-	32,660
Less accumulated depreciation for:				
Buildings and improvements	(26)	-	-	(26)
Machinery, equipment, and furnishings	(1,071)	(91)	-	(1,162)
Infrastructure	<u>(10,851)</u>	<u>(1,361)</u>	<u>-</u>	<u>(12,212)</u>
Total accumulated depreciation	<u>(11,948)</u>	<u>(1,452)</u>	<u>-</u>	<u>(13,400)</u>
Total capital assets, being depreciated, net	20,458	(1,198)	-	19,260
Capital assets, not being depreciated:				
Land	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Total capital assets, not being depreciated	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Business-type activities capital assets, net	<u>\$ 20,558</u>	<u>\$ (1,198)</u>	<u>\$ -</u>	<u>\$ 19,360</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Electric:				
Capital assets, being depreciated:				
Structures and improvements	\$ 8,419	\$ 202	\$ (18)	\$ 8,603
Equipment and furnishings	12,812	797	(108)	13,501
Infrastructure	32,239	2,452	(1)	34,690
Intangible	<u>2,086</u>	<u>-</u>	<u>-</u>	<u>2,086</u>
Total capital assets, being depreciated	55,556	3,451	(127)	58,880
Less accumulated depreciation for:				
Structures and improvements	(3,121)	(253)	6	(3,368)
Equipment and furnishings	(4,067)	(520)	96	(4,491)
Infrastructure	(13,925)	(882)	-	(14,807)
Intangible	<u>(709)</u>	<u>(12)</u>	<u>-</u>	<u>(721)</u>
Total accumulated depreciation	<u>(21,822)</u>	<u>(1,667)</u>	<u>102</u>	<u>(23,387)</u>
Total capital assets, being depreciated, net	33,734	1,784	(25)	35,493
Capital assets, not being depreciated:				
Land	684	-	-	684
Construction in progress	<u>3,890</u>	<u>1,017</u>	<u>(1,940)</u>	<u>2,967</u>
Total capital assets, not being depreciated	<u>4,574</u>	<u>1,017</u>	<u>(1,940)</u>	<u>3,651</u>
Business-type activities capital assets, net	<u>\$ 38,308</u>	<u>\$ 2,801</u>	<u>\$ (1,965)</u>	<u>\$ 39,144</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Swim:				
Capital assets, being depreciated:				
Structures and improvements	\$ 9,528	\$ 1,545	\$ -	\$ 11,073
Machinery, equipment, and furnishings	565	54	-	619
	<u>10,093</u>	<u>1,599</u>	<u>-</u>	<u>11,692</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Structures and improvements	(1,780)	(256)	-	(2,036)
Equipment and furnishings	(362)	(71)	-	(433)
	<u>(2,142)</u>	<u>(327)</u>	<u>-</u>	<u>(2,469)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	7,951	1,272	-	9,223
Capital assets, not being depreciated:				
Construction in progress	95	-	(95)	-
	<u>95</u>	<u>-</u>	<u>(95)</u>	<u>-</u>
Total capital assets, not being depreciated				
Business-type activities capital assets, net	<u>\$ 8,046</u>	<u>\$ 1,272</u>	<u>\$ (95)</u>	<u>\$ 9,223</u>

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

Governmental Activities:	
General government	\$ 443
Public safety	616
Education	2,166
Public works	1,668
Health and human services	90
Culture and recreation	<u>314</u>
Total depreciation expense - governmental activities	<u>\$ 5,297</u>
Business-Type Activities:	
Water	\$ 831
Sewer	1,452
Electric	1,667
Swim facility	<u>327</u>
Total depreciation expense - business-type activities	<u>\$ 4,277</u>

14. Warrants Payable

Warrants payable represent 2015 expenditures paid by July 15, 2015 as permitted by law.

15. 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.

16. Anticipation Notes Payable

The following summarizes activity in notes payable during fiscal year 2015:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance at 6/30/15</u>
MWPAT Interim notes	0.00%	04/09/15	Ongoing	\$ <u>18,139</u>
Total Governmental				\$ <u>18,139</u>
Light plant improvements	0.45%	05/21/15	05/20/16	\$ <u>400,000</u>
Total Business-Type				\$ <u>400,000</u>

	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
Governmental	\$ 107,457	\$ 108,139	\$ (197,457)	\$ 18,139
Business-Type	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total	\$ <u>107,457</u>	\$ <u>508,139</u>	\$ <u>(197,457)</u>	\$ <u>418,139</u>

17. 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, 2015, however the amounts presented on the Statement of Net Position are as of December 31, 2014. General obligation bonds currently outstanding are as follows:

<u>Governmental Activities:</u>	<u>Serial</u> <u>Maturities</u> <u>Through</u>	<u>Interest</u> <u>Rate(s) %</u>	<u>Amount</u> <u>Outstanding</u> <u>as of</u> <u>6/30/15</u>
McGrath Farm Land Acquisition	2016	3.00	\$ 25,000
Building Renovation (School)	2016	1.50 - 4.50	35,000
Building Renovation	2016	1.50 - 4.50	100,000
Building Renovation	2016	1.50 - 4.50	110,000
Recreation Facilities	2016	2.00 - 3.00	50,000
Road Improvements	2016	2.00 - 3.00	70,000
Road Improvements	2016	3.50 - 5.00	90,000
School Building	2016	3.50 - 5.00	10,000
School Remodeling	2016	2.00 - 3.00	50,000
School Remodeling	2016	2.00 - 3.00	100,000
Thoreau School	2016	3.75 - 5.00	1,110,000
School Remodeling	2017	2.00 - 2.50	160,000
Road Improvements	2017	2.00 - 2.50	170,000
Building Renovations	2018	2.00 - 4.00	325,000
Land Acquisition	2018	2.00 - 4.00	300,000
Road Improvements	2018	2.00 - 4.00	250,000
General Obligation Bonds	2018	3.00 - 3.75	640,000
School Building Improvements	2018	2.00 - 3.00	300,000
Willard School Design	2018	3.00 - 3.75	545,000
Land Acquisition	2018	2.00	270,000
Fire Equipment (Ladder Truck)	2019	2.00 - 3.00	400,000
Road Improvements	2019	3.00	400,000
Title V Loans	2019	0.00	281,268
Police/Fire radio systems	2019	3.00 - 5.00	360,000
Police/Fire Station Improvements	2020	2.00	500,000
School Remodeling	2020	2.00	445,000
Town House Renovations	2020	3.00 - 5.00	505,000
Recreation Improvements	2020	3.00	75,000
School Building Renovations	2020	3.00	450,000
Building Renovations	2020	3.00	275,000
Knox Trail Site Planning	2020	3.00	70,000
Title V Loans	2021	3.30 - 5.25	65,194
Road Improvements	2021	2.00	685,000
Land Acquisition	2021	3.00 - 5.00	425,000
Alcott School	2022	3.75 - 5.00	1,085,000
Title V Loans	2022	0.00	237,820
Road Improvements	2022	3.00	1,300,000
Knox Trail Land Acquisition	2022	3.00	630,000
Title V Loans	2023	0.00	259,771
School Building Renovations	2023	3.00 - 5.00	600,000
Roads	2023	3.00 - 5.00	800,000
Public School Renovations	2023	3.00 - 5.00	705,000
Thoreau School	2025	3.75 - 5.00	4,140,000
Alcott School Refunding	2025	3.00	2,781,500
Alcott School Refunding	2025	3.00	577,000
Thoreau School Refunding	2025	3.00	1,201,500
Title V Loans	2025	0.00	197,457
Willard School	2028	2.00 - 4.375	8,125,000
Willard School Remodeling	2029	2.00 - 4.00	9,500,000
Total Governmental Activities:			<u>\$ 41,786,510</u>

<u>Business-Type Activities:</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/15</u>
Water:			
Water	2016	3.50 - 5.00	\$ 100,000
Water	2018	3.00 - 3.75	225,000
Water	2021	2.00	300,000
Water	2026	2.00 - 4.00	1,020,000
Water	2027	3.75 - 5.00	<u>2,100,000</u>
Total Water:			3,745,000
Sewer:			
Sewer	2016	3.50 - 5.00	100,000
Sewer Land Acquisition	2022	3.00	400,000
Sewer MWPAT	2026	2.00	2,520,207
Sewer MWPAT	2027	2.00	<u>7,035,011</u>
Total Sewer:			10,055,218
Electric:			
Electric	2017	4.00 - 5.00	135,000
Telcom	2018	3.00 - 5.00	75,000
Electric	2022	3.00	400,000
Electric	2026	2.00 - 4.00	2,800,000
Light Plant Expansion	2027	2.25 - 5.00	<u>3,600,000</u>
			<u>7,010,000</u>
Total Business-Type Activities:			<u>\$ 20,810,218</u>

C. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2015 are as follows:

<u>Governmental</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 6,437,936	\$ 1,314,782	\$ 7,752,718
2017	5,672,980	1,148,600	6,821,580
2018	4,788,024	987,794	5,775,818
2019	3,958,068	845,089	4,803,157
2020	3,532,796	722,238	4,255,034
2021 -2025	12,446,707	2,148,975	14,595,682
2026 -2030	<u>4,949,999</u>	<u>435,734</u>	<u>5,385,733</u>
Total	<u>\$ 41,786,510</u>	<u>\$ 7,603,212</u>	<u>\$ 49,389,722</u>

<u>Water</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 520,000	\$ 136,681	\$ 656,681
2017	420,000	115,706	535,706
2018	420,000	101,388	521,388
2019	345,000	86,213	431,213
2020	345,000	75,050	420,050
2021 - 2025	1,285,000	217,900	1,502,900
2026 - 2027	<u>410,000</u>	<u>23,450</u>	<u>433,450</u>
Total	\$ <u><u>3,745,000</u></u>	\$ <u><u>756,388</u></u>	\$ <u><u>4,501,388</u></u>

<u>Sewer</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 893,324	\$ 207,818	\$ 1,101,142
2017	808,088	187,585	995,673
2018	823,150	169,837	992,987
2019	838,517	151,770	990,287
2020	841,694	133,562	975,256
2021 - 2025	4,304,941	392,342	4,697,283
2026 - 2027	<u>1,545,504</u>	<u>30,461</u>	<u>1,575,965</u>
Total	\$ <u><u>10,055,218</u></u>	\$ <u><u>1,273,375</u></u>	\$ <u><u>11,328,593</u></u>

<u>Electric</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 792,500	\$ 227,688	\$ 1,020,188
2017	717,500	197,513	915,013
2018	687,500	175,688	863,188
2019	662,500	152,063	814,563
2020	650,000	129,375	779,375
2021 - 2025	2,700,000	342,625	3,042,625
2026 - 2027	<u>800,000</u>	<u>29,125</u>	<u>829,125</u>
Total	\$ <u><u>7,010,000</u></u>	\$ <u><u>1,254,077</u></u>	\$ <u><u>8,264,077</u></u>

D. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2015 are as follows:

<u>Purpose</u>	<u>Amount</u>
Light Plant Expansion	\$ 500,000
Septic Betterment (Title 5)	1,477,826
Land Acquisition - WR Grace	400,000
Road Improvements	1,200,000
Telecommunications Services	900,000
Keyes Road Renovations	600,000
Harvey Wheeler Building Improvements	65,000
West Concord Infrastructure Improvements	100,000
Police/Fire Station Improvements	85,000
Public Works Facility Design	150,000
Ambulance Equipment	75,000
School Building Improvements	650,000
School Bus Depot	950,000
Town House Interior Renovations	700,000
Parking Management Plan Implementation	250,000
Knox Trail Renovations	200,000
Rideout Field Site Improvement	600,000
Fire Engine Replacement	<u>550,000</u>
Total	<u>\$ 9,452,826</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, 2015:

<u>Related Entity</u>	<u>Total Principal</u>	<u>Town's Percent</u>	<u>Town's Share</u>
Concord-Carlisle Regional School District	\$ 60,780,000	73.10%	\$ 44,430,180

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

F. Changes in General Long-Term Liabilities

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

	Total Balance 7/1/14	Additions	Reductions	Total Balance 6/30/15	Less Current Portion	Equals Long-Term Portion 6/30/15
<u>Governmental Activities</u>						
Bonds payable	\$ 48,467	\$ 7,583	\$ (14,263)	\$ 41,787	\$ (6,438)	\$ 35,349
Unamortized bond premium	-	302	-	302	(30)	272
Subtotal	48,467	7,885	(14,263)	42,089	(6,468)	35,621
Net OPEB obligation	7,663	2,797	(3,069)	7,391	-	7,391
Net pension liability	15,408	-	(2,242)	13,166	-	13,166
Accrued employee benefits	3,874	388	(472)	3,790	(379)	3,411
Landfill closure	180	-	(10)	170	(10)	160
Governmental Activities	75,592	11,070	(20,056)	66,606	(6,857)	59,749
<u>Water Enterprise Fund</u>						
Bonds payable	4,265	-	(520)	3,745	(520)	3,225
Accrued employee benefits	127	18	(13)	132	(13)	119
Net pension liability	460	-	(66)	394	-	394
Total Water	4,852	18	(599)	4,271	(533)	3,738
<u>Sewer Enterprise Fund</u>						
Bonds payable	10,471	400	(816)	10,055	(893)	9,162
Accrued employee benefits	32	4	(3)	33	(3)	30
Net pension liability	119	-	(16)	103	-	103
Total Sewer	10,622	404	(835)	10,191	(896)	9,295
<u>Electric Enterprise Fund</u>						
Bonds payable	7,395	400	(785)	7,010	(793)	6,217
Unamortized bond premium	353	-	(29)	324	-	324
Subtotal	7,748	400	(814)	7,334	(793)	6,541
Accrued employee benefits	242	-	(18)	224	(22)	202
Total Electric *	7,990	400	(832)	7,558	(815)	6,743
<u>Swim Enterprise Fund</u>						
Accrued employee benefits	66	10	(6)	70	(7)	63
Net pension liability	244	-	(34)	210	-	210
Total Swim	310	10	(40)	280	(7)	273
Grand Total	\$ 99,366	\$ 11,902	\$ (22,362)	\$ 88,906	\$ (9,108)	\$ 79,798

* - Long-term liabilities are as of June 30, 2015, however the Electric Fund is reported on the Statement of Net Position as of December 31, 2014.

G. Current and Advance Refunding

Current Year

On 5/21/2015, the Town of Concord, MA issued general obligation bonds in the aggregate amount of \$8,185,000 with an interest rate of 3.0% throughout the life of the bonds. The bonds were issued at a true interest cost (TIC) of 1.4048%. \$3,625,000 of the aggregate \$8,185,000 was issued to fund new projects.

\$3,358,500 of the aggregate \$8,185,000 was issued to current refund the Town's \$7,000,000 General Obligation School Bonds (Unlimited Tax) dated September 15, 2004, maturing September 15 of the years 2015 through 2024, in the aggregate principal amount of \$3,500,000, with interest rates ranging from 3.75% to 4.25%, and callable on 7/1/2015; and \$1,201,500 of the aggregate \$8,185,000 was issued to advance refund the Town's \$10,000,000 General Obligation School Bonds (Unlimited Tax) dated September 15, 2006, maturing September 15 of the years 2017 through 2024, in the aggregate principal amount of \$4,440,000, with interest rates ranging from 3.75% to 4.0%, and callable on 9/15/2016.

After paying pro-rata issuance costs and underwriter's discount of approximately \$51,531, the net bond proceeds associated with current refunding the 2004 bonds were \$3,541,273 and were used to call the 2004 bonds on 7/1/2015. As a result of the current refunding, the Town reduced its total debt service cash flow requirements by \$383,161, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$353,439.

After paying pro-rata issuance costs and underwriter's discount of approximately \$18,055, the net bond proceeds associated with advance refunding the 2006 bonds were \$1,269,480 and were used, together with \$3,430,649 of cash contributions (representing the Town's remaining MSBA lump sum grant payment associated with the Thoreau School and the remaining unamortized exempt premium associated with the original issuance of the 2006 bonds) to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2006 bonds are called on 9/15/2016. The advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Town's financial statements.

As a result of the advance refunding, the Town reduced its net debt service cash flow requirements by \$707,968, which resulted in an economic gain (difference between the present value of the net debt service payments on the old and new debt) of \$650,900.

Defeased debt still outstanding at June 30, 2015 is \$7,940,000.

18. 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 \$170,000 reported as landfill closure and postclosure care liability at June 30, 2015 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 2015. Actual cost may differ due to inflation, changes in technology, or changes in regulations.

19. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net assets by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities.

The following is a summary of deferred inflow of resources balances as of June 30, 2015:

	Entity-wide Basis		Fund Basis				
	Governmental Activities	Business-type Activities	Governmental General Fund	Funds Nonmajor	Proprietary Funds Water	Sewer	Swim
Unavailable revenues	\$ 218,168	\$ 841,726	\$ 1,367,687	\$ 558,399	\$ -	\$ -	\$ 841,726
Net difference between projected and actual pension investment earnings	992,219	53,261	-	-	29,696	7,764	15,801
Total	<u>\$ 1,210,387</u>	<u>\$ 894,987</u>	<u>\$ 1,367,687</u>	<u>\$ 558,399</u>	<u>\$ 29,696</u>	<u>\$ 7,764</u>	<u>\$ 857,527</u>

20. 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.

21. 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 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, 2015:

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 encumbrances funded by bond issuances, 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 general fund encumbrances for non-lapsing, special article appropriations approved at Town Meeting and stabilization funds set aside by Town Meeting vote for future capital acquisitions and improvements (now reported as part of the general fund per GASB 54).

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.

Following is a breakdown of the Town's fund balances at June 30, 2015:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable			
Permanent funds	\$ -	\$ 4,929,898	\$ 4,929,898
Total Nonspendable	-	4,929,898	4,929,898
Restricted			
School debt service	819,755	-	819,755
Pension fund	9,471,897	-	9,471,897
Community Preservation	-	1,827,741	1,827,741
Parking	-	174,138	174,138
Cemetery	-	398,484	398,484
PEG Access	-	277,171	277,171
Receipts Reserved for Appropriation	-	780,558	780,558
53 G Review	-	28,651	28,651
Miscellaneous Grants and Contributions	-	67,201	67,201
School Lunch	-	165,144	165,144
Gifts	-	1,359,411	1,359,411
Recreation	-	768,495	768,495
Other Revolving	-	455,920	455,920
Federal Grants	-	33,395	33,395
State Grants	-	572,898	572,898
Solid Waste	-	229,873	229,873
Sawyer Gift Fund	-	211,421	211,421
Capital project funds	-	1,486,384	1,486,384
Permanent funds	-	842,846	842,846
Total Restricted	10,291,652	9,679,731	19,971,383
Committed			
School capital	963,252	-	963,252
School debt	1,912	-	1,912
High school debt	3,535,766	-	3,535,766
Emergency response	805,790	-	805,790
Insurance	1,647,747	-	1,647,747
CPS Bus Replacements	600,000	-	600,000
White Pond Management	25,000	-	25,000
Other	2,971	-	2,971
Total Committed	7,582,438	-	7,582,438
Assigned			
For encumbrances			
General government	1,511,416	-	1,511,416
Public safety	240,000	-	240,000
Education	325,347	-	325,347
Public works	1,402,284	-	1,402,284
Health and human services	157,073	-	157,073
Culture and recreation	328,949	-	328,949
Employee benefits	252,361	-	252,361
For next year's expenditures	950,000	-	950,000
Total Assigned	5,167,430	-	5,167,430
Unassigned	12,366,243	(99,827)	12,266,416
Total Fund Balance	\$ 35,407,763	\$ 14,509,802	\$ 49,917,565

22. **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.

23. **Post-Employment Healthcare and Life Insurance Benefits**

Other Post-Employment Benefits

GASB Statement 45 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, 2014, the actuarial valuation date, approximately 464 retirees and 639 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 Department 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 2015 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, 2015, 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, 2014.

	Governmental Funds	Water Fund	Sewer Fund	Electric Fund	Swim Fund	Total
Annual Required Contribution (ARC)	\$ 2,710,875	\$ 34,131	\$ 8,477	\$ 128,419	\$ 29,959	\$ 2,911,861
Interest on net OPEB obligation	574,761	(3,494)	(930)	(6,534)	(1,442)	562,361
Adjustment to ARC	<u>(488,513)</u>	<u>2,970</u>	<u>790</u>	<u>5,554</u>	<u>1,226</u>	<u>(477,973)</u>
Annual OPEB cost	2,797,123	33,607	8,337	127,439	29,743	2,996,249
Contributions made	<u>(3,069,267)</u>	<u>(28,927)</u>	<u>(7,982)</u>	<u>(100,384)</u>	<u>(40,559)</u>	<u>(3,247,119)</u>
Change in net OPEB obligation	(272,144)	4,680	355	27,055	(10,816)	(250,870)
Net OPEB obligation (asset) - 7/01/2014	<u>7,663,484</u>	<u>(46,589)</u>	<u>(12,395)</u>	<u>(87,120)</u>	<u>(19,230)</u>	<u>7,498,150</u>
Net OPEB obligation (asset) - 6/30/2015 *	<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>

* The Net OPEB obligation is as of June 30, 2015, however the Electric Fund is reported on the Statement of Net Position as of December 31, 2014.

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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
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, 2015 is recorded as a noncurrent liability. The Town's net OPEB asset as of June 30, 2015 is recorded as a noncurrent asset.

E. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2014, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liability (AAL)	\$ 33,452,285
Actuarial value of plan assets	<u>6,577,045</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 26,875,240</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>19.7%</u>
Covered payroll (active plan members)	<u>\$ 44,152,000</u>
UAAL as a percentage of covered payroll	<u>60.9%</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, 2014 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a partially funded 7.50% 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 26 years.

24. 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 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 and administrators under contract employed by the School Department), Concord Housing Authority, and Concord-Carlisle Regional High School are members of the Concord Contributory Retirement System (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, 2014 (the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	270
Terminated plan members entitled to but not yet receiving benefits	108
Active plan members	<u>502</u>
Total	<u><u>880</u></u>
Number of participating employers	3

B. Benefits Provided

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 for those first becoming members of the MA System on or after that date. Benefit payments are based upon a member's age, length of creditable service, level of compensation and group classification. Members become vested after 10 years of creditable service. A retirement allowance may be received upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant (1) has a record of 10 years of creditable service, (2) was on the Town payroll on or after January 1, 1978, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. 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 50 for groups 1 and 2, respectively. 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.

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.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. In addition, depending upon the number of years of creditable service, such employees are entitled to receive zero, fifty, or one hundred percent of the regular interest which has accrued upon those deductions. However, effective July 1, 2010, members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3% and do not forfeit any interest previously earned on contributions.

C. 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 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%

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, 2015 was \$3,467,672, which was equal to its annual required contribution.

D. Summary of Significant Accounting Policies

The accounting policies of the System as reflected in the accompanying financial statements for the year ended June 30, 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 June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 8.88%. 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.

E. Net Pension Liability of Participating Employers

The components of the net pension liability of the participating employers at June 30, 2015 were as follows (in thousands):

Net Pension Liability of Employers

Total pension liability	\$ 151,149
Plan fiduciary net position	<u>(133,074)</u>
Employers' net pension liability	<u>\$ 18,075</u>
Plan fiduciary net position as a percentage of total pension liability	88.0%

Actuarial Assumptions

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

Valuation Date	January 1, 2014 Rolled Forward to December 31, 2014
Actuarial cost method	Entry Age
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.25%
Inflation rate	3.00%
Post-retirement cost-of-living adjustment	3% on first \$12,000

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, 2014 valuation were based on the results of the most

recent actuarial experience study dated January 1, 2014, which was for the period January 1, 2013 through December 31, 2013.

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>
Large Cap Equities	35.3%	4.61%
Core Bonds	26.7%	0.97%
International Equities	11.1%	5.10%
Real Estate	7.4%	3.40%
Private Equities	5.2%	6.55%
Hedge Funds	3.2%	3.64%
Cash/Portfolio Completion	3.0%	N/A
Value-Added Bonds	2.9%	3.80%
Emerging Market Equities	2.4%	6.31%
Mid/Small Capl Equities	1.4%	4.85%
Timber/Natural Resources	1.4%	3.64%
Total	<u>100.0%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 7.5%. 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

7.50 percent, 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 (6.50%) or one percentage-point higher (8.50%) than the current rate (in thousands):

<u>Fiscal Year Ended</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
12/31/2014	\$ 30,392	\$ 15,512	\$ 3,267

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

At June 30, 2015, the Town reported a liability of \$15,511,928 (A) for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. 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, 2014, the Town's proportion was 85.82 percent.

For the year ended June 30, 2015, the Town recognized pension expense of \$2,058,320. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments ^(A)	\$ <u><u>1,169,032</u></u>

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

Year ended June 30:	
2016	\$ 292,258
2017	292,258
2018	292,258
2019	<u>292,258</u>
Total ^(A)	\$ <u><u>1,169,032</u></u>

^(A) Amounts do not agree to the Statement of Net Position as Electric Fund is reported as of December, 31, 2014.

25. 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, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of January 1, 2014, rolled back to June 30, 2013. This valuation used the following assumptions:

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

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan

investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2014 and 2013 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	
		<u>2014</u>	<u>2013</u>
Global equity	43.0%	7.2%	7.70%
Core fixed income	13.0%	2.5%	2.00%
Hedge funds	10.0%	5.5%	4.75%
Private equity	10.0%	8.8%	9.00%
Real estate	10.0%	6.3%	6.00%
Value added fixed income	10.0%	6.3%	6.30%
Timeber/natural resources	4.0%	5.0%	5.00%
Total	<u>100.0%</u>		

E. Discount Rate

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

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 Ended</u>	<u>1% Decrease to 7%</u>	<u>Current Discount Rate 8%</u>	<u>1% Increase to 9%</u>
June 30, 2013	\$ 21,426,000	\$ 17,233,698	\$ 13,672,000
June 30, 2014	\$ 20,247,000	\$ 15,896,354	\$ 12,200,000

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 2014 (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 \$47,309,570 and \$3,286,823 respectively, based on a proportionate share of 0.297613%. 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.

26. 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 2013 average energy price for the NYPA is \$0.03251/kWh.

27. 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 CMLP PILOT is a transfer from the Electric 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 CMLP and approved by the Town Manager. The formula applies the current property tax rate to the net book value of CMLP as of June 30, 2013.

28. Risk Management

The government 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.

29. Beginning Fund Balance Reclassification

The Town’s major governmental funds for fiscal year 2015, as defined by GASB statement 34, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Balance 6/30/14 (as previously <u>reported</u>)	<u>Reclassification</u>	Fund Balance 6/30/14 (as restated)
General Fund	\$ 28,367,607	\$ 8,915,051	\$ 37,282,658
Nonmajor Funds	<u>22,291,498</u>	<u>(8,915,051)</u>	<u>13,376,447</u>
Total	<u>\$ 50,659,105</u>	<u>\$ -</u>	<u>\$ 50,659,105</u>

30. Beginning Net Position Restatement

The Town's beginning net position for fiscal year 2015 has been restated from the previous fiscal year to conform to GASB Statement 68. Fiscal year 2014 and 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:

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>
As previously reported	\$ 147,249,667	\$ 97,579,946
GASB 68 Implementation for net pension liability	<u>(15,408,051)</u>	<u>(825,950)</u>
As restated	<u>\$ 131,841,616</u>	<u>\$ 96,753,996</u>

Fund Basis Financial Statements:

	Water <u>Fund</u>	Sewer <u>Fund</u>	Swim <u>Fund</u>
As previously reported	\$ 22,490,692	\$ 19,099,173	\$ 11,443,279
GASB 68 Implementation for net pension liability	<u>(461,080)</u>	<u>(119,808)</u>	<u>(245,062)</u>
As restated	<u>\$ 22,029,612</u>	<u>\$ 18,979,365</u>	<u>\$ 11,198,217</u>

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

June 30, 2015

**(Unaudited)
(Amounts Expressed in thousands)**

Other Post-Employment Benefits						
Actuarial Valuation <u>Date</u>	Actuarial Value of Assets <u>(a)</u>	Actuarial Accrued 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>
06/30/14	\$ 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, 2015
(Unaudited)

<u>Concord Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	85.82%
Proportionate share of the net pension liability for the most recent measurement date	\$ 15,511,928
Covered-employee payroll for the most recent measurement date	\$ 26,329,364
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	58.9%
Plan fiduciary net position as a percentage of the total pension liability	88.0%
<u>Massachusetts Teachers' Retirement System:</u>	<u>2015</u>
Proportion of the net pension liability for the most recent measurement date	0.297613%
The Town's proportionate share of the net pension liability for the most recent measurement date	\$ -
Commonwealth of Massachusetts' total proportionate share of the net pension liability that is associated with the Town	<u>47,309,570</u>
Total net pension liability associated with the Town	<u>\$ 47,309,570</u>
Covered-employee payroll for the most recent measurement date	\$ 18,248,123
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	259.26%
Plan fiduciary net position as a percentage of the total pension liability	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 CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION**

**JUNE 30, 2015
(Unaudited)**

<u>Concord Contributory Retirement System</u>	<u>2015</u>
Contractually required contribution for the current fiscal year	\$ 3,467,672
Contributions in relation to the contractually required contribution	<u>(3,467,672)</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>
Covered-employee payroll for the current fiscal year	26,329,364
Contributions as a percentage of covered-employee payroll	13.2%

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
CONTRIBUTORY RETIREMENT SYSTEM**

Schedule of Changes in the Net Pension Liability

(Unaudited)

	<u>2014</u>
Total pension liability	
Service cost	\$ 3,925,201
Interest on unfunded liability - time value of \$	10,782,666
Benefit payments, including refunds of member contributions	<u>(6,804,721)</u>
Net change in total pension liability	7,903,146
Total pension liability - beginning	<u>143,246,041</u>
Total pension liability - ending (a)	\$ <u><u>151,149,187</u></u>
 Plan fiduciary net position	
Contributions - employer	\$ 4,051,945
Contributions - member	3,018,008
Net investment income	10,866,359
Benefit payments, including refunds of member contributions	(6,804,721)
Administrative expense	<u>(212,725)</u>
Net change in plan fiduciary net position	10,918,866
Plan fiduciary net position - beginning	<u>122,155,364</u>
Plan fiduciary net position - ending (b)	\$ <u><u>133,074,230</u></u>
 Net pension liability (asset) - ending (a-b)	\$ <u><u>18,074,957</u></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
CONTRIBUTORY RETIREMENT SYSTEM**

Schedules of Net Pension Liability, Contributions, and Investment Returns

(Unaudited)

Schedule of Net Pension Liability

	<u>2014</u>
Total pension liability	\$ 151,149,187
Plan fiduciary net position	<u>133,074,230</u>
Net pension liability (asset)	<u>\$ 18,074,957</u>
Plan fiduciary net position as a percentage of the total pension liability	88.0%
Covered employee payroll	\$ 29,023,015
Participating employer net pension liability (asset) as a percentage of covered employee payroll	62.3%

Schedule of Contributions

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

Schedule of Investment Returns

Year Ended December 31

	<u>2014</u>
Annual money weighted rate of return, net of investment expense	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
- 53 G 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 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, 2015

	Special Revenue Funds				
	Community Preservation	Parking	Cemetery	PEG Access	Receipts Reserved for Appropriation
ASSETS					
Cash and short-term investments	\$ 1,838,893	\$ 193,776	\$ 398,484	\$ 277,171	\$ 798,696
Investments	-	-	-	-	-
Receivables:					
Property taxes	11,103	-	-	-	-
Departmental	-	-	-	-	329,130
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,849,996</u>	<u>\$ 193,776</u>	<u>\$ 398,484</u>	<u>\$ 277,171</u>	<u>\$ 1,127,826</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Warrants payable	\$ 11,153	\$ 17,288	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	-
Accrued liabilities	-	2,350	-	-	-
Notes payable	-	-	-	-	18,139
TOTAL LIABILITIES	11,153	19,638	-	-	18,139
DEFERRED INFLOWS OF RESOURCES	11,102	-	-	-	329,129
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	1,827,741	174,138	398,484	277,171	780,558
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,827,741</u>	<u>174,138</u>	<u>398,484</u>	<u>277,171</u>	<u>780,558</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,849,996</u>	<u>\$ 193,776</u>	<u>\$ 398,484</u>	<u>\$ 277,171</u>	<u>\$ 1,127,826</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>
\$ 29,331	\$ 67,201	\$ 167,517	\$ 1,379,537	\$ 868,623	\$ 476,969
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,388	-	-	-
<u>\$ 29,331</u>	<u>\$ 67,201</u>	<u>\$ 176,905</u>	<u>\$ 1,379,537</u>	<u>\$ 868,623</u>	<u>\$ 476,969</u>
\$ 680	\$ -	\$ 6,592	\$ 11,019	\$ 95,688	\$ 32,848
-	-	-	-	-	-
-	-	5,169	9,107	4,440	3,222
-	-	-	-	-	-
680	-	11,761	20,126	100,128	36,070
-	-	-	-	-	-
-	-	-	-	-	-
28,651	67,201	165,144	1,359,411	768,495	440,899
-	-	-	-	-	-
<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>\$ 29,331</u>	<u>\$ 67,201</u>	<u>\$ 176,905</u>	<u>\$ 1,379,537</u>	<u>\$ 868,623</u>	<u>\$ 476,969</u>

(continued)

(continued)

	<u>Special Revenue Funds</u>			
	<u>Land Acquisition</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Highway Grants</u>
ASSETS				
Cash and short-term investments	\$ 15,021	\$ (448,262)	\$ (197,265)	\$ (90,575)
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Departmental	-	-	-	-
Intergovernmental	-	499,084	787,728	166,565
	<u>-</u>	<u>499,084</u>	<u>787,728</u>	<u>166,565</u>
TOTAL ASSETS	<u>\$ 15,021</u>	<u>\$ 50,822</u>	<u>\$ 590,463</u>	<u>\$ 75,990</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Warrants payable	\$ -	\$ 8,625	\$ 112,166	\$ 75,990
Retainage payable	-	-	-	-
Accrued liabilities	-	8,802	5,226	-
Notes payable	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	-	17,427	117,392	75,990
DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	15,021	33,395	572,898	-
Unassigned	-	-	(99,827)	-
	<u>-</u>	<u>-</u>	<u>(99,827)</u>	<u>-</u>
TOTAL FUND BALANCES	<u>15,021</u>	<u>33,395</u>	<u>473,071</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 15,021</u>	<u>\$ 50,822</u>	<u>\$ 590,463</u>	<u>\$ 75,990</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>Solid Waste</u>	<u>Sawyer Gift Fund</u>	<u>Subtotals</u>
\$ 543,381	\$ 211,421	\$ 6,529,919
-	-	-
-	-	11,103
-	-	329,130
-	-	1,462,765
<u>\$ 543,381</u>	<u>\$ 211,421</u>	<u>\$ 8,332,917</u>
\$ 95,340	\$ -	\$ 467,389
-	-	-
-	-	38,316
-	-	18,139
<u>95,340</u>	<u>-</u>	<u>523,844</u>
218,168	-	558,399
-	-	-
229,873	211,421	7,350,501
-	-	(99,827)
<u>229,873</u>	<u>211,421</u>	<u>7,250,674</u>
<u>\$ 543,381</u>	<u>\$ 211,421</u>	<u>\$ 8,332,917</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	\$ 2,080,003	\$ -	\$ 104,786	\$ 104,786	\$ 8,714,708
Investments	-	5,667,958	-	5,667,958	5,667,958
Receivables:					
Property taxes	-	-	-	-	11,103
Departmental	-	-	-	-	329,130
Intergovernmental	-	-	-	-	1,462,765
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 2,080,003</u>	<u>\$ 5,667,958</u>	<u>\$ 104,786</u>	<u>\$ 5,772,744</u>	<u>\$ 16,185,664</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Warrants payable	\$ 425,960	\$ -	\$ -	\$ -	\$ 893,349
Retainage payable	167,659	-	-	-	167,659
Accrued liabilities	-	-	-	-	38,316
Notes payable	-	-	-	-	18,139
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	593,619	-	-	-	1,117,463
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	558,399
FUND BALANCES					
Nonspendable	-	4,929,898	-	4,929,898	4,929,898
Restricted	1,486,384	738,060	104,786	842,846	9,679,731
Unassigned	-	-	-	-	(99,827)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>1,486,384</u>	<u>5,667,958</u>	<u>104,786</u>	<u>5,772,744</u>	<u>14,509,802</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 2,080,003</u>	<u>\$ 5,667,958</u>	<u>\$ 104,786</u>	<u>\$ 5,772,744</u>	<u>\$ 16,185,664</u>

See Independent Auditors' Report.

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TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures
and Changes in Fund Equity

Nonmajor Governmental Funds

For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>				
	<u>Community Preservation</u>	<u>Parking</u>	<u>Cemetery</u>	<u>PEG Access</u>	<u>Receipts Reserved for Appropriation</u>
Revenues:					
Property taxes	\$ 1,028,021	\$ -	\$ -	\$ -	\$ -
Departmental	-	312,459	153,487	277,171	194,647
Intergovernmental	306,163	-	-	-	16,189
Investment income	3,514	-	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
	<u>1,337,698</u>	<u>312,459</u>	<u>153,487</u>	<u>277,171</u>	<u>210,836</u>
Total Revenues	1,337,698	312,459	153,487	277,171	210,836
Expenditures:					
Current:					
General government	746,183	-	-	-	-
Public safety	-	235,609	-	-	-
Education	-	-	-	-	-
Public works	-	-	-	-	80,793
Health and human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	143,145
	<u>746,183</u>	<u>235,609</u>	<u>-</u>	<u>-</u>	<u>223,938</u>
Total Expenditures	746,183	235,609	-	-	223,938
Excess (deficiency) of revenues over (under) expenditures	591,515	76,850	153,487	277,171	(13,102)
Other Financing Sources (Uses):					
Proceeds of bonds	-	-	-	-	197,457
Transfers in	-	-	-	-	180
Transfers out	-	(62,943)	(124,809)	-	(11,500)
	<u>-</u>	<u>(62,943)</u>	<u>(124,809)</u>	<u>-</u>	<u>186,137</u>
Total Other Financing Sources (Uses)	-	(62,943)	(124,809)	-	186,137
Changes in fund balances	591,515	13,907	28,678	277,171	173,035
Fund balances, at Beginning of Year, as reclassified	<u>1,236,226</u>	<u>160,231</u>	<u>369,806</u>	<u>-</u>	<u>607,523</u>
Fund balances, at End of Year	<u>\$ 1,827,741</u>	<u>\$ 174,138</u>	<u>\$ 398,484</u>	<u>\$ 277,171</u>	<u>\$ 780,558</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>53 G</u> <u>Review</u>	<u>Miscellaneous</u> <u>Grants and</u> <u>Contributions</u>	<u>School</u> <u>Lunch</u>	<u>Gifts</u>	<u>Recreation</u>	<u>Other</u> <u>Revolving</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32,076	-	503,531	-	1,916,895	317,056
-	-	87,550	-	-	-
-	-	-	-	-	-
-	-	-	424,312	-	-
-	<u>79,744</u>	-	<u>340,340</u>	<u>1,474</u>	-
32,076	79,744	591,081	764,652	1,918,369	317,056
20,727	87,732	-	312,388	-	253,762
-	-	-	58,690	-	-
-	-	547,743	144,250	-	1,658
-	-	-	56,941	-	117,875
-	-	-	96,470	-	-
-	-	-	162,236	1,711,209	-
-	-	-	-	-	-
<u>20,727</u>	<u>87,732</u>	<u>547,743</u>	<u>830,975</u>	<u>1,711,209</u>	<u>373,295</u>
11,349	(7,988)	43,338	(66,323)	207,160	(56,239)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	<u>(41,006)</u>	-
-	-	-	-	<u>(41,006)</u>	-
11,349	(7,988)	43,338	(66,323)	166,154	(56,239)
<u>17,302</u>	<u>75,189</u>	<u>121,806</u>	<u>1,425,734</u>	<u>602,341</u>	<u>497,138</u>
<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>

(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	-	800,856	1,726,900	475,579
Investment income	19	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>19</u>	<u>800,856</u>	<u>1,726,900</u>	<u>475,579</u>
Expenditures:				
Current:				
General government	-	-	262,177	-
Public safety	-	-	80,795	-
Education	-	697,607	735,545	-
Public works	-	100,336	205,503	475,579
Health and human services	-	-	39,399	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures	<u>-</u>	<u>797,943</u>	<u>1,323,419</u>	<u>475,579</u>
Excess (deficiency) of revenues over (under) expenditures	19	2,913	403,481	-
Other Financing Sources (Uses):				
Proceeds of bonds	-	-	-	-
Transfers in	15,000	-	-	-
Transfers out	-	-	(15,000)	-
Total Other Financing Sources (Uses)	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Changes in fund balances	15,019	2,913	388,481	-
Fund balances, at Beginning of Year, as reclassified	<u>2</u>	<u>30,482</u>	<u>84,590</u>	<u>-</u>
Fund balances, at End of Year	<u>\$ 15,021</u>	<u>\$ 33,395</u>	<u>\$ 473,071</u>	<u>\$ -</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>Solid Waste</u>	<u>Sawyer Gift Fund</u>	<u>Subtotals</u>
\$ -	\$ -	\$ 1,028,021
1,243,043	-	4,950,365
-	-	3,413,237
-	411	3,944
-	9,134	433,446
-	-	421,558
<u>1,243,043</u>	<u>9,545</u>	<u>10,250,571</u>
-	12,998	1,695,967
-	-	375,094
-	-	2,126,803
1,065,627	-	2,102,654
-	-	135,869
-	-	1,873,445
-	-	143,145
<u>1,065,627</u>	<u>12,998</u>	<u>8,452,977</u>
177,416	(3,453)	1,797,594
-	-	197,457
-	-	15,180
<u>(131,732)</u>	<u>-</u>	<u>(386,990)</u>
<u>(131,732)</u>	<u>-</u>	<u>(174,353)</u>
45,684	(3,453)	1,623,241
<u>184,189</u>	<u>214,874</u>	<u>5,627,433</u>
<u>\$ 229,873</u>	<u>\$ 211,421</u>	<u>\$ 7,250,674</u>

(continued)

(continued)

	Capital Project Funds	Permanent Funds			Total Nonmajor Governmental Funds
		Nonexpendable Trust Funds	Expendable Trust Funds	Subtotal	
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,028,021
Departmental	-	-	-	-	4,950,365
Intergovernmental	-	-	-	-	3,413,237
Investment income	-	88,120	4,775	92,895	96,839
Contributions	-	-	-	-	433,446
Other	-	78,620	-	78,620	500,178
	<u>-</u>	<u>166,740</u>	<u>4,775</u>	<u>171,515</u>	<u>10,422,086</u>
Total Revenues	-	166,740	4,775	171,515	10,422,086
Expenditures:					
Current:					
General government	691,374	-	-	-	2,387,341
Public safety	484,049	-	5,722	5,722	864,865
Education	621,788	-	-	-	2,748,591
Public works	1,283,534	112,337	-	112,337	3,498,525
Health and human services	269,699	-	-	-	405,568
Culture and recreation	17,898	-	-	-	1,891,343
Debt service	-	-	-	-	143,145
	<u>3,368,342</u>	<u>112,337</u>	<u>5,722</u>	<u>118,059</u>	<u>11,939,378</u>
Total Expenditures	3,368,342	112,337	5,722	118,059	11,939,378
Excess (deficiency) of revenues over (under) expenditures	(3,368,342)	54,403	(947)	53,456	(1,517,292)
Other Financing Sources (Uses):					
Proceeds of bonds	2,825,000	-	-	-	3,022,457
Transfers in	-	-	-	-	15,180
Transfers out	-	-	-	-	(386,990)
	<u>2,825,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,650,647</u>
Total Other Financing Sources (Uses)	2,825,000	-	-	-	2,650,647
Changes in fund balances	(543,342)	54,403	(947)	53,456	1,133,355
Fund balances, at Beginning of Year, as reclassified	<u>2,029,726</u>	<u>5,613,555</u>	<u>105,733</u>	<u>5,719,288</u>	<u>13,376,447</u>
Fund balances, at End of Year	\$ <u>1,486,384</u>	\$ <u>5,667,958</u>	\$ <u>104,786</u>	\$ <u>5,772,744</u>	\$ <u>14,509,802</u>

See Independent Auditors' Report.

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 Fund represents monies held in escrow from developer in the Town.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2015

	Balance July 1, <u>2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2015</u>
Assets - cash and short-term investments	\$ 212,952	\$ 7,651,516	\$ (7,647,597)	\$ 216,871
Assets - other assets	<u>93,920</u>	<u>-</u>	<u>(24,375)</u>	<u>69,545</u>
Total Assets	<u>\$ 306,872</u>	<u>\$ 7,651,516</u>	<u>\$ (7,671,972)</u>	<u>\$ 286,416</u>
Liabilities - other liabilities	<u>\$ 306,872</u>	<u>\$ 8,009,650</u>	<u>\$ (8,030,106)</u>	<u>\$ 286,416</u>
Total liabilities	<u>\$ 306,872</u>	<u>\$ 8,009,650</u>	<u>\$ (8,030,106)</u>	<u>\$ 286,416</u>

STATISTICAL SECTION



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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets.....	\$ 77,716,638	\$ 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
Restricted.....	13,317,369	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
Unrestricted.....	8,362,545	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)
Total governmental activities net position.....	\$ <u>99,396,552</u>	\$ <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>
Business-type activities										
Net Investment in Capital Assets.....	\$ 52,169,286	\$ 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
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
Unrestricted.....	13,409,310	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
Total business-type activities net position.....	\$ <u>65,578,596</u>	\$ <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>
Primary Government										
Net Investment in Capital Assets.....	\$ 129,885,924	\$ 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
Restricted.....	13,317,369	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
Unrestricted.....	21,771,855	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
Total primary government net position.....	\$ <u>164,975,148</u>	\$ <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>

Data source: Audited financial statements.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government.....	\$ 5,483,980	\$ 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
Public safety.....	9,063,909	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
Education.....	44,093,138	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
Public works.....	6,460,574	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
Health and human services.....	548,561	750,760	550,162	642,124	678,387	756,580	722,644	742,479	817,470	1,115,805
Culture and recreation.....	4,816,755	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
Interest.....	1,491,310	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
Total governmental activities expenses.....	<u>71,958,227</u>	<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>
Business-type activities:										
Water operations.....	1,967,086	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
Sewer operations.....	1,712,571	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
Electric operations.....	14,856,154	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
Swim 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
Total business-type activities expenses.....	<u>18,535,811</u>	<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>
Total primary government expenses.....	<u>\$ 90,494,038</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 752,951	\$ 350,593	\$ 639,324	\$ 333,550	\$ 384,477	\$ 669,923	\$ 604,839	\$ 610,873	\$ 678,726	\$ 1,121,995
Public safety.....	1,516,923	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
Education.....	395,935	373,132	582,605	590,144	647,755	519,009	562,669	514,649	572,792	722,613
Public works.....	1,565,325	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
Health and human services.....	101,261	105,388	112,074	135,815	137,230	12,714	12,368	15,510	13,113	11,226
Culture and recreation.....	1,608,906	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
Operating grants and contributions.....	8,688,876	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
Capital grants and contributions.....	569,490	628,363	959,194	566,685	920,510	363,852	650,154	159,892	736,587	475,579
Total government activities program revenues.....	<u>15,199,667</u>	<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>
Business-type activities:										
Charges for services:										
Water operations.....	3,335,077	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
Sewer operations.....	2,489,692	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
Electric operations.....	16,298,994	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
Swim 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
Operating grants and contributions.....	321,853	-	-	-	-	-	-	-	-	-
Capital grants and contributions.....	359,164	-	-	-	-	-	-	-	-	-
Total business-type activities revenues.....	<u>22,804,780</u>	<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>
Total primary government revenues.....	<u>\$ 38,004,447</u>	<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>
Net (Expense)/ Revenue										
Governmental activities.....	\$ (56,758,560)	\$ (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)
Business-type activities.....	<u>4,268,969</u>	<u>6,632,038</u>	<u>1,401,963</u>	<u>2,266,795</u>	<u>1,715,143</u>	<u>2,698,280</u>	<u>2,663,025</u>	<u>3,635,931</u>	<u>4,368,001</u>	<u>3,551,458</u>
Total primary government net (expense).....	<u>\$ (52,489,591)</u>	<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>

(continued)

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

(continued)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of refunds payable.....	\$ 53,747,261	\$ 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
Excises.....	2,728,936	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
Penalties, interest and other taxes.....	185,768	351,433	425,601	148,420	227,958	468,357	860,581	275,379	437,946	459,477
Grants and contributions not restricted to specific programs.....	2,489,539	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
Unrestricted investment income.....	2,209,646	3,074,400	596,859	(428,244)	1,937,698	2,147,326	268,967	1,570,680	1,997,613	570,090
Special Item.....	-	-	1,700,000 ¹	-	6,336,666 ²	-	-	-	-	-
Miscellaneous.....	187,730	455,521	4,074,439	801,186	729,417	1,513,996	2,239,448	1,172,130	1,833,517	263,927
Transfers.....	1,156,001	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
Total government activities.....	62,704,881	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
Business-type activities:										
Unrestricted investment income.....	578,648	831,752	1,130,275	790,018	316,470	124,910	95,715	74,042	64,637	63,340
Miscellaneous.....	-	722,057	570,949	(428,890)	(428,483)	(181,840)	11,980	854,983	2,100,013	265,664
Special Item.....	-	9,135,000 ³	-	-	-	-	-	-	-	-
Transfers.....	(932,427)	(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)
Total business-type activities.....	(353,779)	9,860,351	761,960	(671,047)	(1,122,701)	(1,185,731)	(1,055,906)	(301,950)	799,731	(1,073,737)
Total primary government.....	\$ 62,351,102	\$ 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
Net Position - Beginning of Year										
Governmental activities.....	\$ 93,450,231	\$ 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
Business-type activities.....	61,663,406	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
Total primary government.....	\$ 155,113,637	\$ 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
Net Position - End of Year										
Governmental activities.....	\$ 99,396,552	\$ 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
Business-type activities.....	65,578,596	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
Total primary government changes in net position	\$ 164,975,148	\$ 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

Data source: Audited financial statements

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>2006</u>	<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>
General Fund										
Reserved	\$ 3,407,678	\$ 3,401,308	\$ 6,859,633	\$ 5,338,170	\$ 11,505,318	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,377,745	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
Committed	-	-	-	-	-	4,178,960	6,757,543	7,090,078	6,987,412	7,582,438
Assigned	-	-	-	-	-	4,049,542	4,488,246	4,627,414	4,408,403	5,167,430
Unassigned	-	-	-	-	-	10,199,984	10,283,974	10,720,042	12,314,090	12,366,243
Total general fund	\$ <u>10,785,423</u>	\$ <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>
All Other Governmental Funds										
Reserved	\$ 3,982,032	\$ 4,420,310	\$ 4,519,027	\$ 3,728,276	\$ 4,135,403	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	9,368,905	12,187,158	15,895,713	15,286,237	16,415,813	-	-	-	-	-
Capital projects funds	(23,041,833)	(8,321,634)	(3,131,710)	(6,443,639)	1,208,173	-	-	-	-	-
Permanent funds	78,269	88,738	98,004	87,163	90,658	-	-	-	-	-
Nonspendable	-	-	-	-	-	4,852,375	4,660,337	5,032,235	5,613,555	4,929,898
Restricted	-	-	-	-	-	13,067,152	13,771,777	14,082,838	16,677,943	9,679,731
Unassigned	-	-	-	-	-	-	(103,910)	(40,263)	-	(99,827)
Total all other governmental funds	\$ <u>(9,612,627)</u>	\$ <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>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 53,653,583	\$ 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
Motor vehicle and other excise taxes.....	2,710,954	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
Penalties, interest and other taxes.....	185,769	351,433	425,601	148,420	227,958	418,759	535,777	275,379	437,946	459,477
Charges for services.....	4,601,052	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
Licenses and permits.....	924,552	997,894	886,306	707,516	672,011	909,565	1,213,310	886,261	1,260,434	1,034,287
Fines & Forfeitures.....	118,319	125,070	196,555	117,577	111,404	141,189	159,622	141,096	148,074	128,779
Intergovernmental.....	10,972,870	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
Investment income.....	2,341,076	3,074,400	596,859	(582,554)	1,765,473	2,147,324	268,966	1,570,731	1,997,613	570,090
Miscellaneous.....	1,128,711	1,769,056	5,654,519	855,342	806,786	1,513,996	2,239,438	1,172,126	1,517,910	1,049,153
Total Revenue	76,636,886	87,874,111	87,479,820	83,614,976	94,782,448	91,165,048	93,300,043	95,636,609	101,949,016	99,588,054
Expenditures:										
General Government.....	3,665,492	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
Public Safety.....	6,789,301	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
Education.....	41,772,562	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
Public Works.....	5,434,967	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
Health and Human Services.....	400,033	592,984	414,046	424,809	386,492	452,540	434,278	478,458	525,216	887,361
Culture and Recreation.....	4,037,424	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
Employee Benefits.....	6,101,056	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
Intergovernmental.....	367,733	356,345	365,050	353,725	377,395	423,065	427,926	441,326	432,414	476,551
⁽¹⁾ Capital outlay.....	14,330,178	6,856,439	7,161,076	20,376,929	7,548,188	3,852,245	-	-	-	-
Debt service:										
Principal.....	3,693,478	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
Interest.....	1,491,310	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
Total Expenditures	88,083,534	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
Excess of revenues over/(under) expenditures	(11,446,648)	4,293,231	(2,306,456)	(21,902,863)	(624,840)	(5,388,872)	(1,806,268)	(3,936,075)	(2,355,107)	(5,983,070)
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	2,300,000	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
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	4,560,000
Premiums on bonds.....	-	-	-	-	-	-	-	-	339,823	302,289
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	-	-	-	(4,810,754)
Transfers in.....	1,493,003	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
Transfers out.....	(337,002)	(1,032,420)	(1,315,861)	(6,029,561)	(1,109,239)	(505,873)	(519,871)	(549,917)	(571,996)	(481,462)
Total other financing sources (uses)	3,456,001	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
Net change in fund balance	\$ (7,990,647)	\$ 19,612,339	\$ 11,249,880	\$ (5,459,801)	\$ 15,792,436	\$ (438,215)	\$ 3,082,541	\$ 1,244,499	\$ 4,079,182	\$ (741,520)
⁽²⁾ Debt service as a percentage of noncapital expenditures	7.03%	6.64%	6.15%	6.97%	7.71%	8.47%	8.36%	7.95%	7.68%	10.89%

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	
2006	\$ 4,736,977,577	\$ 10.23	\$ 390,964,250	\$ 34,715,100	\$ 44,878,444	\$ 470,557,794	\$ 10.23	\$ 5,207,535,371	
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	

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 Nine Years Ago**

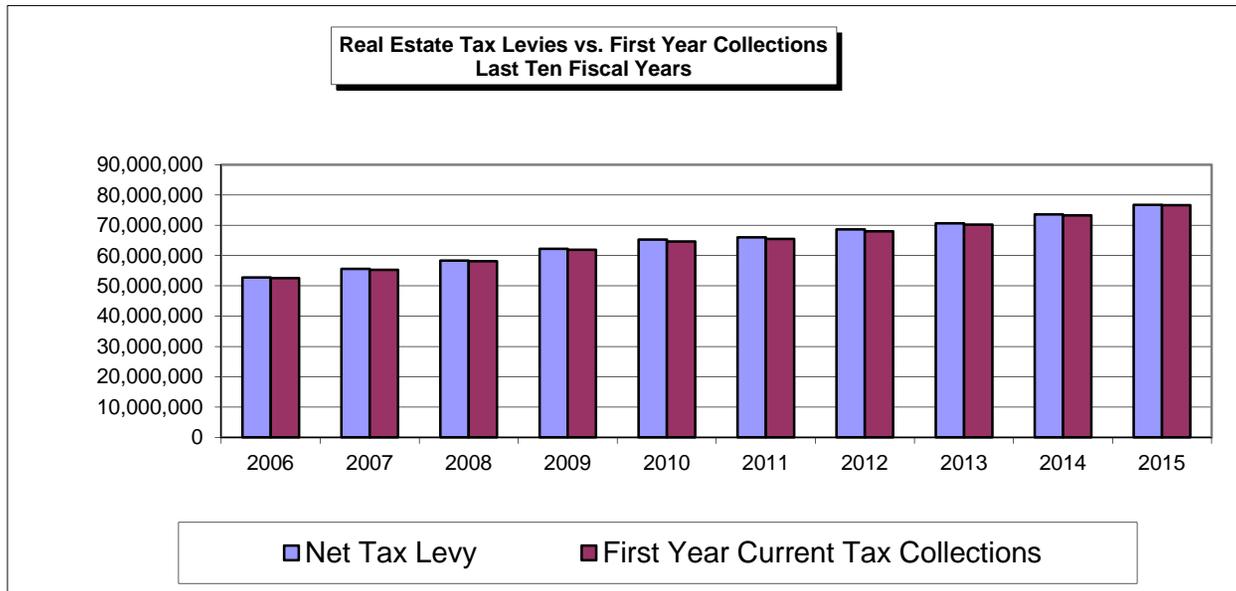
Name	Nature of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CIP/MCRT Longview	Apartments	\$ 69,063,100	1	1.28%	\$		
New England Deaconess Association	Apartments/Continuing Care	\$ 55,807,200	2	1.03%	\$ 25,834,400	3	0.50%
Normandy Concord Acquisition LLC	R&D/Office	\$ 49,449,200	3	0.91%	\$		
US Bank National Association Tr.	Office	\$ 36,229,600	4	0.67%	\$		
Charlene B. Engelhard	Residential/Agriculture	\$ 21,107,000	5	0.39%	\$		
H. Larue Renfroe Tr.	Office/Residential/Agriculture	\$ 20,217,740	6	0.37%	\$ 22,008,040	4	0.42%
Period Realty Trust	Apartments/Retail/Office	\$ 15,339,600	7	0.28%	\$ 47,147,900	1	0.91%
Warner Woods LLC	Apartments	\$ 14,855,700	8	0.27%	\$		
Cole of Concord MA LLC	Office	\$ 13,078,700	9	0.24%	\$		
696 Virginia Road LLC	R&D/Office	\$ 12,339,000	10	0.23%	\$		
		\$ 307,486,840		5.67%	\$ 94,990,340		1.83%

* 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 6/30/15
2006	\$ 53,247,066	\$ 481,979	\$ 52,792,087	\$ 52,580,919	99.6%	100.7%
2007	\$ 56,066,519	\$ 453,991	\$ 55,612,528	\$ 55,278,853	99.4%	100.0%
2008	\$ 58,946,964	\$ 588,461	\$ 58,358,503	\$ 58,125,069	99.6%	100.0%
2009	\$ 62,767,932	\$ 523,555	\$ 62,244,377	\$ 61,933,155	99.5%	99.9%
2010	\$ 65,797,569	\$ 506,857	\$ 65,290,712	\$ 64,703,096	99.1%	99.1%
2011	\$ 66,545,397	\$ 545,082	\$ 66,000,315	\$ 65,472,312	99.2%	100.0%
2012	\$ 69,127,431	\$ 500,183	\$ 68,627,248	\$ 68,009,603	99.1%	100.0%
2013	\$ 71,135,129	\$ 538,810	\$ 70,596,319	\$ 70,243,337	99.5%	100.0%
2014	\$ 74,138,177	\$ 539,880	\$ 73,598,297	\$ 73,303,904	99.6%	100.0%
2015	\$ 77,341,746	\$ 555,513	\$ 76,786,233	\$ 76,632,661	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
2006	16,993	\$ 51,477	\$ 5,207,535,371	\$ 19,758,290	\$ 1,163	2.26%	0.38%
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	\$ 51,477	\$ 5,045,140,030	\$ 57,138,277	\$ 3,253	6.32%	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	\$ 41,786,510	\$ 2,379	3.53%	0.77%

Fiscal Year	Business - Type Activities Debt				Total Primary Government			
	Water Fund	Sewer Fund	Electric Fund	Swim Fund	Total Debt Outstanding	Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
2006	\$ 2,605,000	\$ 5,190,000	\$ 3,140,000	\$ -	\$ 30,693,290	\$ 1,806	3.51%	0.59%
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	8.56%	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	\$ -	\$ 62,596,728	\$ 3,563	5.29%	1.16%

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, 2015**

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes Concord Carlisle Regional High School	\$ 60,780,000	73.10%	\$ <u>44,430,180</u>
Subtotal, overlapping debt			44,430,180
Town direct debt			<u>62,596,727</u>
Total direct and overlapping debt			<u><u>\$ 107,026,907</u></u>

Data source: Multiple entities including Town Treasurer

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

(Amounts in thousands)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Valuation (1)	\$ 5,385,832	\$ 5,385,832	\$ 5,385,832	\$ 5,775,461	\$ 5,775,461	\$ 5,562,519	\$ 5,562,519	\$ 5,374,771	\$ 5,374,771	\$ 5,540,602
Debt Limit - 5% of Equalized Valuation	269,292	269,292	269,292	288,773	288,773	278,126	278,126	268,739	268,739	277,030
Less:										
Total debt applicable to limitation (2)	(19,758)	(31,052)	(39,740)	(49,853)	(59,813)	(57,138)	(53,894)	(50,782)	(48,545)	(41,730)
Legal debt margin	\$ 249,533	\$ 238,239	\$ 229,552	\$ 238,920	\$ 228,960	\$ 220,988	\$ 224,232	\$ 217,956	\$ 220,194	\$ 235,300
Total debt applicable to the limit as a percentage of debt limit	7%	12%	15%	17%	21%	21%	19%	19%	18%	15%

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
2006	15,207	\$ 51,477	2,862	3.1%
2007	15,152	\$ 51,477	2,836	3.0%
2008	15,300	\$ 51,477	2,855	4.3%
2009	15,397	\$ 51,477	2,830	5.7%
2010	15,538	\$ 51,477	2,881	5.7%
2011	15,627	\$ 51,477	2,920	5.5%
2012	15,638	\$ 67,374	3,081	4.7%
2013	15,954	\$ 67,374	3,148	4.4%
2014	15,830	\$ 67,374	3,112	3.8%
2015	15,798	\$ 67,374	3,112	3.5%

* Source: Town of Concord Annual Census (not inclusive of MCI population)

** 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 Census Data

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

<u>Employer</u>	<u>Type of Business</u>	<u>2015</u>			<u>2006</u>		
		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Emerson Hospital	Health Care	1,650	1	19.26 %	1,389	1	18.86 %
300-310 Baker Avenue	Technology	1,050	2	12.25 %	-		-
Newbury Court	Health Care	265	3	3.09 %	-		-
Concord Health Care	Health Care	197	4	2.30 %	160	7	2.17 %
Middlesex School	Education	190	5	2.22 %	160	8	2.17 %
Harvard Vanguard Medical	Health Care	175	6	2.22 %	-		-
Concord Academy	Education	150	7	2.04 %	-		-
Hamilton, Brook, Smith, & Reynolds	Professional Services	79	8	1.75 %	145	9	1.97 %
Total Principal Employers		3,756		45.13 %	1,854		25.17 %
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									
	2006	2007	2008	* 2009	2010	2011	2012	2013	2014	2015
General Government	50	53	52	36	36	36	37	37	38	41
Public Safety										
Police	-	-	-	45	45	44	45	45	45	46
Fire	-	-	-	40	39	39	39	39	40	44
Total	<u>79</u>	<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>
Education	455	451	508	511	508	510	515	516	513	515
Public Works										
Tax Supported	38	38	38	37	37	37	37	26	37	37
Water/Sewer Division	18	18	16	18	18	19	19	19	18	16
Electric/Business Division	36	36	33	32	32	32	34	34	35	35
Total	<u>92</u>	<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>
Planning and Human Services										
Planning & Natural Resources**	-	-	-	9	9	8	9	9	9	9
Inspections	-	-	-	5	5	5	5	5	5	5
Health	-	-	-	4	4	4	4	4	4	4
Beede Center	-	-	-	24	24	18	25	25	26	25
Recreation	-	-	-	26	26	26	27	27	27	26
Senior & Social Services	-	-	-	7	7	7	9	8	9	10
Total	<u>44</u>	<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>
Library***	-	-	-	26	26	25	25	26	26	27
Total	<u><u>719</u></u>	<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>

* From FY06 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 FY06 - FY08
Source: Town of Concord Budget Manuals

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

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Finance										
Registered voters	11,572	11,580	11,982	12,023	12,097	12,069	12,300	12,716	12,674	12,466
Taxable property parcels assessed	6,480	6,500	6,483	6,567	6,580	6,588	6,571	6,590	6,591	6,376
Motor vehicles registered	14,929	14,728	14,753	14,678	14,958	14,521	14,131	15,197	17,001	17,122
Police (CY)										
Physical arrests	221	220	175	156	126	172	140	131	132	*
Traffic violations	3,474	3,401	3,376	2,630	2,261	3,358	2,988	2,476	3,492	*
Fire and Rescue (CY)										
Total Emergency Responses	3,034	3,012	3,082	2,926	3,254	3,054	2,932	3,067	3,131	*
Emergency Responses excluding EMS	1,544	1,494	1,510	1,367	1,703	1,459	1,172	1,338	1,363	*
Fires extinguished	67	49	57	53	56	47	43	45	48	*
Emergency medical responses (EMS)	1,490	1,518	1,572	1,559	1,551	1,595	1,760	1,729	1,768	*
Code Administration										
Building permits	805	739	711	666	796	806	733	925	873	916
Estimated construction value in millions (\$)	95	67	64	41	90	44	69	143	80	54
Public Works										
Refuse collected (tons)	2,551	2,559	2,467	2,387	2,426	2,483	2,484	2,513	2,544	2,574
Recycling (tons)	1,981	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	257,653	266,713	273,078	279,178	278,492	284,012	297,892	598,996	302,917	312,701
Fowler	40,566	40,213	41,971	43,059	40,411	42,377	44,288	44,688	42,351	38,805
Total volumes borrowed	340,671	347,276	373,916	417,459	445,904	419,203	435,566	425,197	409,667	414,084
Water system: (CY)										
Water main breaks	-	-	-	-	2	1	-	1	1	*
Daily average consumption (millions of gallons)	1.95	2.06	1.93	1.85	2.12	1.98	2.04	2.05	1.98	*
Peak daily consumption (millions of gallons)	3.32	3.81	3.47	3.00	4.63	4.11	3.91	3.91	3.82	*
Sewage System: (CY)										
Miles of sewer	33.40	33.36	33.36	33.36	33.36	33.74	33.80	34.00	34.03	*
Number of house connections	1,731	1,772	1,780	1,804	1,811	1,823	1,837	1,832	1,834	*
Electric System (CY)										
Annual energy sales (MWHR)	179,474	177,704	181,690	179,579	182,592	178,430	171,079	164,924	165,376	*
Number of meters	7,627	7,661	7,697	7,755	7,772	8,010	8,263	8,403	8,476	*
Overhead lines (miles)	114.70	114.70	109.10	108.34	108.09	108.09	107.71	107.71	107.95	*
Underground lines (miles)	159.40	159.40	160.76	162.56	163.02	163.02	164.15	164.15	164.15	*

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									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	1	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	50	58	58	60	60
Number of street lights	1,400	1,390	1,382	1,353	867	1,393	1,402	1,402	1,402	1,402
Recreation:										
Athletic field acreage	39	39	46	46	46	46	46	46	46	46
Number of parks	3	3	3	3	3	4	4	4	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	122.80	129.55	129.75	130.00	130.00	130.90	130.90	131.60	132.50	132.50
Number of service connections	5,430	5,436	5,436	5,437	5,448	5,491	5,537	5,497	5,518	5,518
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	1,227	1,248	1,250	1,262	1,263	1,270	1,281	1,306	1,318	1,318
Sewage System:										
Miles of sanitary sewers	33.40	33.36	33.36	33.36	33.36	33.74	33.80	34.00	34.03	34.03
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	1,731	1,772	1,780	1,804	1,811	1,823	1,837	1,832	1,834	1,834

Data Source:
Various city departments