

TOWN OF DEDHAM

MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



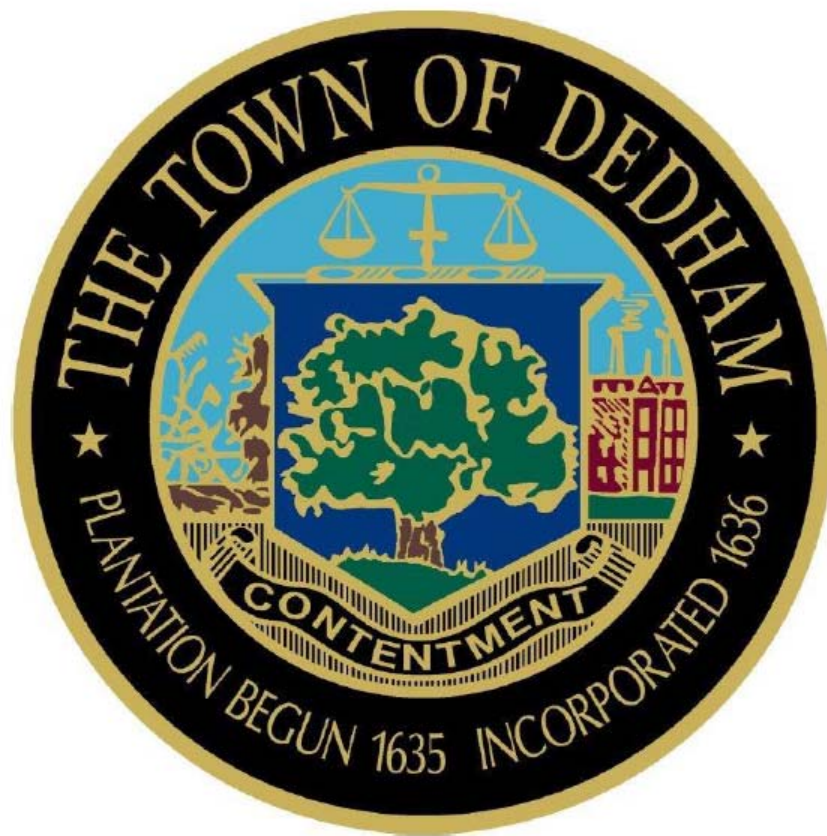
For the Year Ended June 30, 2018

On the Cover: Newly Renovated Dedham Town Hall (Historic Ames School House built in 1897)

TOWN OF DEDHAM, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018



Prepared by:

The Finance Department of the Town of Dedham, Massachusetts

TOWN OF DEDHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2018

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Introductory Section



Fish Sculpture at Mill Pond Park

Introductory Section

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James A. Kern
Town Manager



TOWN OF DEDHAM
Board of Selectmen

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Assistant Town Manager

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Letter of Transmittal

January 28, 2019

To the Honorable Board of Selectman and Citizens of the Town of Dedham, Massachusetts:

I am pleased to acknowledge that the Town of Dedham has completed its seventh annual *Comprehensive Annual Financial Report* (CAFR). The report is for the fiscal year ended June 30, 2018, and it has been prepared by the Town's Finance Department.

The Town is responsible for the accuracy, completeness and fairness of the data presented in the CAFR. This letter of transmittal and the management's discussion and analysis, located in the financial section of the CAFR, provide a comprehensive financial overview of the Town and ensure that the financial and general operations of Town government remain transparent, and therefore open for easy viewing.

The CAFR represents a complete set of financial statements in conformity with generally accepted accounting principles in the United States of American (GAAP), that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. This CAFR meets and exceeds those requirements and presents itself as an informative resource for all those interested in the financial activities of the Town.

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

Since the report consists of management's representations concerning the finances of the Town, management assumes full responsibility for the completeness and reliability of all the information presented. In addition, management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Town of Dedham's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit is, to on an annual basis, provide reasonable assurance that the financial statements of the Town are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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 that analysis and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town is located in Norfolk County, Massachusetts on a total area of 10.6 square miles of which 10.4 square miles is land and 0.2 square miles is water. It borders Boston on the northeast, Needham on the northwest, Westwood on the southwest and Canton on the southeast. It is within close proximity to Routes 128, 1, 109 and interstates 93 and 95. The population at the 2010 census was 24,729. Dedham's close proximity to Boston also places it within a reasonable distance from Logan International Airport, the largest transportation center in New England.

Commuter rail service is available to Boston's South Station via two stops on the Franklin Line (Endicott, Dedham Corporate Center) and one on the Providence Line (Route 128 Station). This service is provided by the Massachusetts Bay Transportation Authority (MBTA).

Dedham was first settled in 1635 by inhabitants of Roxbury and Watertown. It was incorporated in 1636 and named after a village in northern Essex, England named Dedham, the birthplace of some of the founding fathers. The first public meeting was held August 15, 1636 and was attended by 18 men who signed the Town covenant. The covenant stipulated that if differences were to arise between townsmen, they would seek arbitration for resolution and each would pay his fair share for the common good.

The Town offers a full range of traditional municipal services including police and fire protection, education, maintenance of streets, solid waste collection, health and human services, cultural and recreational services, and sewer services in conjunction with the Massachusetts Water Resources Authority (MWRA). Water is from ground sources. Wells are owned by the Dedham – Westwood Water District which distributes water to both Towns and bills and collects user charges independent of the Town.

Dedham prides itself on the quality of its school system. On January 1, 1643, the Town authorized the first taxpayer funded school in America. This was considered "the seed of American education" and is now the national standard. There are seven Town administered schools in Dedham. The Town is currently working with the

Massachusetts School Building Authority (MSBA) to build a new Early Childhood Education Center scheduled to open in February 2019. Current school enrollment across the District is approximately 2,700 and funding for schools is received via taxation and from governmental revenues based on a minimum net school spending formula. The mission of the Dedham Public Schools, in partnership with the community, is “to promote excellence in learning, self-discipline, and motivation.” In 2017, the Dedham High School earned a **silver medal** from the US News and World Report, one of only 53 schools in Massachusetts to earn this distinction.

The Town operates under the Selectmen, Town Manager and Representative Town Meeting form of government. The five elected Selectmen make policy decisions and the Town Manager is responsible for carrying out the policies of the Selectmen and for managing the day to day operations of the Town. An elected, seven-member School Committee appoints a School Superintendent who administers the public school system of the Town. Selectmen and School Committee members are elected to three-year terms.

An annual operating budget is approved by the Town Meeting in May. This annual budget serves as the foundation for the Town’s financial planning and control. The budget is prepared by fund, function (e.g. general government), department (e.g. finance) and category (e.g. personnel services, purchase of services, supplies, other charges & expenses) allowing the department heads to allocate resources within the department. Transfers between categories need approval from Town Meeting unless specifically exempted by the state statute.

Information Useful in Assessing the Town’s Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town operates.

The Town is a residential community with significant commercial development, primarily along Providence Highway and State Route 1A. Dedham's economy is very strong. Overall, the Town's market value grew by 5.2% in 2017 to \$4.8 billion in 2018. There are currently 1,069 businesses operating in the Town with a total workforce of 17,359. The past decade has been one of aggressive economic development growth in Town. The table below shows how the local economy has changed over the last decade.

Industry Segment, Top 5%	2018		2008	
	No. of Est.	% to total	No. of Est.	% to total
62 - Health Care and Social Assistance	173	16%	66	8%
44-45 - Retail Trade	156	15%	109	13%
54 - Professional and Technical Services	130	12%	108	13%
81 - Other Services, Except Public Administration	109	10%	118	14%
23 - Construction	99	9%	115	13%
72 - Accommodation and Food Services	76	7%	58	7%
56 - Administrative and Waste Services	62	6%	54	6%
52 - Finance and Insurance	56	5%	53	6%
42 - Wholesale Trade	36	3%	43	5%

Dedham Square remains a vibrant hub for small businesses while elsewhere the town has become a regional retail destination with development ranging from big box retail, traditional malls to the latest iteration in retail development, the “lifestyle” center. Commercial activity remains diversified with Dedham’s 100 employers spread across 16 different industry segments.

The Town’s proximity to Boston’s business districts and the presence of MBTA commuter rail and bus service make Dedham a popular suburb for professionals commuting to the city and contributes to average property values and income levels. Dedham’s income and equalized property value per capita continue to increase and

remain well above the state average at \$50,584 and \$185,092, respectively. Other relevant socioeconomic data is located in the statistical section of this report.

Over 1,000 businesses are located in the Town. The business base is quite diverse and spread over 9 major industry types. Dedham has also become a regional retail destination with development ranging from big box retail, traditional malls to the latest iteration in retail development, the lifestyle center. The past decade has been one of aggressive economic growth in Town. During this period, the Town has issued over 11,000 building permits that have generated over \$1 billion in assessed tax valuation. The Town also adopted the local meals excise option in fiscal year 2010 and increased the hotel/motel excise by two percent with these revenues dedicated to the stabilization fund for major capital facilities. Since adoption the hotel/motel and meals excise have generated \$16.7 million.

Town leaders recognize the importance of maintaining a stable tax situation for its residents. Development on the commercial side helps accomplish this goal and the Town continues to seek out the means to maintain vigilance in this area. This has most recently prompted Dedham to enter into a 15 year Tax Increment Financing Exemption (TIF) agreement with M.S Walker, Inc., a Massachusetts based manufacturer and distributor of spirits and wines. This new 150,000 square foot state-of-the-art manufacturing and research development facility opened in fiscal year 2017. The company's estimated investment of \$50 million is expected to generate more than \$6 million annually in property taxes by the end of the TIF agreement. The facility employs approximately 75 people full-time.

Financial Condition

The Town's main source of revenues, property taxes, continues to increase above the State average related to new growth at 3.9% of the total levy limit. Nonetheless, through careful management since fiscal year 2014 the Town has not needed to tax to its maximum tax levy permitted by state law. The Town's municipal revenue growth factor (MRGF), which represents the combined percentage increase in key revenue components, also remains steady at 3.4%. Conservative spending, new and increasing local receipts and, improving property tax collections during the last several accounting cycles, has contributed to the growth in the Town's undesignated reserves (Free Cash). Over the last decade, Dedham has been able to appropriate over \$35 million in Free Cash for capital and other onetime or short-lived uses, most notably to substantially reduce its unfunded pension liability.

Once again in March 2018, S&P Global Ratings assigned its highest 'AAA' credit rating to the Town's latest general obligation bonds and affirmed the same on all of the Town's existing debt. Their rating reflects several highly desirable factors including: strong financial policies and budgetary performance, very strong financial flexibility and, favorable contingent liability position.

Long-term Financial Planning

Beginning in 2009, the Town implemented a policy of preparing rolling five-year projections. The Town believes this will provide better insight when preparing annual budgets and will also alert the Town to any potential budgeting issues far ahead of when these situations become real issues. The Town is actively working to adjust its local receipts forecast to better reflect current economic trends and special legislation efforts currently underway. The Town expects resources as forecasted will be sufficient to fund annual appropriations over the next three to five years provided we can contain costs in our largest cost category, wages and employee benefits.

Capital Improvements

The Town currently maintains two special purpose stabilization funds for capital. The Mitigation Stabilization fund was created by Town Meeting to set aside mitigation payments for later use for certain small to mid-sized projects. The Robin Reyes Major Capital Facilities Stabilization fund was created by Town Meeting to set aside local option meals and rooms excise tax for later use to pay the annual debt service for large building projects. In August 2017 the State legislature and Governor approved a special act that allows Dedham to post its local option tax receipts directly into the stabilization fund. Appropriations from the special fund for debt service payments will still require a 2/3rds vote at Town Meeting.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the Town of Dedham for its comprehensive annual financial report for the year ended June 30, 2017. This was the fifth year the Town had applied to receive this award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for this certificate.

The publication of this CAFR represents an important achievement in the ability of the Town of Dedham to provide enhanced financial information and accountability to its citizens, elected and appointed officials, and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Office. Special thanks also go to the certified public accounting firm of Powers & Sullivan, LLC for their advice and assistance in the preparation of this report.

Respectfully submitted,

James A. Kern

James A. Kern
Town Manager

Andrea L. Terkelsen

Andrea L. Terkelsen
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Dedham
Massachusetts**

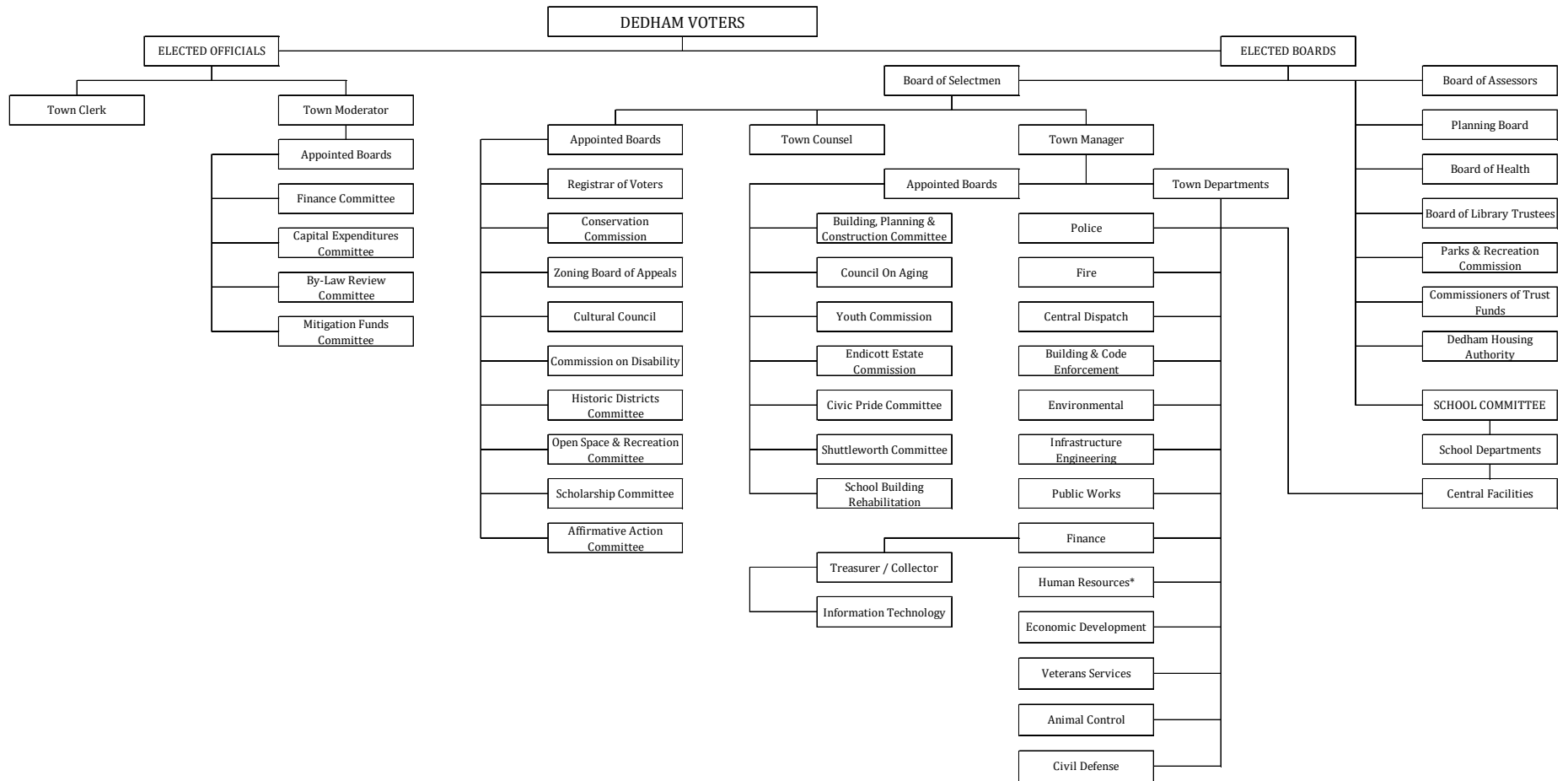
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

TOWN ORGANIZATIONAL CHART



Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	James A. MacDonald, Chairman	2021
	Brendan Keogh, Vice Chairman	2019
	Michael L. Butler	2019
	Dennis J. Guifoyle	2020
	Dennis J. Teehan, Jr.	2020
Moderator	Daniel Driscoll	2020
Town Clerk	Paul M. Munchbach	2021
School Committee	Stephen M. Bilafer, Chair	2021
	Kevin R. Coughlin, Vice Chair	2021
	Mayanne Macdonald Briggs	2019
	Joshua Donati	2020
	Lisa Laprade	2021
	Melissa Pearrow	2020
	Tracey White	2019
 <u>Appointed Officials</u>		
Finance & Warrant Committee	Kevin Preston, Chair	2019
	John Heffernan, Vice Chair	2020
	Cecilia Butler	2019
	Susan Fay	2019
	Kevin Hughes	2021
	Marty Lindeman	2021
	Michelle Persson Reilly	2021
	Beth Pierce	2020
	Dave Roberts	2020
 <u>Other Officials</u>		
Town Manager	James A. Kern	
Director of Finance	Andrea L. Terkelsen	
Superintendent of Schools	Michael Welch	

Financial Section



Downtown Dedham

Financial Section

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Independent Auditor's Report

To the Honorable Board of Selectmen
and the Audit Committee
Town of Dedham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dedham, Massachusetts, as of and for the year ended June 30, 2018 (except for the Dedham Contributory Retirement System which is as of and for the year ended December 31, 2017), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Dedham, Massachusetts, as of June 30, 2018 (except for the Dedham Contributory Retirement System which is as of December 31, 2017), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2019, on our consideration of the Town of Dedham, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Dedham's internal control over financial reporting and compliance.

Powers & Sullivan LLC

January 28, 2019

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Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Dedham, Massachusetts (the Town), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Dedham for the year ended June 30, 2018.

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

Overview of the Financial Statements

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

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town 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 statements focus on near-term inflows and outflows of expendable

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

The Town maintains one major governmental fund that is presented separately in the governmental fund financial statements. The remaining nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

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

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

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

The fiduciary fund financial statements provide combined information for the pension and OPEB trust funds of the Town. The pension and other employee benefits trust is used to account for assets accumulated to provide funding for future pension and net other postemployment benefits (OPEB) liabilities. The private purpose trust fund is used to account for resources held in trust which principal and investment income exclusively benefit individuals, private organizations, or other governments. The agency fund reports resources held by the Town in a custodial capacity.

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.

Financial Overview

- The government-wide assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the recent year by \$71.1 million and \$28.9 million (net position) for governmental activities and business-type activities, respectively.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$30.5 million, a decrease of \$4.6 million over the prior year. Total fund balance represents 20.7% of total general fund expenditures, which management considers adequate. Approximately \$25 million of this total amount is unassigned and available for appropriation at the Town's discretion.

- The Town's total governmental debt increased by \$18.4 million during the current year resulting from \$7.2 million of principal payments and new borrowings of \$25.6 million. Current year debt issuances include various capital improvements and infrastructure projects.

Government-wide Financial Analysis

Government-wide net position of \$106.5 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net position, \$4.5 million (4.5%), represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position has a year-end deficit of \$10.9 million. The primary reason for this deficit balance is the recognition of the net other postemployment benefits liability totaling \$65.1 million, in accordance with the recent requirements of the Governmental Auditing Standards Board (GASB).

Details related to the Town's governmental and business-type activities follow.

Governmental Activities. The governmental activities net position increased by \$6.5 million during the current year as compared to an increase in net position of \$12.7 million during the prior year. The Town was able to achieve this through prudent management of expenditures.

	2018	2017 (As revised)
Assets:		
Current assets.....	\$ 75,639,050	\$ 75,266,334
Capital assets, non depreciable.....	58,913,342	36,196,132
Capital assets, net of accumulated depreciation.....	104,548,225	107,034,931
Total assets.....	239,100,617	218,497,397
Deferred outflow of resources.....	16,942,783	18,205,010
Liabilities:		
Current liabilities (excluding debt).....	9,059,804	8,088,066
Noncurrent liabilities (excluding debt).....	67,583,847	78,997,644
Current debt.....	8,112,394	10,543,098
Noncurrent debt.....	92,240,522	71,941,726
Total liabilities.....	176,996,567	169,570,534
Deferred inflow of resources.....	7,935,061	2,502,233
Net position:		
Net investment in capital assets.....	86,724,148	80,672,671
Restricted.....	4,477,121	4,930,693
Unrestricted.....	(20,089,497)	(20,973,724)
Total net position.....	\$ 71,111,772	\$ 64,629,640

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #75. The implementation of this standard required the OPEB liability to be revised due to the use of different methods and assumptions as previously required by GASB Statement #45. Accordingly, previously reported net position of \$116 million has been revised and totals \$64.6 million (see Note 17 for details).

Total revenues had an increase when compared to prior year, mainly related to real estate and personal property taxes. The increase in operating grants is related to the Massachusetts Teachers Retirement System's (MTRS) due to GASB Statements #68 and #71 which increased the on-behalf revenue and corresponding education expense by \$680,000. The increase in capital grants is mainly due to an increase in reimbursements from the Massachusetts School Building Authority (MSBA) for the Early Childhood Education Center construction project.

Overall, governmental activities expenses increased \$11.1 million from the prior year. This is the net result of budgetary increases and a decrease in the net pension liability. The Town contributed an additional \$2 million towards its unfunded pension liability in fiscal year 2018.

	2018	2017 (As revised)
Program Revenues:		
Charges for services.....	\$ 5,963,379	\$ 5,867,401
Operating grants and contributions.....	16,496,065	15,982,107
Capital grants and contributions.....	4,115,030	2,574,075
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	83,914,028	81,582,439
Tax and other liens.....	39,292	618,227
Motor vehicle and other excise taxes.....	3,889,293	3,613,389
Hotel/motel tax.....	1,468,170	1,454,061
Meals tax.....	924,153	862,982
Penalties and interest on taxes.....	533,387	485,962
Payments in lieu of taxes.....	30,942	59,366
Grants and contributions not restricted to specific programs.....	3,548,546	3,429,611
Unrestricted investment income.....	430,563	343,702
Miscellaneous.....	59,545	503,462
Total revenues.....	121,412,393	117,376,784
Expenses:		
General government.....	9,477,757	9,056,603
Public safety.....	16,929,199	15,239,193
Education.....	71,559,646	65,847,140
Public works.....	10,377,613	8,761,324
Health and human services.....	1,772,701	1,432,425
Culture and recreation.....	3,512,242	2,948,425
Interest.....	2,846,337	2,039,494
Total expenses.....	116,475,495	105,324,604
Excess (Deficiency) before transfers and special items.....	4,936,898	12,052,180
Transfers.....	824,258	646,696
Special item.....	720,976	-
Change in net position.....	6,482,132	12,698,876
Net position, beginning of year (as revised).....	64,629,640	51,930,764
Net position, end of year.....	\$ 71,111,772	\$ 64,629,640

Other financial notes related to governmental activities:

- Charges for services represented 4.9% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category. These charges increased \$96,000 from prior.
- Operating grants and contributions accounted for 13.6% percent of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement the portion of the general fund operating budget that is dedicated to the education function.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 69.1% of current resources.
- Other taxes and other revenues comprised a total of 12.4% percent of the governmental activities resources. This category primarily includes capital grants, motor vehicle and other excise taxes, hotel/motel taxes, meals taxes, non-restricted grants and contributions, and investment earnings.
- Education is by far the largest governmental activity of the Town. Approximately \$49.6 million in taxes and other revenue (general revenues) were needed to cover its 2018 operating expenses, net of related program revenues. A pension contribution of approximately \$8.9 million was made by the state on-behalf of Dedham teachers. Operating grants and educational expenses are grossed-up by recording this contribution.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$15.6 million and \$9.5 million, respectively, of general revenues were needed to cover their 2018 operating expenses, net of related program revenues.

Business-type activities. Business-type activities net position decreased by \$803,000 compared to an increase of \$1.1 million in the previous year. The sewer fund reported an increase of \$258,000 which included an operating surplus of \$779,000. The sewer fund is used to account for the capital operations of running the Town's sewer facility. The non-capital expenditures in the fund are primarily the Town's assessment to MWRA of \$5.5 million. On June 30, 2018 the Endicott Estate enterprise fund ceased operations as an enterprise fund and became a department of the general fund. The balance in net position of \$721,000 was transferred to governmental activities.

As shown below, the business-type activities assets exceeded liabilities by \$28.9 million at the close of 2018. The net investment in capital assets was \$19.8 million (68.4%) and unrestricted net position was \$9.1 million (31.6%).

	<u>2018</u>	<u>2017</u>
Assets:		
Current assets.....	\$ 9,214,684	\$ 9,718,174
Noncurrent assets (excluding capital).....	14,942	73,077
Capital assets, non depreciable.....	-	116,654
Capital assets, net of accumulated depreciation.....	<u>20,857,078</u>	<u>21,409,054</u>
Total assets.....	<u>30,086,704</u>	<u>31,316,959</u>
Liabilities:		
Current liabilities (excluding debt).....	7,646	3,521
Current debt.....	383,950	431,180
Noncurrent debt.....	<u>766,725</u>	<u>1,150,675</u>
Total liabilities.....	<u>1,158,321</u>	<u>1,585,376</u>
Net position:		
Net investment in capital assets.....	19,779,480	20,074,127
Unrestricted.....	<u>9,148,903</u>	<u>9,657,456</u>
Total net position.....	<u>\$ 28,928,383</u>	<u>\$ 29,731,583</u>

Noncurrent assets (excluding capital) consist of a receivable from the Massachusetts Clean Water Trust for a principal subsidy in the amount of \$15,000. The subsidy is discussed further in Note 7.

	<u>2018</u>	<u>2017</u>
Program Revenues:		
Charges for services.....	\$ 7,457,001	\$ 8,223,785
Operating grants and contributions.....	14,044	24,347
General Revenues:		
Unrestricted investment income.....	<u>29,913</u>	<u>58,869</u>
Total revenues.....	<u>7,500,958</u>	<u>8,307,001</u>
Expenses:		
Sewer.....	6,389,381	6,180,496
Endicott Estate.....	<u>369,543</u>	<u>343,085</u>
Total expenses.....	<u>6,758,924</u>	<u>6,523,581</u>
Excess (Deficiency) before transfers and special items.....	742,034	1,783,420
Transfers.....	(824,258)	(646,696)
Special item.....	<u>(720,976)</u>	<u>-</u>
Change in net position.....	(803,200)	1,136,724
Net position, beginning of year.....	<u>29,731,583</u>	<u>28,594,859</u>
Net position, end of year.....	<u>\$ 28,928,383</u>	<u>\$ 29,731,583</u>

Pension and Other Postemployment Benefits (OPEB). The general fund assumes responsibility for funding pension and OPEB costs Town-wide, and no amounts are allocated to the enterprise fund.

Financial Analysis of the Governmental Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of \$62.4 million which translates into a \$1.2 million increase over the prior year. The cause of the increase is mainly related to the issuance of bonds in the Building and Improvements fund. The specific activities contributing to the increase are outlined below.

The general fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was \$25.1 million, while the total fund balance was \$30.5 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 17% of total general fund expenditures, while the total fund balance represents 20.7% of that same amount.

The general fund decrease of \$4.6 million was due to the planned use of free cash of \$5.8 million and overlay reserves of \$3.2 million.

The buildings and improvements fund accounts for the building acquisition and construction activities that are funded through the issuance of long-term debt or other available funds. The fund totaled \$19.8 million at year end and reported \$13.4 million in capital expenditures. These expenditures were funded through proceeds from the issuance of \$23.2 million in construction bonds and \$3.3 million in reimbursements from the State.

Nonmajor governmental funds had a net decrease of \$8.2 million. This represents the activity of nonmajor capital projects, grants and permanent trust funds. This decrease was the result of capital expenditures from prior year bond issuances. The proceeds from the issuance of \$2.5 million in construction bonds along with \$7 million in grants, contributions and other departmental revenues and \$2.7 million in transfers in, were used to finance \$20.2 million in combined expenditures.

General Fund Budgetary Highlights

The final budget increased from the original budget by approximately \$505,000 largely due to the \$600,000 supplemental appropriation of free cash for the snow and ice deficit.

Revenues of the general fund came in higher than anticipated by \$629,000, mainly relating to tax liens, motor vehicle excise, and departmental and other. Total expenditures and carryovers were less than budget by approximately \$3.5 million. Major contributors were general government, education, and public works.

Capital Assets and Debt Management

The Town's valuation of governmental activities capital assets as of June 30, 2018, amounts to \$163.5 million, net of accumulated depreciation. This amount represents purchases made over time in the following categories: land, infrastructure, improvements other than buildings, buildings and improvements, vehicles, and machinery and equipment. The Town's capital additions of \$25.9 million relate to the following major additions: \$9.1 million for

the Early Childhood Education Center building improvements, \$8.1 million for the Ames building renovations, \$2 million for the Gonzalez turf field, \$1.9 million for the public safety building project, and \$1.3 million for infrastructure improvements. Additionally, the net capital assets of \$ 721,000 from the previous Endicott Estate Enterprise fund were transferred to the governmental activities at June 30, 2018.

The Town's valuation of business-type activities capital assets as of June 30, 2018, amounts to \$20.9 million, net of accumulated depreciation. Additions totaled \$944,000 for sewer infrastructure. The Endicott Estate net capital assets of \$721,000 were transferred to governmental activities at June 30, 2018.

The Town's governmental funds had total bonded debt outstanding of \$97.6 million at the end of the current year. As compared to the prior year, this is a net increase of \$18.4 million resulting from principal payments of \$7.2 million offset by \$25.6 million long term bond issuances during 2018.

The sewer enterprise fund has \$1.2 million in debt that is fully supported by a general fund subsidy.

Please refer to notes 4, 6, and 7 to the financial statements for further discussion of the major capital and debt activity.

Pension Trust Fund

The Pension Trust Fund (the System) recognized net investment income and receipts of \$30.8 million for the calendar year ended December 31, 2017. The System paid out \$10.1 million of retirement benefits, administration costs and transfers to other systems. Total net position of the System amounted to \$143.8 million at December 31, 2017. Based on the most recent actuarial valuation performed as of January 1, 2018, the System's Funded Ratio was 94.7%, up from 85.8% in the previous valuation dated January 1, 2016.

Other Postemployment Benefits

In accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, the government-wide activities have accumulated a liability for the net other postemployment benefits totaling \$65.1 million as of June 30, 2018. The total assets set aside in a trust for future benefits amounted to approximately \$17 million at year-end.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, 26 Bryant Street, Dedham, Massachusetts 02026.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2018

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 42,073,536	\$ 4,268,158	\$ 46,341,694
Investments.....	27,490,365	-	27,490,365
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,036,020	-	1,036,020
Tax liens.....	3,905,240	-	3,905,240
Motor vehicle and other excise taxes.....	328,934	-	328,934
User charges.....	-	4,888,391	4,888,391
Departmental and other.....	9,005	-	9,005
Intergovernmental - other.....	791,221	-	791,221
Intergovernmental - subsidy.....	-	58,135	58,135
Special assessments.....	4,693	-	4,693
Tax foreclosures.....	36	-	36
Total current assets.....	<u>75,639,050</u>	<u>9,214,684</u>	<u>84,853,734</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental - subsidy.....	-	14,942	14,942
Capital assets, nondepreciable.....	58,913,342	-	58,913,342
Capital assets, net of accumulated depreciation.....	<u>104,548,225</u>	<u>20,857,078</u>	<u>125,405,303</u>
Total noncurrent assets.....	<u>163,461,567</u>	<u>20,872,020</u>	<u>184,333,587</u>
TOTAL ASSETS.....	<u>239,100,617</u>	<u>30,086,704</u>	<u>269,187,321</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	11,857,772	-	11,857,772
Deferred outflows related to other postemployment benefits.....	<u>5,085,011</u>	<u>-</u>	<u>5,085,011</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>16,942,783</u>	<u>-</u>	<u>16,942,783</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	3,723,929	7,646	3,731,575
Accrued payroll.....	3,623,850	-	3,623,850
Tax refunds payable.....	200,000	-	200,000
Accrued interest.....	495,149	-	495,149
Other liabilities.....	504,776	-	504,776
Compensated absences.....	512,100	-	512,100
Bonds payable.....	<u>8,112,394</u>	<u>383,950</u>	<u>8,496,344</u>
Total current liabilities.....	<u>17,172,198</u>	<u>391,596</u>	<u>17,563,794</u>
NONCURRENT:			
Compensated absences.....	1,536,200	-	1,536,200
Net pension liability.....	943,289	-	943,289
Net other postemployment benefits liability.....	65,104,358	-	65,104,358
Bonds payable.....	<u>92,240,522</u>	<u>766,725</u>	<u>93,007,247</u>
Total noncurrent liabilities.....	<u>159,824,369</u>	<u>766,725</u>	<u>160,591,094</u>
TOTAL LIABILITIES.....	<u>176,996,567</u>	<u>1,158,321</u>	<u>178,154,888</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	29,248	-	29,248
Deferred inflows related to pensions.....	7,486,171	-	7,486,171
Deferred inflows related to other postemployment benefits.....	<u>419,642</u>	<u>-</u>	<u>419,642</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>7,935,061</u>	<u>-</u>	<u>7,935,061</u>
NET POSITION			
Net investment in capital assets.....	86,724,148	19,779,480	106,503,628
Restricted for:			
Permanent funds:			
Expendable.....	1,156,442	-	1,156,442
Nonexpendable.....	794,115	-	794,115
Gifts and grants.....	2,526,564	-	2,526,564
Unrestricted.....	<u>(20,089,497)</u>	<u>9,148,903</u>	<u>(10,940,594)</u>
TOTAL NET POSITION.....	<u>\$ 71,111,772</u>	<u>\$ 28,928,383</u>	<u>\$ 100,040,155</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 9,477,757	\$ 1,607,657	\$ 94,673	\$ -	\$ (7,775,427)
Public safety.....	16,929,199	1,229,946	46,055	23,648	(15,629,550)
Education.....	71,559,646	2,501,080	16,075,712	3,403,384	(49,579,470)
Public works.....	10,377,613	153,435	15,650	687,998	(9,520,530)
Health and human services.....	1,772,701	110,039	229,659	-	(1,433,003)
Culture and recreation.....	3,512,242	361,222	34,316	-	(3,116,704)
Interest.....	2,846,337	-	-	-	(2,846,337)
Total Governmental Activities.....	116,475,495	5,963,379	16,496,065	4,115,030	(89,901,021)
<i>Business-Type Activities:</i>					
Sewer.....	6,389,381	7,129,276	14,044	-	753,939
Endicott Estate.....	369,543	327,725	-	-	(41,818)
Total Business-Type Activities.....	6,758,924	7,457,001	14,044	-	712,121
Total Primary Government.....	\$ 123,234,419	\$ 13,420,380	\$ 16,510,109	\$ 4,115,030	\$ (89,188,900)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (89,901,021)	\$ 712,121	\$ (89,188,900)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	83,914,028	-	83,914,028
Tax and other liens.....	39,292	-	39,292
Motor vehicle and other excise taxes.....	3,889,293	-	3,889,293
Hotel/motel tax.....	1,468,170	-	1,468,170
Meals tax.....	924,153	-	924,153
Penalties and interest on taxes.....	533,387	-	533,387
Payments in lieu of taxes.....	30,942	-	30,942
Grants and contributions not restricted to specific programs.....	3,548,546	-	3,548,546
Unrestricted investment income.....	430,563	29,913	460,476
Miscellaneous.....	59,545	-	59,545
<i>Transfers, net</i>	824,258	(824,258)	-
<i>Special item - conversion to governmental activities (note 16), net</i>	720,976	(720,976)	-
Total general revenues, transfers and special item.....	96,383,153	(1,515,321)	94,867,832
Change in net position.....	6,482,132	(803,200)	5,678,932
<i>Net position:</i>			
Beginning of year, as revised.....	64,629,640	29,731,583	94,361,223
End of year.....	\$ 71,111,772	\$ 28,928,383	\$ 100,040,155

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2018

	General	Building and Improvements	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents.....	\$ 9,786,281	\$ 21,316,795	\$ 10,970,460	\$ 42,073,536
Investments.....	25,548,536	-	1,941,829	27,490,365
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	1,036,020	-	-	1,036,020
Tax liens.....	3,905,240	-	-	3,905,240
Motor vehicle and other excise taxes.....	328,934	-	-	328,934
Departmental and other.....	9,005	-	-	9,005
Intergovernmental - other.....	-	608,318	182,903	791,221
Special assessments.....	4,693	-	-	4,693
Tax foreclosures.....	36	-	-	36
TOTAL ASSETS.....	\$ 40,618,745	\$ 21,925,113	\$ 13,095,192	\$ 75,639,050
LIABILITIES				
Warrants payable.....	\$ 630,158	\$ 2,161,297	\$ 932,474	\$ 3,723,929
Accrued payroll.....	3,582,695	-	41,155	3,623,850
Tax refunds payable.....	200,000	-	-	200,000
Other liabilities.....	504,776	-	-	504,776
TOTAL LIABILITIES.....	4,917,629	2,161,297	973,629	8,052,555
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	29,248	-	-	29,248
Unavailable revenue.....	5,126,654	-	-	5,126,654
TOTAL DEFERRED INFLOWS OF RESOURCES.....	5,155,902	-	-	5,155,902
FUND BALANCES				
Nonspendable.....	-	-	794,115	794,115
Restricted.....	-	19,763,816	11,327,448	31,091,264
Committed.....	859,545	-	-	859,545
Assigned.....	4,560,703	-	-	4,560,703
Unassigned.....	25,124,966	-	-	25,124,966
TOTAL FUND BALANCES.....	30,545,214	19,763,816	12,121,563	62,430,593
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 40,618,745	\$ 21,925,113	\$ 13,095,192	\$ 75,639,050

See notes to basic financial statements.

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

JUNE 30, 2018

Total governmental fund balances.....		\$ 62,430,593
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		163,461,567
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		5,126,654
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		9,036,970
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(495,149)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(100,352,916)	
Net pension liability.....	(943,289)	
Net other postemployment benefits liability.....	(65,104,358)	
Compensated absences.....	<u>(2,048,300)</u>	
Net effect of reporting long-term liabilities.....		<u>(168,448,863)</u>
Net position of governmental activities.....		<u>\$ 71,111,772</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	General	Building and Improvements	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 83,419,986	\$ -	\$ -	\$ 83,419,986
Tax liens.....	748,315	-	-	748,315
Motor vehicle and other excise taxes.....	3,910,506	-	-	3,910,506
Hotel/motel tax.....	1,468,170	-	-	1,468,170
Meals tax.....	924,153	-	-	924,153
Penalties and interest on taxes.....	533,387	-	-	533,387
Payments in lieu of taxes.....	30,942	-	-	30,942
Licenses and permits.....	1,029,842	-	-	1,029,842
Fines and forfeitures.....	149,352	-	-	149,352
Intergovernmental - state aid.....	8,098,398	-	-	8,098,398
Intergovernmental - Teachers Retirement.....	8,940,061	-	-	8,940,061
Intergovernmental - other.....	269,947	3,297,262	3,345,611	6,912,820
Departmental and other.....	1,486,825	4,954	3,416,095	4,907,874
Contributions and donations.....	-	-	153,935	153,935
Investment income.....	379,352	-	51,211	430,563
TOTAL REVENUES.....	111,389,236	3,302,216	6,966,852	121,658,304
EXPENDITURES:				
Current:				
General government.....	6,492,233	2,474,495	9,971,419	18,938,147
Public safety.....	12,572,382	-	626,428	13,198,810
Education.....	43,036,523	10,942,643	6,169,324	60,148,490
Public works.....	6,159,807	-	2,593,483	8,753,290
Health and human services.....	1,141,647	-	217,867	1,359,514
Culture and recreation.....	2,218,839	-	642,331	2,861,170
Pension benefits.....	6,842,356	-	-	6,842,356
Pension benefits - Teachers Retirement.....	8,940,061	-	-	8,940,061
Employee benefits.....	13,979,023	-	-	13,979,023
State and county charges.....	2,892,415	-	-	2,892,415
Debt service:				
Principal.....	7,163,726	-	-	7,163,726
Interest.....	2,593,646	-	-	2,593,646
TOTAL EXPENDITURES.....	114,032,658	13,417,138	20,220,852	147,670,648
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,643,422)	(10,114,922)	(13,254,000)	(26,012,344)
OTHER FINANCING SOURCES (USES):				
Issuance of bonds.....	-	23,150,000	2,465,000	25,615,000
Premium from issuance of bonds.....	-	731,398	77,878	809,276
Transfers in.....	1,173,285	290,160	2,686,050	4,149,495
Transfers out.....	(3,099,315)	(48,105)	(177,817)	(3,325,237)
TOTAL OTHER FINANCING SOURCES (USES).....	(1,926,030)	24,123,453	5,051,111	27,248,534
NET CHANGE IN FUND BALANCES.....	(4,569,452)	14,008,531	(8,202,889)	1,236,190
FUND BALANCES AT BEGINNING OF YEAR.....	35,114,666	5,755,285	20,324,452	61,194,403
FUND BALANCES AT END OF YEAR.....	\$ 30,545,214	\$ 19,763,816	\$ 12,121,563	\$ 62,430,593

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds.....		\$ 1,236,190
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	26,541,222	
Depreciation expense.....	<u>(6,310,718)</u>	
Net effect of reporting capital assets.....		20,230,504
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(245,911)
<p>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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of bonds.....	(25,615,000)	
Premium from issuance of bonds.....	(809,276)	
Net amortization of premium from issuance of bonds.....	242,458	
Debt service principal payments.....	<u>7,163,726</u>	
Net effect of reporting long-term debt.....		(19,018,092)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	106,400	
Net change in accrued interest on long-term debt.....	(495,149)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(6,019,874)	
Net change in net pension liability.....	11,524,465	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	4,665,369	
Net change in net other postemployment benefits liability.....	<u>(5,501,770)</u>	
Net effect of recording long-term liabilities.....		<u>4,279,441</u>
Change in net position of governmental activities.....		<u>\$ 6,482,132</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2018

	Business-type Activities - Enterprise Funds		
	Sewer	Endicott Estate	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 4,267,883	\$ 275	\$ 4,268,158
Receivables, net of allowance for uncollectibles:			
User charges.....	4,888,391	-	4,888,391
Intergovernmental - subsidy.....	58,135	-	58,135
Total current assets.....	<u>9,214,409</u>	<u>275</u>	<u>9,214,684</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental - subsidy.....	14,942	-	14,942
Capital assets, net of accumulated depreciation.....	20,857,078	-	20,857,078
Total noncurrent assets.....	<u>20,872,020</u>	<u>-</u>	<u>20,872,020</u>
TOTAL ASSETS.....	<u>30,086,429</u>	<u>275</u>	<u>30,086,704</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	7,371	275	7,646
Bonds payable.....	383,950	-	383,950
Total current liabilities.....	<u>391,321</u>	<u>275</u>	<u>391,596</u>
NONCURRENT:			
Bonds payable.....	766,725	-	766,725
TOTAL LIABILITIES.....	<u>1,158,046</u>	<u>275</u>	<u>1,158,321</u>
NET POSITION			
Net investment in capital assets.....	19,779,480	-	19,779,480
Unrestricted.....	9,148,903	-	9,148,903
TOTAL NET POSITION.....	<u>\$ 28,928,383</u>	<u>\$ -</u>	<u>\$ 28,928,383</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds		
	Sewer	Endicott Estate	Total
<u>OPERATING REVENUES:</u>			
Charges for services.....	\$ 7,129,276	\$ 327,725	\$ 7,457,001
<u>OPERATING EXPENSES:</u>			
Cost of services and administration.....	5,575,852	251,571	5,827,423
Depreciation.....	773,993	117,972	891,965
TOTAL OPERATING EXPENSES.....	6,349,845	369,543	6,719,388
OPERATING INCOME (LOSS).....	779,431	(41,818)	737,613
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income.....	29,913	-	29,913
Interest expense.....	(39,536)	-	(39,536)
Intergovernmental - subsidy.....	14,044	-	14,044
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	4,421	-	4,421
INCOME (LOSS) BEFORE TRANSFERS AND SPECIAL ITEMS.....	783,852	(41,818)	742,034
<u>TRANSFERS:</u>			
Transfers in.....	376,650	-	376,650
Transfers out.....	(902,773)	(298,135)	(1,200,908)
TOTAL TRANSFERS.....	(526,123)	(298,135)	(824,258)
INCOME (LOSS) BEFORE SPECIAL ITEMS.....	257,729	(339,953)	(82,224)
<u>SPECIAL ITEM:</u>			
Conversion to governmental activities.....	-	(720,976)	(720,976)
CHANGE IN NET POSITION.....	257,729	(1,060,929)	(803,200)
NET POSITION AT BEGINNING OF YEAR.....	28,670,654	1,060,929	29,731,583
NET POSITION AT END OF YEAR.....	\$ 28,928,383	\$ -	\$ 28,928,383

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds		
	Sewer	Endicott Estate	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users.....	\$ 6,965,977	\$ 327,725	\$ 7,293,702
Payments to vendors.....	(5,568,481)	(254,817)	(5,823,298)
NET CASH FROM OPERATING ACTIVITIES.....	1,397,496	72,908	1,470,404
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers in.....	376,650	-	376,650
Transfers out.....	(902,773)	(298,135)	(1,200,908)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(526,123)	(298,135)	(824,258)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition and construction of capital assets.....	(944,311)	-	(944,311)
Principal payments on bonds.....	(373,983)	-	(373,983)
Interest expense.....	(26,567)	-	(26,567)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,344,861)	-	(1,344,861)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment income.....	29,913	-	29,913
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(443,575)	(225,227)	(668,802)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	4,711,458	225,502	4,936,960
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,267,883	\$ 275	\$ 4,268,158
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>			
<u>FROM OPERATING ACTIVITIES:</u>			
Operating income (loss).....	\$ 779,431	\$ (41,818)	\$ 737,613
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	773,993	117,972	891,965
Changes in assets and liabilities:			
User charges.....	(163,299)	-	(163,299)
Warrants payable.....	7,371	(93)	7,278
Accrued payroll.....	-	(3,153)	(3,153)
Total adjustments.....	618,065	114,726	732,791
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,397,496	\$ 72,908	\$ 1,470,404
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>			
Intergovernmental subsidy of debt service.....	\$ 57,197	-	\$ 57,197
Special item - conversion to governmental activities.....	-	(720,976)	(720,976)

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Pension and Other Employee Benefit Trust Fund (1)	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 309,593	\$ 6,899	\$ 913,438
Investments:			
Investments in Pension Reserve Investment Trust.....	160,437,026	-	-
U.S. treasuries.....	-	214,572	-
Government sponsored enterprises.....	-	202,845	-
Corporate bonds.....	-	217,793	-
Equity securities.....	-	249,130	-
Equity mutual funds.....	-	306,001	-
Fixed income mutual funds.....	-	344,647	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	266,174	-	245,485
TOTAL ASSETS.....	161,012,793	1,541,887	1,158,923
LIABILITIES			
Warrants payable.....	221,645	-	1,627
Liabilities due depositors.....	-	-	1,157,296
Other liabilities.....	-	399,809	-
TOTAL LIABILITIES.....	221,645	399,809	1,158,923
NET POSITION			
Restricted for pensions.....	143,764,824	-	-
Restricted for other postemployment benefits.....	17,026,324	-	-
Held in trust for other purposes.....	-	1,142,078	-
TOTAL NET POSITION.....	\$ 160,791,148	\$ 1,142,078	\$ -

(1) The Pension Trust Fund is as of December 31, 2017.

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2018

	Pension and Other Employee Benefit Trust Fund (1)	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 8,641,377	\$ -
Employer contributions for other postemployment benefit payments....	3,475,557	-
Member contributions.....	2,307,518	-
Transfers from other systems.....	136,883	-
3(8)c contributions from other systems.....	198,086	-
Federal grant reimbursements.....	4,697	-
State COLA reimbursements.....	64,117	-
Member makeup payments and redeposits.....	5,118	-
	<u>14,833,353</u>	<u>-</u>
Net investment income:		
Investment income.....	23,219,371	40,316
Less: investment expense.....	(700,494)	-
	<u>22,518,877</u>	<u>40,316</u>
Net investment income (loss).....	<u>22,518,877</u>	<u>40,316</u>
	<u>37,352,230</u>	<u>40,316</u>
DEDUCTIONS:		
Administration.....	211,787	-
Transfers to other systems.....	189,470	-
3(8)c transfer to other systems.....	248,726	-
Retirement benefits and refunds.....	9,442,686	-
Other postemployment benefit payments.....	3,475,557	-
Health and human services.....	-	100
Educational scholarships.....	-	62,441
	<u>13,568,226</u>	<u>62,541</u>
TOTAL DEDUCTIONS.....	<u>13,568,226</u>	<u>62,541</u>
NET INCREASE (DECREASE) IN NET POSITION.....	23,784,004	(22,225)
NET POSITION AT BEGINNING OF YEAR.....	<u>137,007,144</u>	<u>1,164,303</u>
NET POSITION AT END OF YEAR.....	<u>\$ 160,791,148</u>	<u>\$ 1,142,078</u>

(1) The Pension Trust Fund is as of December 31, 2017.

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1636 under the statutes of the Commonwealth of Massachusetts (Commonwealth). The Town is a municipal corporation governed by an elected Board of Selectmen.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. The Town has included one component unit in the reporting entity, because of the significance of their operational and financial relationships.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

The Dedham Contributory Retirement System (System) was established to provide retirement benefits to Town employees, the Dedham Housing Authority employees, and their beneficiaries. The System is governed by a five member board comprised of the Town's Finance Director (ex-officio), two members elected by the System's participants, one member appointed by the Board of Selectmen and one member appointed by the Board members. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The System did not issue a separate audited financial statement. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the System at 202 Bussey Street, Suite 101, Dedham, Massachusetts 02026.

Joint Ventures – The Town has entered into a joint venture with the Towns of Westwood, Avon, Canton, Braintree, Holbrook, Milton, Norwood and Randolph to pool resources and share the costs, risks and rewards associated with providing vocational education through the Blue Hills Regional Technical School District. The members share in the operations of the Blue Hills Regional Technical School District and each member is responsible for its proportionate share of the operational and capital cost of the Blue Hills Regional Technical School District, which are paid in the form of assessments. The Town does not have an equity interest in the Blue Hills Regional Technical School District and the 2018 assessment was \$1,445,000. The School issues a publically available financial report that can be obtained by writing to the School Business Manager at 800 Randolph Street, Canton, Massachusetts 02021.

Jointly Governed Organizations – The Dedham-Westwood Water District is responsible for providing water services to the Town's citizens. The Town is responsible for appointing three of the six members of the Board of Water Commissioners. The Town is not financially accountable to the District beyond making these appointments.

B. Government-Wide and Fund-Level Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and 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. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

The *buildings and improvements fund* is used to account for the building acquisition and construction activities that are funded through the issuance of long-term debt or other available funds.

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

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

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

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

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

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

The following major proprietary funds are reported:

The *sewer fund* is used to account for sewage treatment operations of the department of public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The *Endicott Estate fund* is used to account for and report the activities at the Endicott Estate. At the April 2018 Spring Town Meeting, the Town voted to revoke the enterprise fund provisions of the Massachusetts General Law pertaining to the Endicott Estate as of June 30, 2018. The Town has transferred the enterprise fund's balance at June 30, 2018 from the proprietary fund statement of net position to the governmental activities. Starting in fiscal year 2019, the estate will operate as a department of the general fund.

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

The following fiduciary fund types are reported:

The *pension and other postemployment benefit trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries and to accumulate resources to provide funding for future OPEB (other postemployment benefits) liabilities.

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

The *agency fund* is used to account for assets held in a purely custodial capacity. Agency funds apply the accrual basis of accounting but do not have a measurement focus. The Town's agency fund mainly consists of off-duty work details, performance bonds and student activities.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

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

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

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

User Charges

User fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year end and are recorded as revenue in the current period. Liens are processed in December of every year and included as a lien on the property owner's tax bill.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables are recorded net of an allowance for uncollectible accounts. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

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

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Special Assessments

Special assessments in the general fund consist of apportioned and unapportioned road improvement betterments assessed to homeowners whose properties were improved through Town-run construction projects.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Government-Wide and Fund Financial Statements

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

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, improvements other than buildings, buildings and improvements, vehicles, machinery and equipment, and infrastructure (e.g., roads, street lights, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with useful lives of greater than 3 years.

Capital assets (excluding land and construction-in-progress) are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Improvements other than buildings.....	10 - 40
Buildings and improvements.....	10 - 40
Vehicles, machinery and equipment.....	5 - 20
Infrastructure.....	20 - 50

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

Governmental Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The Town has reported deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported taxes paid in advance and deferred inflows of resources related to pensions and other postemployment benefits in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents assets that have not been recorded in the governmental fund financial statements but the revenue is not available and so will *not* be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded taxes paid in advance and unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity*Government-Wide Financial Statements (Net position)*

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

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

Net position has been "restricted for" the following:

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

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

"Gifts and grants" represents restrictions placed on assets from outside parties and consists primarily of gifts and federal and state grants.

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount.

Sometimes, the Town will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balances in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is the Town’s policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

N. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

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

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as

other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

O. Pensions

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

P. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

Compensated absences are reported in the governmental funds only if they have matured, (i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement.) Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Investment Income

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

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

R. Use of Estimates

Government-Wide and Fund Financial Statements

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

S. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

The Retirement System participates, as a Participating member, in the Pension Reserves Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth who serves as trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The PRIT fund, as a pool, invests in various products including, but not limited to, money market mutual funds, equities, pooled foreign and domestic fixed income and equity funds, United States government sponsored enterprises and Treasury notes, real estate, and commodities. The underlying components of PRIT's fixed income portfolio had an effective weighted duration rate ranging from 0.15 to 16.31 years. There is no credit quality rating for the fund.

MMDT maintains a cash portfolio and a short-term bond portfolio with combined average maturities of approximately 28 to 68 days and a weighted average maturity of 2.82 years, respectively. The fair value of the position of the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, the custodial risk is the risk that, in the event of a bank failure the Town's deposits may not be recovered. The Town has not adopted a formal policy related to custodial credit risk. At year end, the carrying amount of deposits totaled \$25,629,409 and the bank balance totaled \$26,706,836. Of the bank balance, \$1,250,000 was covered by Federal Depository Insurance, \$10,940,942 was covered by Depositor

Insurance Fund, \$3,134,509 was covered by Share Insurance Fund, and \$11,381,385 was covered through collateralization agreements with the bank.

At December 31, 2017 the carrying amount of the Retirement System's deposits totaled \$309,594 and the bank balance totaled \$456,588. Of the bank balance \$225,795 was covered by Federal Depository Insurance and \$230,793 was uncollateralized.

As of June 30, 2018 the Town had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 3,352,931	\$ 100,309	\$ 2,820,612	\$ 432,010
Government sponsored enterprises.....	3,268,625	351,687	2,219,313	697,625
Corporate bonds.....	3,498,541	523,434	2,353,929	621,178
Total debt securities.....	10,120,097	\$ <u>975,430</u>	\$ <u>7,393,854</u>	\$ <u>1,750,813</u>
<u>Other investments:</u>				
Equity securities.....	2,361,408			
Equity mutual funds.....	2,654,109			
Fixed income mutual funds.....	4,185,333			
Money market mutual funds.....	121,438			
Pension Reserve Investment Trust (PRIT).....	17,026,324			
MMDT - Bond portfolio.....	9,704,406			
MMDT - Cash portfolio.....	21,005,027			
Total investments.....	\$ <u>67,178,142</u>			

As of December 31, 2017, the Retirement System had investments in PRIT totaling \$143,410,702.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town's investments of \$10,120,097 in debt securities and \$2,361,408 in equity securities are exposed to custodial credit risk, as the securities are uninsured. The shares of MMDT and open end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book-entry form.

The Town has not adopted a formal policy related to custodial credit risk.

At December 31, 2017, the System's \$143,410,702 investment in PRIT is not subject to custodial credit risk exposure because it is not evidenced by securities that exist in physical or book-entry form.

The System has not adopted a formal policy related to custodial credit risk.

Interest Rate Risk

Neither the Town nor the System has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. The Town has not adopted a formal policy related to credit risk. At June 30, 2018 the Town’s investments were rated as follows:

<u>Quality Rating</u>	<u>U.S. Treasury Notes</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ 3,352,931	\$ 3,268,625	\$ -
AA.....	-	-	1,264,326
A.....	-	-	2,184,550
BAA.....	-	-	49,665
Total.....	\$ <u>3,352,931</u>	\$ <u>3,268,625</u>	\$ <u>3,498,541</u>

The Town’s investments in money market mutual funds, fixed income mutual funds, and MMDT are unrated.

The System has not adopted a formal policy related to Credit Risk. The System’s investments in PRIT are unrated.

Concentration of Credit Risk

The Town and the System places no limit on the amount the government may invest in any one issuer.

Fair Market Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents financial assets at June 30, 2018, that the Town measures fair value on a recurring basis, by level, within the fair value hierarchy.

Investment Type	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 3,352,931	\$ 3,352,931	\$ -	\$ -
Government sponsored enterprises.....	3,268,625	3,268,625	-	-
Corporate bonds.....	3,498,541	-	3,498,541	-
Total debt securities.....	10,120,097	6,621,556	3,498,541	-
<u>Other investments:</u>				
Equity securities.....	2,361,408	2,361,408	-	-
Equity mutual funds.....	2,654,109	2,654,109	-	-
Fixed income mutual funds.....	4,185,333	4,185,333	-	-
Money market mutual funds.....	121,438	121,438	-	-
MMDT - Bond portfolio.....	9,704,406	9,704,406	-	-
Total other investments.....	19,026,694	19,026,694	-	-
Total investments measured at fair value.....	29,146,791	\$ 25,648,250	\$ 3,498,541	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	21,005,027			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	17,026,324			
Total investments.....	\$ 67,178,142			

Government sponsored enterprises, U.S. treasury notes, equity securities, equity mutual funds, fixed income and MMDT bond portfolio classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices.

MMDT Cash Portfolio investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

PRIT investments are valued using the net asset value (NAV) method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool’s shares. Neither the Town nor the System has the ability to control any of the investment decisions relative to its funds in PRIT. As of June 30, 2018, the Town had investments in PRIT totaling \$17,026,324. As of December 31, 2017, the Retirement System had investments in PRIT totaling \$143,410,702.

NOTE 3 – RECEIVABLES

At June 30, 2018, receivables for the individual major and nonmajor governmental funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes..... \$	1,404,220	\$ (368,200)	\$ 1,036,020
Tax liens.....	3,905,240	-	3,905,240
Motor vehicle and other excise taxes.....	392,134	(63,200)	328,934
Departmental and other.....	9,005	-	9,005
Intergovernmental.....	791,221	-	791,221
Special assessments.....	4,693	-	4,693
 Total.....	 <u>\$ 6,506,513</u>	 <u>\$ (431,400)</u>	 <u>\$ 6,075,113</u>

At June 30, 2018, receivables for the sewer enterprise fund consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Sewer user charges..... \$	4,888,391	\$ -	\$ 4,888,391
Sewer intergovernmental - subsidy.....	58,135	-	58,135
 Total.....	 <u>\$ 4,946,526</u>	 <u>\$ -</u>	 <u>\$ 4,946,526</u>

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

	<u>General Fund</u>
<u>Receivables:</u>	
Real estate and personal property taxes..... \$	878,746
Tax liens.....	3,905,240
Motor vehicle and other excise taxes.....	328,934
Departmental and other.....	9,005
Special assessments.....	4,693
<u>Other assets:</u>	
Tax foreclosures.....	36
 Total.....	 <u>\$ 5,126,654</u>

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset activity for the year ended June 30, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Transfer of Endicott Estate Assets	Ending Balance
Governmental Activities:					
<u>Capital assets not being depreciated:</u>					
Land.....	\$ 19,553,606	\$ -	\$ -	\$ 116,654	\$ 19,670,260
Construction in progress.....	16,642,526	22,820,291	(219,735)	-	39,243,082
Total capital assets not being depreciated.....	36,196,132	22,820,291	(219,735)	116,654	58,913,342
<u>Capital assets being depreciated:</u>					
Improvements other than buildings.....	6,243,070	-	-	-	6,243,070
Buildings and improvements.....	117,271,004	219,752	(129,452)	4,076,918	121,438,222
Vehicles, machinery and equipment.....	22,230,228	748,107	(2,894,517)	96,330	20,180,148
Infrastructure.....	84,197,557	2,290,909	-	14,224	86,502,690
Total capital assets being depreciated.....	229,941,859	3,258,768	(3,023,969)	4,187,472	234,364,130
<u>Less accumulated depreciation for:</u>					
Improvements other than buildings.....	(2,250,384)	(282,319)	-	-	(2,532,703)
Buildings and improvements.....	(61,804,636)	(2,543,115)	114,267	(3,527,764)	(67,761,248)
Vehicles, machinery and equipment.....	(17,725,718)	(1,202,149)	2,870,623	(54,496)	(16,111,740)
Infrastructure.....	(41,126,190)	(2,283,135)	-	(889)	(43,410,214)
Total accumulated depreciation.....	(122,906,928)	(6,310,718)	2,984,890	(3,583,149)	(129,815,905)
Total capital assets being depreciated, net.....	107,034,931	(3,051,950)	(39,079)	604,323	104,548,225
Total governmental activities capital assets, net.....	\$ 143,231,063	\$ 19,768,341	\$ (258,814)	\$ 720,977	\$ 163,461,567
Business-Type Activities:					
<u>Capital assets not being depreciated:</u>					
Land.....	\$ 116,654	\$ -	\$ -	\$ (116,654)	\$ -
<u>Capital assets being depreciated:</u>					
Buildings and improvements.....	4,076,918	-	-	(4,076,918)	-
Vehicles, machinery and equipment.....	172,153	-	-	(96,330)	75,823
Infrastructure.....	25,242,929	944,312	-	(14,224)	26,173,017
Total capital assets being depreciated.....	29,492,000	944,312	-	(4,187,472)	26,248,840
<u>Less accumulated depreciation for:</u>					
Buildings and improvements.....	(3,415,196)	(112,568)	-	3,527,764	-
Vehicles, machinery and equipment.....	(94,941)	(20,213)	-	54,496	(60,658)
Infrastructure.....	(4,572,809)	(759,184)	-	889	(5,331,104)
Total accumulated depreciation.....	(8,082,946)	(891,965)	-	3,583,149	(5,391,762)
Total capital assets being depreciated, net.....	21,409,054	52,347	-	(604,323)	20,857,078
Total business-type activities capital assets, net.....	\$ 21,525,708	\$ 52,347	\$ -	\$ (720,977)	\$ 20,857,078

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

Governmental Activities:

General government.....	\$	743,258
Public safety.....		525,371
Education.....		2,293,474
Public works.....		2,601,753
Health and human services.....		8,216
Culture and recreation.....		<u>138,646</u>
Total depreciation expense - governmental activities.....	\$	<u>6,310,718</u>

Business-Type Activities:

Sewer.....	\$	773,993
Endicott Estate.....		<u>117,972</u>
Total depreciation expense - business-type activities.....	\$	<u>891,965</u>

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2018, are summarized as follows:

Transfers Out:	Transfers In:					Total
	General Fund	Building and Improvements	Nonmajor Governmental Funds	Sewer Enterprise Fund		
General fund.....	\$ -	\$ 290,160	\$ 2,432,505	\$ 376,650	\$ 3,099,315	(1)
Building and Improvements.....	48,105	-	-	-	48,105	(2)
Nonmajor governmental funds...	24,272	-	153,545	-	177,817	(2)
Sewer Enterprise fund.....	902,773	-	-	-	902,773	(3)
Endicott Enterprise fund.....	<u>198,135</u>	-	<u>100,000</u>	-	<u>298,135</u>	(4)
Total.....	\$ <u>1,173,285</u>	\$ <u>290,160</u>	\$ <u>2,686,050</u>	\$ <u>376,650</u>	\$ <u>4,526,145</u>	

- (1) Represents transfers from the general fund to the building and improvements major fund and nonmajor capital project funds for various Town capital projects as well as \$376,650 for sewer debt service.
- (2) Represents transfers to the general fund from building and improvements and nonmajor funds for the close out of various capital articles. Transfers between nonmajor funds represent the reallocation of resources.
- (3) Represents transfers from the sewer enterprise fund to the general fund for general government services and close out of completed projects.
- (4) Represents transfers from the Endicott enterprise fund to the general fund for operations, to nonmajor capital projects for various capital costs at the Endicott estate, and \$102,135 to the general fund which represents the close out of the fund at year end.

NOTE 6 – SHORT-TERM FINANCING

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

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund. Details related to the short-term debt activity for the year ended June 30, 2018, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2017	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2018
Governmental Funds:							
BAN	Police Station Design.....	1.30%	05/15/18	\$ 1,150,000	\$ -	\$ (1,150,000)	\$ -

NOTE 7 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the Town’s outstanding general obligation indebtedness at June 30, 2018, and the debt service requirements for the governmental activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
MCWT Loans of 2001.....	2019	\$ 121,105	0.00	\$ 6,726
Municipal Purpose Bonds of 2002.....	2022	4,210,000	3.50-5.00	400,000
Municipal Purpose Bonds of 2005.....	2025	15,826,000	3.25-4.00	3,500,000
Municipal Purpose Bonds of 2007.....	2022	9,865,000	3.70-5.00	1,160,000
Municipal Purpose Bonds of 2008.....	2027	6,825,000	3.50-4.05	1,890,000
Municipal Purpose Bonds of 2009.....	2019	9,080,000	2.00-4.75	445,000
Municipal Purpose Bonds of 2010.....	2030	8,094,500	2.00-4.00	3,590,000
Municipal Purpose Bonds of 2011.....	2031	16,890,000	2.00-5.00	9,745,000
Municipal Purpose Bonds of 2012.....	2032	6,295,000	2.00-4.00	3,600,000
Municipal Purpose Bonds of 2013.....	2023	6,988,000	2.00-2.38	4,575,000
Municipal Purpose Bonds of 2014.....	2029	3,589,105	3.00	2,280,000
Municipal Purpose Bonds of 2014.....	2035	5,384,455	2.00-3.20	4,555,000
Municipal Purpose Bonds of 2015.....	2035	6,607,270	2.00-4.00	4,790,000
Municipal Purpose Bonds of 2016.....	2046	20,568,692	2.00-5.00	18,675,000
Municipal Purpose Bonds of 2017.....	2047	13,617,000	3.00-5.00	12,730,000
Municipal Purpose Bonds of 2018.....	2048	25,615,000	2.70-5.00	25,615,000
Total Bonds Payable.....				97,556,726
Add: Unamortized premium on bonds.....				2,796,190
Total Bonds Payable, net.....				\$ 100,352,916

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

Year	Principal	Interest	Total
2019.....	\$ 7,831,726	\$ 3,316,208	\$ 11,147,934
2020.....	7,290,000	3,041,339	10,331,339
2021.....	6,825,000	2,790,136	9,615,136
2022.....	6,385,000	2,554,690	8,939,690
2023.....	5,535,000	2,314,682	7,849,682
2024.....	5,475,000	2,097,469	7,572,469
2025.....	5,460,000	1,882,444	7,342,444
2026.....	4,920,000	1,681,735	6,601,735
2027.....	4,775,000	1,508,507	6,283,507
2028.....	4,405,000	1,350,550	5,755,550
2029.....	3,885,000	1,217,840	5,102,840
2030.....	3,695,000	1,099,064	4,794,064
2031.....	3,300,000	981,865	4,281,865
2032.....	2,550,000	883,187	3,433,187
2033.....	2,100,000	807,445	2,907,445
2034.....	2,000,000	743,326	2,743,326
2035.....	2,000,000	681,246	2,681,246
2036.....	1,590,000	621,569	2,211,569
2037.....	1,590,000	571,544	2,161,544
2038.....	1,585,000	521,131	2,106,131
2039.....	1,580,000	470,675	2,050,675
2040.....	1,580,000	420,100	2,000,100
2041.....	1,580,000	368,563	1,948,563
2042.....	1,580,000	317,025	1,897,025
2043.....	1,580,000	265,488	1,845,488
2044.....	1,580,000	213,950	1,793,950
2045.....	1,580,000	162,413	1,742,413
2046.....	1,575,000	110,875	1,685,875
2047.....	995,000	76,913	1,071,913
2048.....	730,000	42,950	772,950
Total.....	\$ <u>97,556,726</u>	\$ <u>33,114,929</u>	\$ <u>130,671,655</u>

Details related to the Town's outstanding general obligation indebtedness at June 30, 2018, and the debt service requirements for the enterprise funds are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
Municipal Purpose Loans of 2003.....	2023	\$ 2,172,000	2.00-4.00	\$ 525,000
MCWT Loans of 2005.....	2020	2,545,794	0.00	268,300
Municipal Purpose Loans of 2009.....	2019	170,000	2.00-3.00	15,000
MWRA Loans of 2015.....	2026	228,250	0.00	159,775
MWRA Loans of 2016.....	2027	228,250	0.00	182,600
Total Bonds Payable.....				\$ <u>1,150,675</u>

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

Year	Principal	Interest	Total
2019.....	\$ 383,950	\$ 28,754	\$ 412,704
2020.....	200,650	17,860	218,510
2021.....	150,650	12,495	163,145
2022.....	150,650	8,400	159,050
2023.....	150,650	4,200	154,850
2024.....	45,650	-	45,650
2025.....	45,650	-	45,650
2026.....	22,825	-	22,825
Total.....	\$ 1,150,675	\$ 71,709	\$ 1,222,384

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$73,077 and interest costs for \$9,477. Net MCWT loan repayments including interest are scheduled to be \$201,950. Since the Town is legally obligated for the total amount of the debt, such amounts have been recorded in the accompanying basic financial statements. During 2018, the sewer enterprise fund principal subsidy totaled \$57,197 and the sewer enterprise interest subsidy totaled \$14,548.

The Town is a member of the Massachusetts Water Resources Authority (MWRA) which offers its members interest free loans for various purposes. The Town has \$342,375 in loans outstanding at year end. The imputed interest on this loan is immaterial and has not been recognized by the Town.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2018, the Town had the following authorized and unissued debt:

Purpose	Amount
Public safety facility.....	\$ 28,000,000
Early childhood education center construction.....	15,763,402
Roads.....	900,000
Fire truck.....	590,500
Ames property.....	350,000
Sidewalks.....	300,000
Striar property.....	210,000
High School & Greenlodge ceilings.....	100,000
Solar panels.....	25,000
Total.....	\$ 46,238,902

Changes in Long-term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 79,105,452	\$ 25,615,000	\$ (7,163,726)	\$ -	\$ -	\$ 97,556,726	\$ 7,831,726
Add: Unamortized premium on bonds..	2,229,372	809,277	(242,459)	-	-	2,796,190	280,668
Total bonds payable.....	81,334,824	26,424,277	(7,406,185)	-	-	100,352,916	8,112,394
Compensated absences.....	2,154,700	-	-	432,300	(538,700)	2,048,300	512,100
Net pension liability.....	12,467,754	-	-	285,569	(11,810,034)	943,289	-
Other postemployment benefits.....	64,913,890	-	-	6,321,517	(6,131,049)	65,104,358	-
Total governmental activity long-term liabilities.....	\$ 160,871,168	\$ 26,424,277	\$ (7,406,185)	\$ 7,039,386	\$ (18,479,783)	\$ 168,448,863	\$ 8,624,494
Business-Type Activities:							
Long-term bonds payable.....	\$ 1,581,855	\$ -	\$ (431,180)	\$ -	\$ -	\$ 1,150,675	\$ 383,950

The governmental activities long-term liabilities are generally liquidated by the general fund and the business-type activities long-term liabilities are generally liquidated by the applicable enterprise fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The Town’s highest level of decision making authority is the Annual Town Meeting. Town Meeting adoption of a “warrant article” is required to commit fund balance.
- **Assigned:** fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- **Unassigned:** fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its fund balances with the following hierarchy:

	<u>General</u>	<u>Building and Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 794,115	\$ 794,115
Restricted for:				
Building and improvements.....	-	19,763,816	-	19,763,816
Town grants.....	-	-	10,414	10,414
School grants.....	-	-	812,689	812,689
Town gifts.....	-	-	1,567,770	1,567,770
School gifts.....	-	-	135,691	135,691
School lunch.....	-	-	219,960	219,960
Town revolving.....	-	-	945,575	945,575
School revolving.....	-	-	943,381	943,381
Receipts reserved.....	-	-	144,108	144,108
Land and improvements.....	-	-	808,370	808,370
Roadway improvements.....	-	-	2,070,163	2,070,163
Machinery and equipment.....	-	-	731,367	731,367
Ames property.....	-	-	1,781,518	1,781,518
Cemetery trust funds.....	-	-	160,294	160,294
Library trust funds.....	-	-	615,626	615,626
Other trust funds.....	-	-	380,522	380,522
Committed to:				
Articles and continuing appropriations:				
Reserve for bond premium.....	234,284	-	-	234,284
General government:				
Town facilities.....	175,537	-	-	175,537
Other general government.....	214,071	-	-	214,071
Public safety.....	16,895	-	-	16,895
Education.....	32,409	-	-	32,409
Public works.....	135,747	-	-	135,747
Community services.....	50,602	-	-	50,602
Assigned to:				
Encumbrances:				
General government:				
Town facilities.....	383,068	-	-	383,068
School facilities.....	85,373	-	-	85,373
Other general government.....	89,938	-	-	89,938
Public safety.....	11,133	-	-	11,133
Education.....	386,771	-	-	386,771
Public works.....	246,101	-	-	246,101
Free cash for subsequent year expenditures.....	3,358,319	-	-	3,358,319
Unassigned.....	<u>25,124,966</u>	<u>-</u>	<u>-</u>	<u>25,124,966</u>
Total Fund Balances.....	<u>\$ 30,545,214</u>	<u>\$ 19,763,816</u>	<u>\$ 12,121,563</u>	<u>\$ 62,430,593</u>

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes on an as needed basis. The creation of a fund requires a two-thirds vote of Town Meeting and must clearly define the purpose of the fund. Any changes to the purpose of the fund along with any additions to or appropriations from the fund required a two-thirds vote of Town Meeting.

At June 30, 2018, the following amounts (included on the previous page as unassigned fund balance) have been set aside in the following stabilization funds: general stabilization \$6,354,717, mitigation stabilization fund \$170,414, and \$9,943,400 in the major capital project stabilization fund.

The general stabilization fund balance can be used for general and/or capital purposes upon two-thirds majority approval of Town Meeting. The mitigation stabilization fund balance can only be used to offset unforeseen Town operating costs as a result of increased demand for services. The major capital projects stabilization fund balance can be used for any capital purpose approved by Town Meeting.

With the exception of the reserve for bond premium, the committed balances in the General Fund are articles carried forward to next year. With the exception of free cash for subsequent year expenditures, assigned balances in the General Fund are encumbrances carried forward to next year. The detail of each article and encumbrance is included in the budgetary comparison schedule presented as required supplementary information.

NOTE 9 – RISK FINANCING

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

The Town provides health insurance to its employees and retirees through its participation in a pooled health insurance group called the West Suburban Health Group (Group). The purpose of the Group is for the joint negotiation and purchase of health insurance coverage with various carriers. Under these agreements, the insurance claims of the covered employees are paid for by the insurance carrier and are subsequently reimbursed by the Group. The Group charges monthly premiums to each governmental unit based upon requirements established through underwriting or actuarial estimates. The Group also maintains a deposit with the insurance carrier which is sufficient to cover two months of claims paid by the carrier for the Group. In addition, the Group provides full reinsurance coverage for all claim costs in excess of \$225,000 per covered employee.

The Town is entirely self-insured for its' unemployment activities and workers compensation for its' public safety employees. These activities are accounted for in the general fund. The associated liabilities are immaterial to the basic financial statements and have not been recorded.

NOTE 10 – PENSION PLAN

Plan Descriptions

The Town is a member of the Dedham Contributory Retirement System (DCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 2 member units. The System is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The System is a component unit and is reported as a pension trust fund in the fiduciary fund financial statements. The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the 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 the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer’s covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2017. The Town’s portion of the collective pension expense, contributed by the Commonwealth, of \$8,940,061 is reported in the general fund as intergovernmental revenue and pension benefits in the current fiscal year. The portion of the Commonwealth’s collective net pension liability associated with the Town is \$85,654,990 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The Systems provide retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

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

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes of benefit terms that affected the total pension liability at December 31, 2017.

At December 31, 2017, the DCRS membership consists of the following:

Active members.....	460
Inactive members.....	131
Disabled members.....	57
Retirees and beneficiaries currently receiving benefits.....	<u>275</u>
Total.....	<u><u>923</u></u>

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the DCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The total member units' contribution for the year ended December 31, 2017 was \$7,031,923, 28.9% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's proportionate share of the required contribution was \$4,826,096. The Town paid \$6,826,096 for its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2018 were as follows:

Total pension liability.....	\$	145,106,170
Total pension plan's fiduciary net position.....		<u>(143,764,824)</u>
Total net pension liability.....	\$	<u><u>1,341,346</u></u>
The pension plan's fiduciary net position as		
a percentage of the total pension liability.....		99.08%

At June 30, 2018, the Town reported a liability of \$943,289 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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 members. At December 31, 2017, the Town's proportion was 70.32%, which decreased from a proportion of 93.5% at December 31, 2016.

Pension Expense

For the year ended June 30, 2018, the Town recognized pension expense of \$1,321,505. At June 30, 2018, the Town reported deferred outflows of resources related to pensions of \$11,857,772, and deferred inflows of resources related to pensions of \$7,486,171.

The balances of deferred outflows and inflows at June 30, 2018 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 2,585,993	\$ -	\$ 2,585,993
Difference between projected and actual earnings, net.....	-	(5,683,483)	(5,683,483)
Changes in assumptions.....	2,786,299	(1,802,688)	983,611
Changes in proportion and proportionate share of contributions.....	<u>6,485,480</u>	<u>-</u>	<u>6,485,480</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 11,857,772</u>	<u>\$ (7,486,171)</u>	<u>\$ 4,371,601</u>

The deferred outflows (inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019.....	\$ 1,838,900
2020.....	1,758,117
2021.....	316,466
2022.....	(333,343)
2023.....	<u>791,461</u>
	<u>\$ 4,371,601</u>

Actuarial Assumptions

The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date that was rolled back to December 31, 2017:

Valuation date.....	1/1/2018
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Amortization method - UAAL.....	Amortization over 3 years with 2.5% increasing payments
Amortization method - 2002 ERI Actuarial Liability.....	Amortization of unfunded liability by June 30, 2019
Asset valuation method.....	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a four-year smoothing of asset returns greater than or less than the assumed rate of return.
Investment rate of return.....	A compound annual rate of 7.50%

Discount rate.....	7.50%, previously 7.75%
Inflation rate.....	Ranges from 2.75% to 3.00%
Projected salary increases.....	4.0% per year.
Cost of living adjustments.....	3.0% of the lesser of the pension amount and \$15,000 per year.
Mortality rates.....	It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2014, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2014.

Rate of return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 7.50%, previously 7.75%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment policy

The System’s policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan 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.

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

Best estimates of arithmetic real rates of return for each major asset class included in the System’s target asset allocation as of January 1, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity		
Large cap equities.....	14.50%	7.50%
Small/mid cap equities.....	3.50%	7.75%
International equities.....	16.00%	7.80%
Emerging international equities.....	6.00%	9.30%
Core fixed income		
Core bonds.....	5.00%	3.75%
20+ year treasuries.....	2.00%	3.50%
TIPS.....	5.00%	3.75%
Value added fixed income		
High-yield bonds.....	1.50%	5.50%
Bank loans.....	2.50%	5.50%
EMD (external).....	1.00%	2.00%
EMD (local currency).....	0.00%	6.50%
Distressed debt.....	3.00%	8.80%
Other credit opportunities.....	2.00%	6.50%
Private equity.....	11.00%	9.50%
Real estate.....	10.00%	6.70%
Timberland.....	4.00%	6.25%
Hedge fund and portfolio completion.....	13.00%	6.40%
Total.....	<u>100.00%</u>	

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount (7.50%)</u>	<u>1% Increase (8.50%)</u>
	<u>December 31, 2017 Measurement Date</u>		
The Town's proportionate share of the net pension liability.....	\$ <u>15,951,106</u>	\$ <u>943,289</u>	\$ <u>(11,836,209)</u>
DCRS total net pension liability.....	\$ <u>16,824,770</u>	\$ <u>1,341,346</u>	\$ <u>(11,843,143)</u>

Changes in Assumptions:

The discount rate was reduced from 7.75% to 7.50%.

Changes in Plan Provisions – None.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Funding Policy – Contribution requirements are negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 10% and 50% of the cost of benefits provided depending on the plan they choose. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately \$5.1 million to the plan during 2018. Administrative costs of the Plan are assumed to be included in plan premiums.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the other postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2018, the Town pre-funded future OPEB liabilities totaling \$1.6 million by contributing funds to the OPEB trust fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Fund financial statements. As of June 30, 2018, the net position of the OPEB trust fund totaled \$17 million.

Investment policy – The Town’s policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by a majority vote of its members. The OPEB plan’s 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 OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town’s investment policy.

GASB Statement #74 – OPEB Plan Financial Reporting

Measurement Date – GASB #74 requires the net OPEB liability to be measured as of the OPEB Plan’s most recent fiscal year-end. Accordingly, the net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018.

Employees Covered by Benefit Terms – The following table represents the Plan’s membership at June 30, 2018:

Active members.....	648
Inactive members currently receiving benefits.....	<u>728</u>
Total.....	<u><u>1,376</u></u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2018:

Total OPEB liability.....	\$	69,647,506
Less: OPEB plan's fiduciary net position.....		<u>(17,026,324)</u>
Net OPEB liability.....	\$	<u><u>52,621,182</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....		24.45%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, to be in accordance with GASB Statement #74:

Valuation date.....	June 30, 2018
Actuarial cost method.....	Entry Age Normal.
Asset valuation method.....	Market Value of Assets as of the reporting date.
Nominal investment rate of return.....	7.54%, including inflation of 2.75%
Discount rate.....	7.50%
Inflation rate.....	2.75%
Projected salary increases.....	4.00%
Healthcare cost trend rate.....	5.00% decreasing to 4.50% for periods starting in 2017.
Mortality rates:	
Pre-retirement and beneficiary.....	RP-2014 Blue Collar Mortality Table with Scale MP-2015, fully generational.
Retired Group 1 and 2.....	RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational.
Retired Group 4.....	RP-2014 Blue Collar Mortality Table set forward three years for males and six years for femalels, fully generational.

Rate of return – For the year ended June 30, 2018, the annual money-weighted rate of return on investments, net of investment expense, was 9.26%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

Best estimates of geometric real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2018 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity		
Large cap equities.....	14.50%	7.50%
Small/mid cap equities.....	3.50%	7.75%
International equities.....	16.00%	7.80%
Emerging international equities.....	6.00%	9.30%
Core fixed income		
Core bonds.....	5.00%	3.75%
20+ year treasuries.....	2.00%	3.50%
TIPS.....	5.00%	3.75%
Value added fixed income		
High-yield bonds.....	1.50%	5.50%
Bank loans.....	2.50%	5.50%
EMD (external).....	1.00%	2.00%
EMD (local currency).....	0.00%	6.50%
Distressed debt.....	3.00%	8.80%
Other credit opportunities.....	2.00%	6.50%
Private equity.....	11.00%	9.50%
Real estate.....	10.00%	6.70%
Timberland.....	4.00%	6.25%
Hedge fund and portfolio completion.....	13.00%	6.40%
Total.....	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability was 7.50% as of June 30, 2018 and June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan’s funding policy. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.50%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB liability..... \$	60,997,187	\$ 52,621,182	\$ 45,665,140

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend – The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate of 5.00% decreasing to 4.50%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability..... \$	\$ <u>44,354,380</u>	\$ <u>52,621,182</u>	\$ <u>62,819,074</u>

Changes of Assumptions – None.

Changes in Plan Provisions – None.

GASB Statement #75 – OPEB Employer Financial Reporting

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Measurement Date – GASB Statement #75 requires the net OPEB liability to be measured as of a date no earlier than the end of the employer’s prior fiscal year and no later than the end of the employer’s current fiscal year, consistently applied from period to period. Accordingly, the net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

Plan Membership – The following table represents the Plan’s membership at June 30, 2017:

Active members.....	603
Inactive employees or beneficiaries currently receiving benefits.....	<u>678</u>
Total.....	<u><u>1,281</u></u>

Significant Actuarial Methods and Assumptions – The total OPEB liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2017, to be in accordance with GASB Statement #75:

Valuation date.....	June 30, 2016
Actuarial cost method.....	Entry Age Normal.
Asset valuation method.....	Market Value of Assets as of the reporting date.
Nominal investment rate of return.....	7.54%, including inflation of 2.75%
Discount rate.....	7.50%
Inflation rate.....	2.75%
Projected salary increases.....	4.00%
Healthcare cost trend rate.....	5.00% decreasing to 4.50% for periods starting in 2017.
Pre-retirement mortality.....	RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
Post-retirement mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
Disabled mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2012 for males and females.

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

Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017 are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Global equity		
Large cap equities.....	14.50%	7.50%
Small/mid cap equities.....	3.50%	7.75%
International equities.....	16.00%	7.83%
Emerging international equities.....	6.00%	9.61%
Core fixed income		
Core bonds.....	5.00%	4.00%
20+ year treasuries.....	5.00%	3.75%
TIPS.....	3.00%	3.73%
Value added fixed income		
High-yield bonds.....	1.50%	5.75%
Bank loans.....	1.50%	6.00%
EMD (external).....	1.00%	5.75%
EMD (local currency).....	2.00%	6.50%
Private debt.....	4.00%	9.06%
Private equity.....	10.00%	9.50%
Real estate.....	10.00%	6.50%
Timberland.....	4.00%	6.00%
Hedge fund and portfolio completion.....	13.00%	6.48%
Total.....	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability was 7.50% as of June 30, 2017 and June 30, 2016. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be sufficient to make all projected benefit payments to current plan members.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2016.....	\$ 75,950,079	\$ 11,036,189	\$ 64,913,890
Changes for the year:			
Service cost.....	1,644,829	-	1,644,829
Interest.....	5,265,920	-	5,265,920
Benefit payments.....	-	(3,771,164)	3,771,164
Employer contributions.....	-	5,311,303	(5,311,303)
Investment income.....	-	1,408,978	(1,408,978)
Net change.....	<u>6,910,749</u>	<u>2,949,117</u>	<u>3,961,632</u>
Balances at June 30, 2017.....	<u>\$ 82,860,828</u>	<u>\$ 13,985,306</u>	<u>\$ 68,875,522</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following table presents the net other postemployment benefit liability, calculated using the discount rate of 7.50%, as well as what the net other postemployment benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB liability.....	<u>\$ 74,372,668</u>	<u>\$ (68,875,522)</u>	<u>\$ 57,385,612</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following table presents the net other postemployment benefit liability, calculated using the current healthcare trend rate of 5.00% decreasing to 4.50% for periods starting in 2017, as well as what the net other postemployment benefit liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	<u>\$ 55,280,797</u>	<u>\$ (68,875,522)</u>	<u>\$ 77,187,367</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2017, the GASB Statement #75 measurement date, the Town recognized OPEB expense of \$6,321,516. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (419,642)	\$ (419,642)
Contributions made subsequent to the measurement date.....	<u>5,085,011</u>	<u>-</u>	<u>5,085,011</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 5,085,011</u>	<u>\$ (419,642)</u>	<u>\$ 4,665,369</u>

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

Year ended June 30:

2019.....	\$ (104,911)
2020.....	(104,911)
2021.....	(104,911)
2022.....	<u>(104,909)</u>
Subtotal amortized deferred outflows/(inflows) of resources.....	<u>(419,642)</u>
Contributions made subsequent to the measurement date.....	<u>5,085,011</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 4,665,369</u>

Changes of Assumptions – None.

Changes in Plan Provisions – None.

NOTE 12 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS

GAAP requires that all Pension and Other Postemployment Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plans that are included in the Fiduciary Funds as Pension and Other Postemployment Benefit Trust Funds.

	Pension Trust Fund (as of December 31, 2017)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ASSETS			
Cash and cash equivalents.....	\$ 309,593	\$ -	\$ 309,593
Investments:			
Investments in Pension Reserve Investment Trust.....	143,410,702	17,026,324	160,437,026
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	266,174	-	266,174
TOTAL ASSETS.....	143,986,469	17,026,324	161,012,793
LIABILITIES			
Warrants payable.....	221,645	-	221,645
NET POSITION			
Restricted for pensions.....	143,764,824	-	143,764,824
Restricted for other postemployment benefits.....	-	17,026,324	17,026,324
TOTAL NET POSITION.....	\$ 143,764,824	\$ 17,026,324	\$ 160,791,148

	Pension Trust Fund (as of December 31, 2017)	Other Postemployment Benefit Trust Fund	Total Pension and Other Postemployment Benefit Trust Funds
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 7,031,923	\$ 1,609,454	\$ 8,641,377
Employer contributions for other postemployment benefit payments.....	-	3,475,557	3,475,557
Member contributions.....	2,307,518	-	2,307,518
Transfers from other systems.....	136,883	-	136,883
3(8)c contributions from other systems.....	198,086	-	198,086
Federal grant reimbursements.....	4,697	-	4,697
State COLA reimbursements.....	64,117	-	64,117
Member makeup payments and redeposits.....	5,118	-	5,118
	<u>9,748,342</u>	<u>5,085,011</u>	<u>14,833,353</u>
Total contributions.....			
Net investment income:			
Investment income.....	21,787,807	1,431,564	23,219,371
Less: investment expense.....	(700,494)	-	(700,494)
	<u>21,087,313</u>	<u>1,431,564</u>	<u>22,518,877</u>
Net investment income (loss).....			
	<u>21,087,313</u>	<u>1,431,564</u>	<u>22,518,877</u>
	<u>21,087,313</u>	<u>1,431,564</u>	<u>22,518,877</u>
TOTAL ADDITIONS.....	<u>30,835,655</u>	<u>6,516,575</u>	<u>37,352,230</u>
DEDUCTIONS:			
Administration.....	211,787	-	211,787
Transfers to other systems.....	189,470	-	189,470
3(8)c transfer to other systems.....	248,726	-	248,726
Retirement benefits and refunds.....	9,442,686	-	9,442,686
Other postemployment benefit payments.....	-	3,475,557	3,475,557
	<u>10,092,669</u>	<u>3,475,557</u>	<u>13,568,226</u>
TOTAL DEDUCTIONS.....			
	<u>10,092,669</u>	<u>3,475,557</u>	<u>13,568,226</u>
NET INCREASE (DECREASE) IN NET POSITION.....	20,742,986	3,041,018	23,784,004
NET POSITION AT BEGINNING OF YEAR.....	123,021,838	13,985,306	137,007,144
NET POSITION AT END OF YEAR.....	<u>\$ 143,764,824</u>	<u>\$ 17,026,324</u>	<u>\$ 160,791,148</u>

NOTE 13 – COMMITMENTS

The Town is committed to completing various projects throughout the Town which will be funded with long-term debt totaling approximately \$46.2 million. The November 2017 special Town Meeting authorized the Board of Selectmen to borrow \$43 million for the Public Safety Facility construction project. As of June 30, 2018, the Town has issued \$15.1 million for design, engineering and site preparations. As of June 30, 2018, the Town has spent \$2.6 million on the project. Additionally, the May 2016 special Town Meeting authorized the Board of Selectmen to borrow \$29.8 million for the Early Childhood Education Center construction project. As of June 30, 2018, the Town has issued \$14 million for the ECEC construction and spent \$13.2 million on the project. Other debt issued during fiscal year 2018 totaling \$2.4 million was used towards roads and sidewalks maintenance (\$2 million), as well as for the purchase of a new street sweeper and new parking lot at Gonzalez Field.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2018, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 28, 2019, which is the date the financial statements were available to be issued.

NOTE 16 – ENDICOTT ESTATE ENTERPRISE FUND RECLASSIFICATION

The charges for services at the Endicott Estate are not set to recover 100% of the cost of the Estate's operations, therefore, Town Meeting voted to revoke the enterprise provisions of Massachusetts General Law Chapter 44, Section 53F1/2 which terminated the Endicott Estate enterprise fund as of June 30, 2018. The Estate's net position on June 30, 2018, of \$720,977 was transferred to Governmental Activities as a special item. All current financial resources were transferred to the General Fund. All assets and liabilities previously reported within the Enterprise Fund are now reported in the Governmental Activities and the General Fund.

NOTE 17 – REVISION OF NET POSITION

The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statement #75. To reflect this change, the Town has revised the net other postemployment liability (OPEB) which has resulted in the revision of the June 30, 2017, balance of the governmental activities by \$(51,348,676). Accordingly, previously reported net position of \$115,978,316 has been revised and is \$64,629,640.

NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.

- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2020.

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

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Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 83,750,853	\$ 83,750,853	\$ 83,750,853	\$ 83,608,537	\$ -	\$ (142,316)
Tax liens.....	-	-	-	-	748,315	-	748,315
Motor vehicle and other excise taxes.....	-	3,800,000	3,800,000	3,800,000	3,910,506	-	110,506
Penalties and interest on taxes.....	-	550,000	550,000	550,000	533,387	-	(16,613)
Payments in lieu of taxes.....	-	28,000	28,000	28,000	30,942	-	2,942
Licenses and permits.....	-	1,400,000	1,400,000	1,400,000	1,029,842	-	(370,158)
Fines and forfeitures.....	-	160,000	160,000	160,000	149,352	-	(10,648)
Intergovernmental.....	-	8,445,544	8,445,544	8,445,544	8,368,345	-	(77,199)
Departmental and other.....	-	1,105,000	1,105,000	1,105,000	1,486,825	-	381,825
Investment income.....	-	250,000	250,000	250,000	252,410	-	2,410
TOTAL REVENUES.....	-	99,489,397	99,489,397	99,489,397	100,118,461	-	629,064
EXPENDITURES:							
Current:							
General Government							
Selectmen/Town Manager:							
Personnel services.....	-	847,600	847,600	678,120	431,741	-	246,379
Purchase of services.....	12,421	271,690	284,111	296,013	259,100	-	36,913
Supplies.....	-	600	600	600	331	-	269
Other charges and expenses.....	-	877,140	877,140	913,613	889,629	-	23,984
Operating capital.....	53,639	-	53,639	53,639	-	53,639	-
Articles.....	105,733	-	105,733	31,500	-	31,500	-
Total.....	171,793	1,997,030	2,168,823	1,973,485	1,580,801	85,139	307,545
Finance & Warrant Committee:							
Purchase of services.....	-	4,820	4,820	4,820	414	-	4,406
Supplies.....	-	150	150	150	-	-	150
Other charges and expenses.....	-	673	673	673	280	-	393
Reserve fund.....	-	500,000	500,000	291,384	-	-	291,384
Total.....	-	505,643	505,643	297,027	694	-	296,333
Finance Department:							
Personnel services.....	-	808,886	808,886	848,848	785,885	-	62,963
Purchase of services.....	3,197	930,270	933,467	998,714	856,555	86,713	55,446
Supplies.....	-	44,000	44,000	44,000	41,683	-	2,317
Other charges and expenses.....	225	10,900	11,125	11,125	10,714	-	411
Operating capital.....	10,000	-	10,000	10,000	-	10,000	-
Total.....	13,422	1,794,056	1,807,478	1,912,687	1,694,837	96,713	121,137
Central Purchasing:							
Personnel services.....	-	10,000	10,000	10,000	9,000	-	1,000
Purchase of services.....	-	85,000	85,000	85,000	72,013	-	12,987
Overtime.....	-	40,000	40,000	50,023	50,023	-	-
Supplies.....	-	44,000	44,000	49,000	45,755	232	3,013
Total.....	-	179,000	179,000	194,023	176,791	232	17,000
Assessing:							
Personnel services.....	-	345,794	345,794	352,884	352,884	-	-
Purchase of services.....	-	35,750	35,750	35,750	33,880	-	1,870
Supplies.....	-	2,200	2,200	2,200	-	-	2,200
Other charges and expenses.....	-	2,450	2,450	2,450	2,128	-	322
Articles.....	50,616	-	50,616	-	-	-	-
Total.....	50,616	386,194	436,810	393,284	388,892	-	4,392
Human Resources:							
Personnel services.....	-	218,041	218,041	221,928	218,033	-	3,895
Purchase of services.....	13,791	90,580	104,371	103,001	79,795	190	23,016
Other charges and expenses.....	-	4,505	4,505	4,505	3,223	-	1,282
Total.....	13,791	313,126	326,917	329,434	301,051	190	28,193
Legal:							
Purchase of services.....	-	250,000	250,000	258,505	201,854	128	56,523
Litigation & judgements.....	-	25,000	25,000	25,000	36,150	-	(11,150)
Total.....	-	275,000	275,000	283,505	238,004	128	45,373
Town Clerk:							
Personnel services.....	-	274,835	274,835	277,407	276,427	-	980
Purchase of services.....	-	31,000	31,000	31,000	30,653	-	347
Supplies.....	-	500	500	500	497	-	3
Other charges and expenses.....	-	1,550	1,550	1,550	1,221	-	329
Total.....	-	307,885	307,885	310,457	308,798	-	1,659

(continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget			
Economic Development:						
Personnel services.....	-	90,006	90,006	91,546	91,546	-
Purchase of services.....	3,200	13,500	16,700	16,700	13,115	- 3,585
Other charges and expenses.....	-	6,620	6,620	6,620	6,560	- 60
Operating capital.....	22,824	-	22,824	22,824	-	22,824
Articles.....	52,437	-	52,437	29,180	20,617	- 8,563
Total.....	78,461	110,126	188,587	166,870	131,838	31,387 3,645
Planning:						
Personnel services.....	-	156,236	156,236	147,997	116,905	- 31,092
Purchase of services.....	-	7,500	7,500	17,500	3,636	- 13,864
Other charges and expenses.....	-	1,500	1,500	1,500	-	- 1,500
Operating capital.....	135,000	-	135,000	135,000	47,603	- 87,397
Total.....	135,000	165,236	300,236	301,997	168,144	87,397 46,456
Building Planning and Construction Committee:						
Purchase of services.....	-	20,000	20,000	20,000	-	- 20,000
Town Facilities:						
Personnel services.....	-	412,095	412,095	397,079	364,181	- 32,898
Overtime.....	-	10,232	10,232	10,232	6,265	- 3,967
Utilities.....	118,890	814,415	933,305	933,305	354,944	242,336 336,025
Purchase of services.....	50,505	437,133	487,638	556,253	378,910	140,732 36,611
Supplies.....	375	77,849	78,224	93,224	90,751	- 2,473
Other charges and expenses.....	-	2,426	2,426	2,426	2,261	- 165
Operating capital.....	185,042	-	185,042	281,042	105,505	175,537
Total.....	354,812	1,754,150	2,108,962	2,273,561	1,302,817	558,605 412,139
School Facilities:						
Personnel services.....	-	1,741,393	1,741,393	1,741,393	1,741,392	- 1
Overtime.....	-	137,072	137,072	137,072	137,072	-
Utilities.....	66,488	1,347,867	1,414,355	1,319,511	1,138,107	56,120 125,284
Purchase of services.....	44,990	376,072	421,062	483,857	454,067	29,253 537
Supplies.....	1,187	185,950	187,137	205,170	200,763	- 4,407
Other charges and expenses.....	-	2,500	2,500	2,500	-	- 2,500
Operating capital.....	127,108	-	127,108	127,108	41,932	148 85,028
Total.....	239,773	3,790,854	4,030,627	4,016,611	3,713,333	85,521 217,757
Conservation:						
Personnel services.....	-	109,300	109,300	121,708	121,708	-
Supplies.....	-	250	250	250	250	-
Other charges and expenses.....	-	6,300	6,300	6,300	3,469	- 2,831
Total.....	-	115,850	115,850	128,258	125,427	- 2,831
Environmental:						
Personnel services.....	-	56,894	56,894	57,492	54,461	- 3,031
Purchase of services.....	2,325	26,000	28,325	28,325	18,921	2,675 6,729
Other charges and expenses.....	-	1,561	1,561	1,561	757	- 804
Total.....	2,325	84,455	86,780	87,378	74,139	2,675 10,564
Total General Government.....	1,059,993	11,798,605	12,858,598	12,688,577	10,205,566	947,987 1,535,024
Public Safety:						
Police Department:						
Personnel services.....	-	5,247,770	5,247,770	5,192,952	5,078,564	- 114,388
Overtime.....	-	642,275	642,275	642,275	471,898	- 170,377
Purchase of services.....	7,215	197,169	204,384	209,384	179,736	4,900 24,748
Supplies.....	-	142,461	142,461	142,461	139,247	- 3,214
Other charges and expenses.....	-	19,430	19,430	19,430	17,259	- 2,171
Operating capital.....	31,936	-	31,936	31,936	26,188	5,748
Total.....	39,151	6,249,105	6,288,256	6,238,438	5,912,892	10,648 314,898
Fire Department:						
Personnel services.....	-	4,948,650	4,948,650	4,989,547	4,932,073	- 57,474
Overtime.....	-	397,665	397,665	397,665	349,420	- 48,245
Purchase of services.....	-	152,405	152,405	152,405	127,982	3,036 21,387
Supplies.....	-	93,248	93,248	99,998	97,278	- 2,720
Other charges and expenses.....	-	10,560	10,560	10,560	9,231	- 1,329
Operating capital.....	25,076	-	25,076	25,076	13,929	11,147
Total.....	25,076	5,602,528	5,627,604	5,675,251	5,529,913	14,183 131,155

(continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Central Dispatch Center:							
Personnel services.....	-	554,905	554,905	561,321	561,162	-	159
Overtime.....	-	61,684	61,684	61,684	61,684	-	-
Purchase of services.....	-	29,736	29,736	29,736	24,648	3,197	1,891
Other charges and expenses.....	-	100	100	100	-	-	100
Total.....	-	646,425	646,425	652,841	647,494	3,197	2,150
Building Inspection:							
Personnel services.....	-	480,184	480,184	484,760	475,612	-	9,148
Supplies.....	-	2,000	2,000	2,048	2,039	-	9
Other charges and expenses.....	-	2,910	2,910	2,910	1,435	-	1,475
Total.....	-	485,094	485,094	489,718	479,086	-	10,632
Civil Preparedness:							
Purchase of services.....	-	1,395	1,395	1,395	955	-	440
Supplies.....	-	2,760	2,760	2,760	2,042	-	718
Other charges and expenses.....	-	200	200	200	-	-	200
Total.....	-	4,355	4,355	4,355	2,997	-	1,358
Total Public Safety.....	64,227	12,987,507	13,051,734	13,060,603	12,572,382	28,028	460,193
Education:							
Dedham Public Schools:							
School operations.....	835,687	37,493,648	38,329,335	38,282,828	37,837,361	386,771	58,696
Operating capital.....	25,429	-	25,429	25,429	-	25,429	-
Articles.....	6,980	-	6,980	6,980	-	6,980	-
Total.....	868,096	37,493,648	38,361,744	38,315,237	37,837,361	419,180	58,696
Blue Hills Regional School:							
Assessment.....	-	1,445,990	1,445,990	1,445,990	1,444,942	-	1,048
Norfolk County Agricultural High School:							
Assessment.....	-	58,830	58,830	58,830	40,887	-	17,943
Total Education.....	868,096	38,998,468	39,866,564	39,820,057	39,323,190	419,180	77,687
Public Works:							
Public Works Operations:							
Personnel services.....	-	1,669,883	1,669,883	1,688,572	1,495,404	-	193,168
Overtime.....	-	185,000	185,000	185,000	151,498	-	33,502
Purchase of services.....	25,225	679,000	704,225	704,225	519,290	52,794	132,141
Supplies.....	10,660	300,960	311,620	311,620	256,111	-	55,509
Other charges and expenses.....	-	9,000	9,000	9,000	6,459	-	2,541
Operating capital.....	142,593	-	142,593	142,593	62,762	79,831	-
Total.....	178,478	2,843,843	3,022,321	3,041,010	2,491,524	132,625	416,861
Snow and Ice:							
Snow and ice removal.....	-	677,000	677,000	1,277,000	1,152,000	11,349	113,651
Engineering:							
Personnel services.....	-	466,470	466,470	466,470	432,873	-	33,597
Purchase of services.....	37,500	59,905	97,405	97,405	72,902	-	24,503
Supplies.....	-	17,450	17,450	17,450	13,593	-	3,857
Other charges/expenditures.....	-	10,920	10,920	10,920	6,341	-	4,579
Operating capital.....	1,500	-	1,500	1,500	1,500	-	-
Articles.....	56,851	-	56,851	56,851	935	55,916	-
Total.....	95,851	554,745	650,596	650,596	528,144	55,916	66,536
Rubbish and Recycling:							
Rubbish and recycling.....	383	2,027,500	2,027,883	2,027,883	1,832,240	143,866	51,777
Street Lighting:							
Streetlights.....	96,528	282,000	378,528	378,528	155,899	38,092	184,537
Total Public Works.....	371,240	6,385,088	6,756,328	7,375,017	6,159,807	381,848	833,362
Community Services:							
Board of Health:							
Personnel services.....	-	360,010	360,010	361,836	341,799	-	20,037
Purchase of services.....	128	1,600	1,728	1,600	1,280	-	320
Supplies.....	-	1,100	1,100	1,100	547	-	553
Other charges and expenses.....	-	11,650	11,650	17,100	15,724	-	1,376
Total.....	128	374,360	374,488	381,636	359,350	-	22,286

(continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Council of Aging:							
Personnel services.....	-	235,479	235,479	229,646	224,966	-	4,680
Purchases of services.....	-	2,915	2,915	7,915	7,898	-	17
Supplies.....	-	5,900	5,900	15,900	12,298	-	3,602
Other charges and expenses.....	-	1,325	1,325	4,325	1,500	-	2,825
Total.....	-	245,619	245,619	257,786	246,662	-	11,124
Youth Commission:							
Personnel services.....	-	286,177	286,177	289,489	289,487	-	2
Purchase of services.....	-	2,975	2,975	2,975	2,901	-	74
Supplies.....	-	1,221	1,221	1,221	177	-	1,044
Other charges and expenses.....	-	1,860	1,860	1,860	1,575	-	285
Total.....	-	292,233	292,233	295,545	294,140	-	1,405
Veteran's Services:							
Personnel services.....	-	62,830	62,830	63,901	63,901	-	-
Purchase of services.....	-	5,000	5,000	3,628	1,503	-	2,125
Supplies.....	-	300	300	300	71	-	229
Other charges and expenses.....	-	135,800	135,800	193,300	176,020	-	17,280
Total.....	-	203,930	203,930	261,129	241,495	-	19,634
Library:							
Personnel services.....	-	1,019,574	1,019,574	1,023,928	1,012,295	-	11,633
Overtime.....	-	11,000	11,000	16,000	13,510	-	2,490
Purchase of services.....	-	69,394	69,394	69,394	69,391	-	3
Supplies.....	-	203,165	203,165	203,165	201,412	-	1,753
Other charges and expenses.....	-	6,900	6,900	6,900	6,865	-	35
Articles.....	16,908	-	16,908	16,908	-	16,908	-
Total.....	16,908	1,310,033	1,326,941	1,336,295	1,303,473	16,908	15,914
Parks & Recreation:							
Personnel services.....	-	622,314	622,314	627,450	627,050	-	400
Overtime.....	-	9,500	9,500	9,500	9,500	-	-
Utilities.....	-	750	750	750	284	-	466
Purchase of services.....	67,400	55,500	122,900	121,632	119,306	-	2,326
Supplies.....	-	117,375	117,375	117,375	117,364	-	11
Other charges and expenses.....	-	500	500	500	602	-	(102)
Operating capital.....	49,454	-	49,454	49,454	15,760	33,694	-
Total.....	116,854	805,939	922,793	926,661	889,866	33,694	3,101
Civic & Cultural Programs:							
Civic pride.....	-	15,000	15,000	15,000	15,000	-	-
Cultural Council.....	500	10,000	10,500	11,500	10,500	-	1,000
Total.....	500	25,000	25,500	26,500	25,500	-	1,000
Total Community Services.....	134,390	3,257,114	3,391,504	3,485,552	3,360,486	50,602	74,464
State and County Assessments.....	-	2,872,331	2,872,331	2,872,331	2,892,415	-	(20,084)
Debt Service:							
Principal.....	-	7,189,429	7,189,429	7,189,429	7,163,726	-	25,703
Interest.....	-	2,668,902	2,668,902	2,668,902	2,593,646	-	75,256
Total.....	-	9,858,331	9,858,331	9,858,331	9,757,372	-	100,959
Employee Benefits:							
Contributory pension.....	-	6,826,096	6,826,096	6,826,096	6,826,096	-	-
Non-contributory pension.....	-	15,000	15,000	15,151	16,260	-	(1,109)
Unemployment payments.....	3,000	50,000	53,000	52,767	21,375	-	31,392
OPEB liability contribution.....	-	1,609,444	1,609,444	1,609,444	1,609,444	-	-
Health Insurance.....	-	11,882,844	11,882,844	11,882,844	11,520,617	-	362,227
Life Insurance.....	-	45,916	45,916	45,916	44,506	-	1,410
111F Claims.....	-	45,170	45,170	45,170	9,733	-	35,437
Medicare tax.....	-	800,000	800,000	800,000	773,348	-	26,652
Total.....	3,000	21,274,470	21,277,470	21,277,388	20,821,379	-	456,009
TOTAL EXPENDITURES.....	2,500,946	107,431,914	109,932,860	110,437,856	105,092,597	1,827,645	3,517,614
EXCESS (DEFICIENCY) OF REVENUES							
OVER (UNDER) EXPENDITURES.....	(2,500,946)	(7,942,517)	(10,443,463)	(10,948,459)	(4,974,136)	(1,827,645)	4,146,678

(continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget			
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	2,599,172	2,599,172	2,767,595	2,869,730	102,135
Transfers out.....	-	(3,090,978)	(3,090,978)	(3,090,978)	(3,099,315)	(8,337)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(491,806)	(491,806)	(323,383)	(229,585)	93,798
NET CHANGE IN FUND BALANCE.....	(2,500,946)	(8,434,323)	(10,935,269)	(11,271,842)	(5,203,721)	4,240,476
BUDGETARY FUND BALANCE, Beginning of year.....	-	19,325,433	19,325,433	19,325,433	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (2,500,946)	\$ 10,891,110	\$ 8,390,164	\$ 8,053,591	\$ 14,121,712	\$ (1,827,645)

(Concluded)

See notes to required supplementary information.

Pension Plan Schedules – Retirement System

The Pension Plan's Schedule of Changes in the Net Pension Liability presents multi-year trend information on the net pension liability and related ratios.

The Pension Plan's Schedule of Contributions presents multi-year trend information on the required and actual contributions to the pension plan and related ratios.

The Pension Plan's Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on retirement assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY
AND RELATED RATIOS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM**

	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017
Total pension liability:				
Service cost.....	\$ 2,850,624	\$ 3,044,083	\$ 3,044,083	\$ 3,130,263
Interest.....	10,222,589	10,663,706	10,166,868	10,434,432
Changes in benefit terms.....	-	1,684,915	-	-
Differences between expected and actual experience.....	-	3,030,168	-	1,572,401
Changes in assumptions.....	-	(4,100,558)	-	3,494,125
Benefit payments.....	(8,913,863)	(9,304,824)	(9,809,840)	(9,880,882)
Interest on benefit payments.....	-	(353,834)	-	-
Net change in total pension liability.....	4,159,350	4,663,656	3,401,111	8,750,339
Total pension liability - beginning.....	124,131,714	128,291,064	132,954,720	136,355,831
Total pension liability - ending (a).....	\$ 128,291,064	\$ 132,954,720	\$ 136,355,831	\$ 145,106,170
Plan fiduciary net position:				
Employer contributions.....	\$ 4,277,701	\$ 4,725,074	\$ 12,194,092	\$ 7,031,923
Member contributions.....	2,183,402	2,480,961	2,509,736	2,449,519
Net investment income (loss).....	7,721,433	705,719	8,454,659	21,087,313
Administrative expenses.....	(213,559)	(221,292)	(227,189)	(211,787)
Retirement benefits and refunds.....	(8,913,863)	(9,304,824)	(9,809,840)	(9,880,882)
Other receipts.....	289,068	305,199	487,921	266,900
Net increase (decrease) in fiduciary net position.....	5,344,182	(1,309,163)	13,609,379	20,742,986
Fiduciary net position - beginning of year.....	105,377,440	110,721,622	109,412,459	123,021,838
Fiduciary net position - end of year (b).....	\$ 110,721,622	\$ 109,412,459	\$ 123,021,838	\$ 143,764,824
Net pension liability - ending (a)-(b).....	\$ 17,569,442	\$ 23,542,261	\$ 13,333,993	\$ 1,341,346
Plan fiduciary net position as a percentage of the total pension liability.....	86.31%	82.29%	90.22%	99.08%
Covered payroll.....	\$ 20,523,383	\$ 22,457,073	\$ 23,355,356	\$ 24,330,871
Net pension liability as a percentage of covered payroll.....	85.61%	104.83%	57.09%	5.51%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2017.....	\$ 5,031,923	\$ (7,031,923)	\$ (2,000,000)	\$ 24,330,871	28.90%
December 31, 2016.....	4,694,092	(12,194,092)	(7,500,000)	23,355,356	52.21%
December 31, 2015.....	4,531,244	(4,725,074)	(193,830)	22,457,073	21.04%
December 31, 2014.....	4,277,701	(4,277,701)	-	20,523,383	20.84%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
December 31, 2017.....	17.17%
December 31, 2016.....	7.54%
December 31, 2015.....	0.64%
December 31, 2014.....	7.58%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Pension Plan Schedules – Town

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2017.....	70.32%	\$ 943,289	\$ 23,583,495	4.00%	99.08%
December 31, 2016.....	93.50%	12,467,754	22,419,105	55.61%	90.22%
December 31, 2015.....	95.73%	22,537,763	21,498,156	104.84%	82.29%
December 31, 2014.....	96.31%	16,921,130	19,766,070	85.61%	86.31%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

The Town's actual contribution for fiscal year 2017 was \$4,531,244. The components of the net pension liability were allocated based on the total appropriation with the exception of the actual contributions and the beginning net pension liability which were actual values.

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2018.....	\$ 4,826,096	\$ (6,826,096)	\$ (2,000,000)	\$ 23,878,289	28.59%
June 30, 2017.....	4,505,919	(12,005,919)	(7,500,000)	22,699,344	52.89%
June 30, 2016.....	4,337,414	(4,531,244)	(193,830)	21,766,883	20.82%
June 30, 2015.....	4,107,233	(4,107,233)	-	20,013,146	20.52%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2018.....	\$ 85,654,990	\$ 8,940,061	54.25%
2017.....	80,976,650	8,260,149	52.73%
2016.....	74,825,083	6,068,980	55.38%
2015.....	58,416,266	4,058,458	61.64%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Returns presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018
Total OPEB Liability		
Service Cost.....	\$ 1,644,829	\$ 1,472,302
Interest.....	5,265,920	5,595,888
Changes of benefit terms.....	-	-
Differences between expected and actual experience....	-	(13,034,791)
Changes of assumptions.....	-	-
Benefit payments.....	<u>(3,771,164)</u>	<u>(3,475,557)</u>
Net change in total OPEB liability.....	3,139,585	(9,442,158)
Total OPEB liability - beginning.....	<u>75,950,079</u>	<u>79,089,664</u>
Total OPEB liability - ending (a).....	<u>\$ 79,089,664</u>	<u>\$ 69,647,506</u>
Plan fiduciary net position		
Employer contributions.....	\$ 1,540,138	\$ 1,609,454
Employer contributions for OPEB payments.....	3,771,164	3,475,557
Net investment income.....	1,408,979	1,431,564
Benefit payments.....	<u>(3,771,164)</u>	<u>(3,475,557)</u>
Net change in plan fiduciary net position.....	2,949,117	3,041,018
Plan fiduciary net position - beginning of year.....	<u>11,036,189</u>	<u>13,985,306</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 13,985,306</u>	<u>\$ 17,026,324</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 65,104,358</u>	<u>\$ 52,621,182</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	17.68%	24.45%
Covered-employee payroll.....	\$ 48,730,159	\$ 52,002,675
Net OPEB liability as a percentage of covered-employee payroll.....	133.60%	101.19%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2018.....	\$ 4,313,840	\$ (5,085,011)	\$ (771,171)	\$ 52,002,675	9.78%
June 30, 2017.....	5,282,204	(5,925,736)	(643,532)	48,730,159	12.16%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2018.....	9.26%
June 30, 2017.....	12.72%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYBudgetary Information

Municipal Law requires the adoption of a balanced budget that is approved at the Annual and Special Town Meetings. The Town has an Advisory Committee that submits reports on proposed appropriations at Town Meetings.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations among departments require the approval of Town Meeting.

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Board of Selectmen and written approval from the Massachusetts Department of Revenue.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2018 budget consisted of approximately \$113 million in appropriations and other amounts to be raised. Included in the original budget are approximately \$2.5 million in amounts carried over from previous years.

The Finance Department has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2018, is presented below:

Net change in fund balance - budgetary basis.....	\$	(5,203,721)
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		822,820
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		32,250
Net change in recording 60 day receipts.....		(220,801)
Recognition of revenue for on-behalf payments.....		8,940,061
Recognition of expenditures for on-behalf payments.....		<u>(8,940,061)</u>
Net change in fund balance - GAAP basis.....	\$	<u><u>(4,569,452)</u></u>

NOTE B – PENSION PLAN***Pension Plan Schedules – Retirement System***Changes in the Net Pension Liability and Related Ratios

The Schedule of Changes in the Net Pension Liability and Related Ratios includes the detailed changes in the System's total pension liability, changes in the System's net position, and the ending net pension liability. It also demonstrates the plan's net position as a percentage of the total pension liability and the net pension liability as a percentage of covered payroll.

Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The total appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The total appropriations are payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual employer contributions may be less than the "total appropriation". The pension fund appropriations are allocated amongst employers based on covered payroll.

Schedule of Investment Return

The money weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. A money weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. Inputs to the money weighted rate of return calculation are determined monthly.

Pension Plan Schedules - TownSchedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding

situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes in Assumptions:

The discount rate was reduced to 7.50% from 7.75%.

Changes in Plan Provisions: - None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s participation in the West Suburban Healthcare Group, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

The Other Postemployment Benefit Plan

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town’s Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan’s total OPEB liability, changes in the Plan’s net position, and ending net OPEB liability. It also demonstrates the Plan’s net position as a percentage of the total liability and the Plan’s net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town’s Contributions

The Schedule of the Town’s Contributions includes the Town’s annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	June 30, 2016
Actuarial cost method.....	Entry Age Normal.
Asset valuation method.....	Market Value of Assets as of the reporting date.
Nominal investment rate of return.....	7.54%, including inflation of 2.75%
Discount rate.....	7.50%
Inflation rate.....	2.75%

Projected salary increases.....	4.00%
Healthcare cost trend rate.....	5.00% decreasing to 4.50% for periods starting in 2017.
Pre-retirement mortality.....	RP-2000 Employees Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
Post-retirement mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2009 for males and females.
Disabled mortality.....	RP-2000 Healthy Annuitant Mortality Table projected generationally with Scale BB and a base year 2012 for males and females.

Schedule of Investment Returns

The Schedule of Investment Return includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expense.

Changes of Assumptions – None.

Changes in Provisions – None.

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Combining and Individual Fund Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes.

Town Grants Fund – This fund is used to account for non-school related activity specially financed by federal, state, and other grants.

School Grants Fund – This fund is used to account for educational programs specially financed by federal, state, and other grants.

Town Gifts Fund – This fund is used to account for gifts which have been accepted by the Town to be used for non-school purposes that are specified by the donor.

School Gifts Fund – This fund is used to account for gifts which have been accepted by the Town for school related purposes that are specified by the donor.

School Lunch Fund – This fund accounts for the operations of the public school lunch programs that are funded by user fees and grants.

Town Revolving Fund – This fund accounts for self-supporting non-school related programs that are sponsored by the Town.

School Revolving Fund – This fund accounts for self-supporting school related programs that are sponsored by the Town.

Receipts Reserved Fund – This fund accounts for specific receipts identified by the Commonwealth that are to be held until appropriated.

CAPITAL PROJECT FUNDS

Land Improvements Fund – This fund accounts for land acquisition and land improvements that are financed through the issuance of long-term debt or other available funds.

Roadway Improvements Fund – This fund accounts for roadway improvements throughout the Town that are funded through the issuance of long-term debt, grants received under the Commonwealth of Massachusetts' Chapter 90 program, and other available funds.

Machinery and Equipment Fund – This fund accounts for the acquisition of capital equipment that is funded through the issuance of long-term debt or other available funds.

Ames Property – Fund is used to account for the remodeling/ repurposing of the Ames Building.

PERMANENT FUNDS

The Permanent Fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. The Town maintains one fund to account for nonexpendable contributions and expendable earnings that can be spent on governmental purposes.

Cemetery Trust Fund – This fund accounts for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Library Trust Fund – This fund accounts for contributions earmarked for the support of the Town's libraries.

Other Trust Funds – This fund accounts for all contributions and bequests for which only earnings may be expended to benefit the government activities that are not financed by the Cemetery Trust Fund or the Library Trust Fund.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2018

	Special Revenue Funds					
	Town Grants	School Grants	Town Gifts	School Gifts	School Lunch	Town Revolving
ASSETS						
Cash and cash equivalents.....	\$ 11,508	\$ 642,682	\$ 1,567,770	\$ 144,090	\$ 272,392	\$ 947,712
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Intergovernmental - other.....	-	182,903	-	-	-	-
TOTAL ASSETS.....	<u>\$ 11,508</u>	<u>\$ 825,585</u>	<u>\$ 1,567,770</u>	<u>\$ 144,090</u>	<u>\$ 272,392</u>	<u>\$ 947,712</u>
LIABILITIES						
Warrants payable.....	\$ -	\$ 3,559	\$ -	\$ 8,399	\$ 35,262	\$ 769
Accrued payroll.....	1,094	9,337	-	-	17,170	1,368
TOTAL LIABILITIES.....	<u>1,094</u>	<u>12,896</u>	<u>-</u>	<u>8,399</u>	<u>52,432</u>	<u>2,137</u>
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	10,414	812,689	1,567,770	135,691	219,960	945,575
TOTAL FUND BALANCES.....	<u>10,414</u>	<u>812,689</u>	<u>1,567,770</u>	<u>135,691</u>	<u>219,960</u>	<u>945,575</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	<u>\$ 11,508</u>	<u>\$ 825,585</u>	<u>\$ 1,567,770</u>	<u>\$ 144,090</u>	<u>\$ 272,392</u>	<u>\$ 947,712</u>

(Continued)

Special Revenue Funds			Capital Project Funds				
School Revolving	Receipts Reserved	Subtotal	Land and Improvements	Roadway Improvements	Machinery and Equipment	Ames Property	Subtotal
\$ 958,125	\$ 144,108	\$ 4,688,387	\$ 854,458	\$ 2,076,012	\$ 786,242	\$ 2,556,633	\$ 6,273,345
-	-	-	-	-	-	-	-
-	-	182,903	-	-	-	-	-
<u>\$ 958,125</u>	<u>\$ 144,108</u>	<u>\$ 4,871,290</u>	<u>\$ 854,458</u>	<u>\$ 2,076,012</u>	<u>\$ 786,242</u>	<u>\$ 2,556,633</u>	<u>\$ 6,273,345</u>
\$ 2,558	\$ -	\$ 50,547	\$ 46,088	\$ 5,849	\$ 54,875	\$ 775,115	\$ 881,927
12,186	-	41,155	-	-	-	-	-
14,744	-	91,702	46,088	5,849	54,875	775,115	881,927
-	-	-	-	-	-	-	-
943,381	144,108	4,779,588	808,370	2,070,163	731,367	1,781,518	5,391,418
943,381	144,108	4,779,588	808,370	2,070,163	731,367	1,781,518	5,391,418
<u>\$ 958,125</u>	<u>\$ 144,108</u>	<u>\$ 4,871,290</u>	<u>\$ 854,458</u>	<u>\$ 2,076,012</u>	<u>\$ 786,242</u>	<u>\$ 2,556,633</u>	<u>\$ 6,273,345</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2018

	Permanent Funds				Total Nonmajor Governmental Funds
	Cemetery Trust	Library Trust	Other Trust	Subtotal	
ASSETS					
Cash and cash equivalents.....	\$ 2,993	\$ 3,660	\$ 2,075	\$ 8,728	\$ 10,970,460
Investments.....	665,826	814,210	461,793	1,941,829	1,941,829
Receivables, net of uncollectibles:					
Intergovernmental - other.....	-	-	-	-	182,903
TOTAL ASSETS.....	\$ 668,819	\$ 817,870	\$ 463,868	\$ 1,950,557	\$ 13,095,192
LIABILITIES					
Warrants payable.....	\$ -	\$ -	\$ -	\$ -	\$ 932,474
Accrued payroll.....	-	-	-	-	41,155
TOTAL LIABILITIES.....	-	-	-	-	973,629
FUND BALANCES					
Nonspendable.....	508,525	202,244	83,346	794,115	794,115
Restricted.....	160,294	615,626	380,522	1,156,442	11,327,448
TOTAL FUND BALANCES.....	668,819	817,870	463,868	1,950,557	12,121,563
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 668,819	\$ 817,870	\$ 463,868	\$ 1,950,557	\$ 13,095,192

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

YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	Town Grants	School Grants	Town Gifts	School Gifts	School Lunch	Town Revolving
REVENUES:						
Intergovernmental - other.....	\$ 108,585	\$ 2,281,956	\$ -	\$ -	\$ 228,572	\$ 38,500
Departmental and other.....	150,885	106,122	224,114	-	1,243,558	514,123
Contributions and donations.....	-	-	53,054	44,158	-	29,320
Investment income.....	-	-	111	234	-	901
TOTAL REVENUES.....	259,470	2,388,078	277,279	44,392	1,472,130	582,844
EXPENDITURES:						
Current:						
General government.....	39,582	-	40,030	3,811	-	13,678
Public safety.....	96,292	-	12,579	-	-	32,101
Education.....	-	2,790,733	-	50,714	1,394,899	-
Public works.....	-	-	-	-	-	-
Health and human services.....	177,447	-	39,620	-	-	-
Culture and recreation.....	59,260	-	24,703	-	-	398,606
TOTAL EXPENDITURES.....	372,581	2,790,733	116,932	54,525	1,394,899	444,385
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(113,111)	(402,655)	160,347	(10,133)	77,231	138,459
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	-
Transfers in.....	9,086	-	100,000	8,406	-	5,306
Transfers out.....	(6,105)	-	(139,035)	(8,406)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	2,981	-	(39,035)	-	-	5,306
NET CHANGE IN FUND BALANCES.....	(110,130)	(402,655)	121,312	(10,133)	77,231	143,765
FUND BALANCES AT BEGINNING OF YEAR.....	120,544	1,215,344	1,446,458	145,824	142,729	801,810
FUND BALANCES AT END OF YEAR.....	\$ 10,414	\$ 812,689	\$ 1,567,770	\$ 135,691	\$ 219,960	\$ 945,575

(Continued)

Special Revenue Funds			Capital Project Funds				
School Revolving	Receipts Reserved	Subtotal	Land and Improvements	Roadway Improvements	Machinery and Equipment	Ames Property	Subtotal
\$ -	\$ -	\$ 2,657,613	\$ -	\$ 687,998	\$ -	\$ -	\$ 687,998
1,167,308	9,985	3,416,095	-	-	-	-	-
-	-	126,532	-	-	-	-	-
-	-	1,246	-	-	-	-	-
<u>1,167,308</u>	<u>9,985</u>	<u>6,201,486</u>	<u>-</u>	<u>687,998</u>	<u>-</u>	<u>-</u>	<u>687,998</u>
-	-	97,101	3,006,198	-	33,555	6,834,565	9,874,318
-	-	140,972	-	-	472,069	-	472,069
1,290,858	-	5,527,204	-	-	642,110	-	642,110
-	1,900	1,900	-	2,064,429	527,144	-	2,591,573
-	-	217,067	-	-	-	-	-
-	-	482,569	-	-	44,635	-	44,635
<u>1,290,858</u>	<u>1,900</u>	<u>6,466,813</u>	<u>3,006,198</u>	<u>2,064,429</u>	<u>1,719,513</u>	<u>6,834,565</u>	<u>13,624,705</u>
<u>(123,550)</u>	<u>8,085</u>	<u>(265,327)</u>	<u>(3,006,198)</u>	<u>(1,376,431)</u>	<u>(1,719,513)</u>	<u>(6,834,565)</u>	<u>(12,936,707)</u>
-	-	-	-	2,220,000	245,000	-	2,465,000
-	-	-	-	70,138	7,740	-	77,878
-	-	122,798	622,418	49	1,901,750	39,035	2,563,252
-	-	(153,546)	(13,018)	-	(11,253)	-	(24,271)
-	-	(30,748)	609,400	2,290,187	2,143,237	39,035	5,081,859
(123,550)	8,085	(296,075)	(2,396,798)	913,756	423,724	(6,795,530)	(7,854,848)
<u>1,066,931</u>	<u>136,023</u>	<u>5,075,663</u>	<u>3,205,168</u>	<u>1,156,407</u>	<u>307,643</u>	<u>8,577,048</u>	<u>13,246,266</u>
<u>\$ 943,381</u>	<u>\$ 144,108</u>	<u>\$ 4,779,588</u>	<u>\$ 808,370</u>	<u>\$ 2,070,163</u>	<u>\$ 731,367</u>	<u>\$ 1,781,518</u>	<u>\$ 5,391,418</u>

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Permanent Funds				Total Nonmajor Governmental Funds
	Cemetery Trust	Library Trust	Other Trust	Subtotal	
REVENUES:					
Intergovernmental - other.....	\$ -	\$ -	\$ -	\$ -	\$ 3,345,611
Departmental and other.....	-	-	-	-	3,416,095
Contributions and donations.....	15,650	-	11,753	27,403	153,935
Investment income.....	15,405	21,484	13,076	49,965	51,211
TOTAL REVENUES.....	31,055	21,484	24,829	77,368	6,966,852
EXPENDITURES:					
Current:					
General government.....	-	-	-	-	9,971,419
Public safety.....	-	-	13,387	13,387	626,428
Education.....	-	-	10	10	6,169,324
Public works.....	-	-	10	10	2,593,483
Health and human services.....	800	-	-	800	217,867
Culture and recreation.....	-	115,127	-	115,127	642,331
TOTAL EXPENDITURES.....	800	115,127	13,407	129,334	20,220,852
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	30,255	(93,643)	11,422	(51,966)	(13,254,000)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	-	-	-	2,465,000
Premium from issuance of bonds.....	-	-	-	-	77,878
Transfers in.....	-	-	-	-	2,686,050
Transfers out.....	-	-	-	-	(177,817)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-	5,051,111
NET CHANGE IN FUND BALANCES.....	30,255	(93,643)	11,422	(51,966)	(8,202,889)
FUND BALANCES AT BEGINNING OF YEAR.....	638,564	911,513	452,446	2,002,523	20,324,452
FUND BALANCES AT END OF YEAR.....	\$ 668,819	\$ 817,870	\$ 463,868	\$ 1,950,557	\$ 12,121,563

(Concluded)

Fiduciary Funds

Agency Fund – This fund is used to account for payroll withholdings and other amounts held in a fiduciary capacity for nongovernmental purposes.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2018

	June 30, 2017	Additions	Deletions	June 30, 2018
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 901,612	\$ 2,796,379	\$ (2,784,553)	\$ 913,438
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>260,235</u>	<u>726,695</u>	<u>(741,445)</u>	<u>245,485</u>
TOTAL ASSETS.....	<u>\$ 1,161,847</u>	<u>\$ 3,523,074</u>	<u>\$ (3,525,998)</u>	<u>\$ 1,158,923</u>
LIABILITIES				
Warrants payable.....	\$ -	\$ 1,627	\$ -	\$ 1,627
Liabilities due depositors.....	<u>1,161,847</u>	<u>3,521,447</u>	<u>(3,525,998)</u>	<u>1,157,296</u>
TOTAL LIABILITIES.....	<u>\$ 1,161,847</u>	<u>\$ 3,523,074</u>	<u>\$ (3,525,998)</u>	<u>\$ 1,158,923</u>

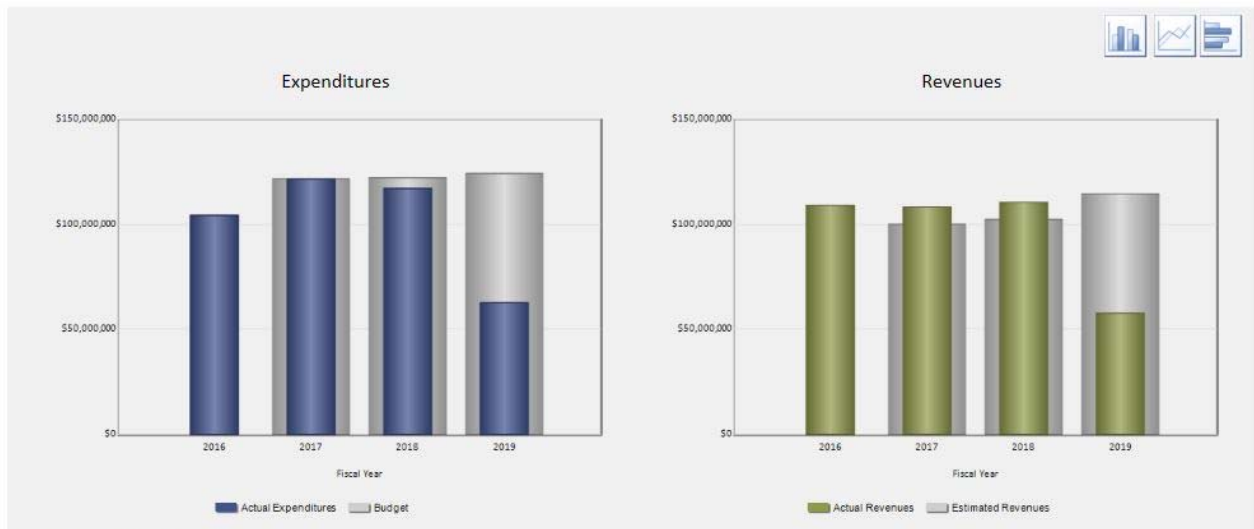
Statistical Section



Dedham Citizen Transparency

Total Expenditures \$90,245,160 Year To Date	Total Revenues \$78,653,882 Year To Date	Remaining Expenditure Budget \$89,315,039 Year To Date	Capital Expenditures \$14,621,834 Year To Date	Site Quick Links: <ul style="list-style-type: none"> Expenditures Overview Revenues Overview Payroll Overview Vendor Payments Fund Descriptions
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Filter by Fund:



Data current as of: 1/3/2019

Fiscal Year references throughout the site are as follows:

2016 July 2015 through June 2016	2017 July 2016 through June 2017	2018 July 2017 through June 2018	2019 July 2018 through June 2019
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Dedham's new Citizen Transparency Portal www.dedham-ma.gov

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

SOURCES: Unless otherwise noted, the information in these schedules is derived from the audited financial reports for the relevant year.

**Net Position By Component
Last Ten Years**

	2009	2010 (1)	2011 (2)	2012
Governmental activities				
Net investment in capital assets.....	\$ 52,384,685	\$ 49,775,353	\$ 55,971,463	\$ 70,945,301
Restricted.....	3,987,014	13,115,396	13,163,552	6,908,583
Unrestricted.....	9,095,390	6,464,917	7,063,113	11,195,528
Total governmental activities net position.....	\$ 65,467,089	\$ 69,355,666	\$ 76,198,128	\$ 89,049,412
Business-type activities				
Net investment in capital assets.....	\$ 7,453,124	\$ 7,381,486	\$ 8,831,268	\$ 11,061,349
Unrestricted.....	4,139,374	10,114,947	10,269,669	10,746,685
Total business-type activities net position.....	\$ 11,592,498	\$ 17,496,433	\$ 19,100,937	\$ 21,808,034
Primary government				
Net investment in capital assets.....	\$ 59,837,809	\$ 57,156,839	\$ 64,802,731	\$ 82,006,650
Restricted.....	3,987,014	13,115,396	13,163,552	6,908,583
Unrestricted.....	13,234,764	16,579,864	17,332,782	21,942,213
Total primary government net position.....	\$ 77,059,587	\$ 86,852,099	\$ 95,299,065	\$ 110,857,446

(Continued)

- (1) In 2010, the Town reviewed its sewer usage billing practices. As a result a prior period restatement to reflect earned but unbilled charges was required to increase the business-type activities statement of net position beginning balance by \$3,498,829 as of July 1, 2009.
- (2) In 2011, the Town adjusted its estimate for recording compensated absences due to employees. This resulted in a benefit of \$600,000 that was recorded as a prior period restatement increasing governmental activities beginning balances as of July 1, 2010. In addition, the Town also reviewed all of its Trust Fund agreements and determined that \$1,607,075 were more properly categorized as fiduciary and therefore were reclassified as private purpose trust funds. Of this amount, \$1,403,793 related to the Town adopting OPEB Trust and the remainder related to poor funds and scholarship funds that are considered private purpose funds. This resulted in a prior period restatement decreasing governmental activities' beginning balances as of July 1, 2010. The aggregate impact to governmental activities' beginning net position as of July 1, 2010 was a decrease of \$1,007,075.
- (3) In 2013, the Town adjusted its estimate of unbilled sewer usage charges, which resulted in a decrease to its beginning net position as of July 1, 2012 of \$584,140.
- (4) In 2014, the Town restated its business-type activity beginning net position for capital assets that were not recorded in prior years, which resulted in an increase of \$1,289,477 to its beginning net position.
- (5) The 2014 unrestricted net position for governmental activities has been revised due to the implementation of GASB Statements #68 and #71.
- (6) The 2017 unrestricted net position for governmental activities has been revised due to the implementation of GASB Statement #75.

	<u>2013 (3)</u>	<u>2014 (4) & (5)</u>	<u>2015</u>	<u>2016</u>	<u>2017 (6)</u>	<u>2018</u>
\$	74,967,068	\$ 74,333,335	\$ 75,778,459	\$ 74,335,822	\$ 80,672,671	\$ 86,724,148
	8,973,983	4,987,798	4,772,773	5,080,485	4,930,693	4,477,121
	<u>11,191,965</u>	<u>24,868,411</u>	<u>16,745,818</u>	<u>23,863,133</u>	<u>(20,973,724)</u>	<u>(20,089,497)</u>
\$	<u>95,133,016</u>	<u>104,189,544</u>	<u>97,297,050</u>	<u>103,279,440</u>	<u>64,629,640</u>	<u>71,111,772</u>
\$	10,563,015	\$ 14,327,266	\$ 15,737,411	\$ 18,135,704	\$ 20,074,127	\$ 19,779,480
	<u>11,430,629</u>	<u>10,510,375</u>	<u>9,275,326</u>	<u>10,459,155</u>	<u>9,657,456</u>	<u>9,148,903</u>
\$	<u>21,993,644</u>	<u>24,837,641</u>	<u>25,012,737</u>	<u>28,594,859</u>	<u>29,731,583</u>	<u>28,928,383</u>
\$	85,530,083	\$ 88,660,601	\$ 91,515,870	\$ 92,471,526	\$ 100,746,798	\$ 106,503,628
	8,973,983	4,987,798	4,772,773	5,080,485	4,930,693	4,477,121
	<u>22,622,594</u>	<u>35,378,786</u>	<u>26,021,144</u>	<u>34,322,288</u>	<u>(11,316,268)</u>	<u>(10,940,594)</u>
\$	<u>117,126,660</u>	<u>129,027,185</u>	<u>122,309,787</u>	<u>131,874,299</u>	<u>94,361,223</u>	<u>100,040,155</u>

(Concluded)

**Changes in Net Position
Last Ten Years**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Expenses				
Governmental activities:				
General government.....	\$ 6,712,019	\$ 7,455,799	\$ 7,187,256	\$ 7,144,072
Public safety.....	16,885,045	16,349,388	17,524,157	16,505,620
Education.....	53,913,557	52,733,810	53,013,845	57,609,327
Public works.....	8,495,852	8,796,971	10,352,050	8,640,310
Health and human services.....	1,147,489	1,156,051	1,300,046	1,293,813
Culture and recreation.....	3,551,307	3,139,413	4,391,573	3,216,271
Interest.....	<u>1,512,923</u>	<u>1,433,392</u>	<u>1,555,138</u>	<u>1,858,222</u>
Total government activities expenses.....	<u>92,218,192</u>	<u>91,064,824</u>	<u>95,324,065</u>	<u>96,267,635</u>
Business-type activities:				
Sewer.....	5,369,806	5,096,758	5,645,902	5,310,034
Endicott Estate.....	-	-	-	-
Total business-type activities expenses.....	<u>5,369,806</u>	<u>5,096,758</u>	<u>5,645,902</u>	<u>5,310,034</u>
Total primary government expenses.....	<u>\$ 97,587,998</u>	<u>\$ 96,161,582</u>	<u>\$ 100,969,967</u>	<u>\$ 101,577,669</u>
Program Revenues				
Governmental activities:				
General government.....	\$ 3,185,547	\$ 741,943	\$ 866,660	\$ 521,601
Public safety.....	29,465	1,754,489	1,097,670	1,109,683
Education.....	1,772,855	2,118,664	2,030,420	2,314,003
Public works.....	93,258	138,400	139,396	226,893
Health and human services.....	158,657	198,859	197,170	217,543
Culture and recreation.....	320,949	491,232	610,267	516,599
Operating grants and contributions.....	14,463,371	14,200,975	14,807,668	15,443,557
Capital grants and contributions.....	<u>2,172,371</u>	<u>2,368,219</u>	<u>5,108,943</u>	<u>7,200,151</u>
Total government activities program revenues.....	<u>22,196,473</u>	<u>22,012,781</u>	<u>24,858,194</u>	<u>27,550,030</u>
Business-type activities:				
Charge for services.....	7,214,875	7,654,800	7,476,467	8,409,004
Operating grants and contributions.....	83,854	17,821	52,146	38,227
Capital grants and contributions.....	-	-	-	-
Total business-type activities program revenues.....	<u>7,298,729</u>	<u>7,672,621</u>	<u>7,528,613</u>	<u>8,447,231</u>
Total primary government program revenues.....	<u>\$ 29,495,202</u>	<u>\$ 29,685,402</u>	<u>\$ 32,386,807</u>	<u>\$ 35,997,261</u>

(Continued)

(1) In 2016, the Town established the Endicott Estate enterprise fund.

(2) At the end of 2018, the Town terminated the Endicott Estate enterprise fund.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016 (1)</u>	<u>2017</u>	<u>2018 (2)</u>
\$	8,576,777	\$ 8,933,404	\$ 9,213,762	\$ 9,895,257	\$ 9,056,603	\$ 9,477,757
	16,223,866	16,283,890	16,073,950	16,397,639	15,239,193	16,929,199
	59,992,955	60,660,525	58,821,863	63,663,385	65,847,140	71,559,646
	10,593,671	9,867,811	10,694,480	9,743,512	8,761,324	10,377,613
	1,333,425	1,426,511	1,407,928	1,607,696	1,432,425	1,772,701
	3,264,258	3,185,169	3,181,678	3,043,349	2,948,425	3,512,242
	1,782,917	1,629,350	1,411,829	1,675,411	2,039,494	2,846,337
	<u>101,767,869</u>	<u>101,986,660</u>	<u>100,805,490</u>	<u>106,026,249</u>	<u>105,324,604</u>	<u>116,475,495</u>
	5,442,503	5,488,730	5,783,229	5,766,409	6,180,498	6,389,381
	-	-	-	281,150	343,085	369,543
	<u>5,442,503</u>	<u>5,488,730</u>	<u>5,783,229</u>	<u>6,047,559</u>	<u>6,523,583</u>	<u>6,758,924</u>
\$	<u><u>107,210,372</u></u>	<u><u>107,475,390</u></u>	<u><u>106,588,719</u></u>	<u><u>112,073,808</u></u>	<u><u>111,848,187</u></u>	<u><u>123,234,419</u></u>
\$	705,729	\$ 871,069	\$ 1,749,713	\$ 967,506	\$ 1,014,293	\$ 1,607,657
	1,156,597	947,966	1,450,133	1,907,041	1,564,526	1,229,946
	2,415,302	2,270,306	2,032,470	1,936,319	2,692,683	2,501,080
	48,673	148,978	133,983	62,571	98,230	153,435
	113,926	318,813	181,192	196,789	203,925	110,039
	633,245	662,126	689,088	325,222	293,744	361,222
	15,464,617	15,558,347	11,514,258	14,404,503	15,982,107	16,496,065
	2,190,370	856,405	1,503,681	1,092,587	2,574,075	4,115,030
	<u>22,728,459</u>	<u>21,634,010</u>	<u>19,254,518</u>	<u>20,892,538</u>	<u>24,423,583</u>	<u>26,574,474</u>
	7,684,458	7,684,973	7,598,905	8,323,701	8,223,787	7,457,001
	82,589	37,454	35,087	29,718	24,347	14,044
	212,850	-	684,750	684,750	-	-
	<u>7,979,897</u>	<u>7,722,427</u>	<u>8,318,742</u>	<u>9,038,169</u>	<u>8,248,134</u>	<u>7,471,045</u>
\$	<u><u>30,708,356</u></u>	<u><u>29,356,437</u></u>	<u><u>27,573,260</u></u>	<u><u>29,930,707</u></u>	<u><u>32,671,717</u></u>	<u><u>34,045,519</u></u>

(Continued)

**Changes in Net Position
Last Ten Years**

	2009	2010	2011	2012
Net (Expense)/Revenue				
Governmental activities.....	\$ (70,021,719)	\$ (69,052,043)	\$ (70,465,871)	\$ (68,717,605)
Business-type activities.....	1,928,923	2,575,863	1,882,711	3,137,197
Total primary government net expense.....	\$ (68,092,796)	\$ (66,476,180)	\$ (68,583,160)	\$ (65,580,408)
General Revenues and other Changes in Net Position				
Governmental activities:				
Real estate and personal property taxes, net of tax refunds payable.....	\$ 60,306,299	\$ 65,728,908	\$ 69,653,675	\$ 72,965,354
Tax liens.....	-	-	-	-
Motor vehicle and other excise taxes.....	3,462,324	2,941,257	4,543,269	4,449,942
Hotel/motel tax.....	-	-	-	-
Meals tax.....	-	-	-	-
Penalties and interest on taxes.....	329,453	345,255	296,259	345,562
Payments in lieu of taxes.....	-	-	-	-
Grants and contributions not restricted to specific programs.....	2,780,778	2,889,606	2,736,500	2,765,940
Unrestricted investment income.....	547,896	583,957	807,498	611,980
Miscellaneous.....	-	-	-	-
Transfers.....	(228,332)	451,637	278,207	430,112
Special item.....	-	-	-	-
Total governmental activities.....	67,198,418	72,940,620	78,315,408	81,568,890
Business-type activities:				
Grants and contributions not restricted to specific programs.....	-	280,880	-	-
Unrestricted investment income.....	-	-	-	11
Transfers.....	228,332	(451,637)	(278,207)	(430,112)
Special item.....	-	-	-	-
Total business type activities.....	228,332	(170,757)	(278,207)	(430,101)
Total primary government general revenues and other changes in net position.....	\$ 67,426,750	\$ 72,769,863	\$ 78,037,201	\$ 81,138,789
Changes in Net Position				
Governmental activities.....	\$ (2,823,301)	\$ 3,888,577	\$ 7,849,537	\$ 12,851,285
Business-type activities.....	2,157,255	2,405,106	1,604,504	2,707,096
Total primary government.....	\$ (666,046)	\$ 6,293,683	\$ 9,454,041	\$ 15,558,381

(Continued)

(1) Prior to 2013, the Town, in accordance with Department of Revenue oversight, considered hotel/motel tax and meals tax collections to be part of the motor vehicle and other excise tax category.

(2) In 2016, the Town established the Endicott Estate enterprise fund and net position was transferred to governmental activities.

(3) At the end of 2018, the Town terminated the Endicott Estate enterprise fund.

	<u>2013 (1)</u>	<u>2014</u>	<u>2015</u>	<u>2016 (2)</u>	<u>2017</u>	<u>2018 (3)</u>
\$	(79,039,410)	(80,352,650)	(81,550,972)	(85,133,711)	(80,901,021)	(89,901,021)
	<u>2,537,394</u>	<u>2,233,697</u>	<u>2,535,513</u>	<u>2,990,610</u>	<u>1,724,551</u>	<u>712,121</u>
\$	<u>(76,502,016)</u>	<u>(78,118,953)</u>	<u>(79,015,459)</u>	<u>(82,143,101)</u>	<u>(79,176,470)</u>	<u>(89,188,900)</u>
\$	76,993,771	78,692,616	78,571,596	79,171,605	81,582,439	83,914,028
	-	355,426	1,875,713	1,804,992	618,227	39,292
	3,041,377	3,401,778	3,416,160	3,674,075	3,613,389	3,889,293
	315,907	1,187,574	1,395,840	1,487,976	1,454,061	1,468,170
	813,338	828,669	860,026	870,316	862,982	924,153
	344,787	585,132	656,738	548,701	485,962	533,387
	-	-	934	291	59,366	30,942
	2,737,462	3,139,624	3,202,367	3,255,520	3,429,611	3,548,546
	398,380	510,602	380,238	884,474	343,702	430,563
	-	-	-	-	503,462	59,545
	478,192	679,977	2,361,107	(591,512)	646,696	824,258
	-	-	-	-	-	720,976
	<u>85,123,214</u>	<u>89,381,398</u>	<u>92,720,719</u>	<u>91,106,438</u>	<u>93,599,897</u>	<u>96,383,153</u>
	-	-	-	-	-	-
	25	800	690	-	58,869	29,913
	(478,192)	(679,977)	(2,361,107)	591,512	(646,696)	(824,258)
	-	-	-	-	-	(720,976)
	<u>(478,167)</u>	<u>(679,177)</u>	<u>(2,360,417)</u>	<u>591,512</u>	<u>(587,827)</u>	<u>(1,515,321)</u>
\$	<u>84,645,047</u>	<u>88,702,221</u>	<u>90,360,302</u>	<u>91,697,950</u>	<u>93,012,070</u>	<u>94,867,832</u>
\$	6,083,804	9,028,748	11,169,747	5,972,727	12,698,876	6,482,132
	<u>2,059,227</u>	<u>1,554,520</u>	<u>175,096</u>	<u>3,582,122</u>	<u>1,136,724</u>	<u>(803,200)</u>
\$	<u>8,143,031</u>	<u>10,583,268</u>	<u>11,344,843</u>	<u>9,554,849</u>	<u>13,835,600</u>	<u>5,678,932</u>

(Concluded)

**Fund Balances, Governmental Funds
Last Ten Years**

	2009	2010	2011 (1)	2012
General Fund				
Restricted..... \$	-	-	572,271	857,469
Committed.....	600,000	1,725,257	1,885,966	3,133,729
Assigned.....	3,122,376	2,084,712	2,281,430	2,973,705
Unassigned.....	6,983,518	8,929,306	9,560,722	11,016,182
Total general fund..... \$	10,705,894	12,739,275	14,300,389	17,981,085
All Other Governmental Funds				
Nonspendable..... \$	726,715	748,915	768,590	782,615
Restricted.....	5,007,551	9,277,010	9,772,714	6,125,968
Unassigned.....	-	-	(159,362)	(528,119)
Total all other governmental funds..... \$	5,734,266	10,025,925	10,381,942	6,380,464

(Continued)

(1) In 2011, the Town reviewed all of its trust fund agreements and also elected legislation to create an OPEB trust fund. It was determined that \$203,282 of trust funds represented poor and scholarship accounts and would be more properly classified as fiduciary funds. Accordingly these were recorded as part of the private purpose funds. In addition, the OPEB trust fund in the amount of \$1,403,793 was also reported as a fiduciary fund due to adoption of the legislation. The cumulative result of these restatements was to decrease the General Fund balance by \$1,403,793 and the Other Governmental Fund Balances by \$203,282.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	450,779	\$ -	\$ -	\$ -	\$ -	\$ -
	4,938,065	1,365,378	844,518	792,356	1,138,572	859,545
	1,716,512	1,963,577	6,530,614	11,276,770	11,220,687	4,560,703
	<u>14,067,643</u>	<u>24,935,383</u>	<u>29,669,754</u>	<u>29,673,739</u>	<u>22,755,407</u>	<u>25,124,966</u>
\$	<u>21,172,999</u>	<u>28,264,338</u>	<u>37,044,886</u>	<u>41,742,865</u>	<u>35,114,666</u>	<u>30,545,214</u>
\$	796,915	\$ 894,421	\$ 793,815	\$ 728,260	\$ 783,787	\$ 794,115
	8,710,556	9,271,805	9,774,616	25,746,528	25,295,950	31,091,264
	<u>(60,283)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	<u>9,447,188</u>	<u>10,166,226</u>	<u>10,568,431</u>	<u>26,474,788</u>	<u>26,079,737</u>	<u>31,885,379</u>

(Concluded)

**Changes in Fund Balances, Governmental Funds
Last Ten Years**

	2009	2010	2011	2012
Revenues:				
Real estate and personal property taxes, net of tax refunds.....	\$ 60,019,839	\$ 64,823,037	\$ 69,152,109	\$ 72,986,435
(1) Tax liens.....	-	-	-	-
Motor vehicle and other excise taxes.....	3,433,110	2,987,651	4,454,360	4,466,321
(1) Payment in lieu of taxes.....	-	-	-	-
Penalties and interest on taxes.....	329,453	345,255	296,259	345,562
Licenses and permits.....	2,449,238	1,437,306	978,860	970,991
(1) Fines and forfeitures.....	-	-	-	-
Intergovernmental.....	19,111,853	17,640,910	21,785,069	24,719,530
Departmental and other.....	3,367,924	3,867,015	4,082,789	4,011,738
Contributions.....	304,667	1,817,890	753,597	531,787
Investment income.....	547,896	583,957	439,927	573,233
Total Revenues.....	89,563,980	93,503,021	101,942,970	108,605,597
Expenditures:				
General government.....	4,648,871	5,378,583	4,886,067	4,622,485
Public safety.....	11,086,484	10,765,927	11,955,740	11,332,964
Education.....	36,624,106	36,694,551	35,584,639	37,973,487
Public works.....	6,031,550	6,247,224	7,645,903	7,172,931
Health and human services.....	788,797	837,605	862,411	844,790
Culture and recreation.....	2,485,021	2,219,390	3,397,035	2,277,109
Pension and fringe benefits.....	17,230,690	18,182,453	20,358,753	21,215,130
State and county charges.....	2,318,484	2,596,530	2,397,937	2,335,196
Capital outlay and other.....	7,157,524	6,132,142	22,606,961	20,106,394
Debt service:				
Principal.....	3,906,728	5,021,729	5,276,229	6,236,728
Interest.....	1,503,267	1,647,984	1,555,138	1,858,222
Total Expenditures.....	93,781,522	95,724,118	116,526,813	115,975,436
Excess of revenues over (under) expenditures.....	(4,217,542)	(2,221,097)	(14,583,843)	(7,369,839)
Other Financing Sources (Uses)				
Issuance of bonds and notes.....	5,140,000	8,094,500	17,344,842	6,295,000
Premium from issuance of bonds.....	-	-	485,000	323,945
Transfers in.....	1,574,076	3,225,257	3,174,097	3,266,787
Transfers out.....	(1,802,408)	(2,773,620)	(2,895,890)	(2,836,675)
Total other financing sources (uses).....	4,911,668	8,546,137	18,108,049	7,049,057
Net change in fund balance.....	\$ 694,126	\$ 6,325,040	\$ 3,524,206	\$ (320,782)
Debt service as a percentage of noncapital expenditures.....	6.25%	7.44%	7.27%	8.44%

(Continued)

- (1) Prior to 2014, tax liens and payments in lieu of taxes were reported as real estate and personal property taxes. Additionally, fines and forfeitures were reported as departmental and other revenues.
- (2) Capital outlay does not include the transfer of capital assets from the Endicott Estate enterprise fund.

	2013	2014	2015	2016	2017	2018 (2)
\$	76,448,797	\$ 79,137,319	\$ 79,916,907	\$ 79,902,404	\$ 81,985,920	\$ 83,419,986
	-	200,981	269,413	564,136	862,402	748,315
	4,224,173	5,445,337	5,859,391	6,122,244	6,031,061	6,302,829
	-	27,780	28,714	291	59,366	30,942
	344,787	585,132	656,738	548,701	485,962	533,387
	989,430	859,374	1,375,299	1,816,602	1,309,044	1,029,842
	-	180,097	97,452	89,396	142,127	149,352
	19,897,642	18,690,605	15,601,714	18,680,689	19,906,851	23,951,279
	4,336,189	4,481,537	4,754,491	3,592,592	6,750,208	4,907,874
	450,855	564,880	296,504	389,959	242,530	153,935
	398,380	510,602	380,238	884,474	343,702	430,563
	<u>107,090,253</u>	<u>110,683,644</u>	<u>109,236,861</u>	<u>112,591,488</u>	<u>118,119,173</u>	<u>121,658,304</u>
	5,494,350	5,991,113	6,708,315	7,195,013	6,244,126	6,785,992
	11,120,678	11,712,788	12,050,599	12,128,514	13,733,540	12,992,895
	40,590,610	41,811,603	46,542,607	51,425,188	55,291,949	48,917,172
	8,578,740	6,896,867	7,466,215	6,252,586	6,104,779	6,314,629
	937,300	1,016,686	1,059,331	1,156,673	713,406	1,359,514
	2,226,395	2,420,484	2,407,798	3,274,473	3,021,456	2,810,160
	21,858,995	22,234,425	15,105,891	16,506,963	24,836,102	29,761,440
	2,369,851	2,396,658	2,481,421	2,477,739	2,673,551	2,892,415
	6,994,455	5,676,752	12,146,745	5,318,370	19,284,925	26,079,059
	6,341,729	6,159,729	5,980,831	6,123,451	6,530,418	7,163,726
	1,899,555	1,759,699	1,697,913	1,772,943	2,168,032	2,593,646
	<u>108,412,658</u>	<u>108,076,804</u>	<u>113,647,666</u>	<u>113,631,913</u>	<u>140,602,284</u>	<u>147,670,648</u>
	<u>(1,322,405)</u>	<u>2,606,840</u>	<u>(4,410,805)</u>	<u>(1,040,425)</u>	<u>(22,483,111)</u>	<u>(26,012,344)</u>
	6,988,000	4,523,560	11,057,270	20,568,692	13,617,000	25,615,000
	114,851	-	175,181	644,847	1,196,165	809,276
	3,523,044	2,491,371	6,506,648	1,842,343	3,563,706	4,149,495
	<u>(3,044,852)</u>	<u>(1,811,394)</u>	<u>(4,145,541)</u>	<u>(1,411,121)</u>	<u>(2,917,010)</u>	<u>(3,325,237)</u>
	<u>7,581,043</u>	<u>5,203,537</u>	<u>13,593,558</u>	<u>21,644,761</u>	<u>15,459,861</u>	<u>27,248,534</u>
\$	<u>6,258,638</u>	<u>7,810,377</u>	<u>9,182,753</u>	<u>20,604,336</u>	<u>(7,023,250)</u>	<u>1,236,190</u>
	8.13%	7.73%	7.57%	7.29%	7.17%	8.02%

(Concluded)

**Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates
Last Ten Years**

Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Residential % of Total Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2009	\$ 3,340,893,561	\$ 12.62	82.04%	\$ 577,925,139	\$ 35,523,600	\$ 118,048,860	\$ 731,497,599	\$ 26.43	17.96%	\$ 15.10	\$ 4,072,391,160
2010	3,239,639,379	13.57	80.87%	607,473,987	44,401,980	114,363,740	766,239,707	28.87	19.13%	16.50	4,005,879,086
2011	3,206,406,499	14.37	79.76%	650,558,181	39,420,220	123,811,820	813,790,221	31.06	20.24%	17.75	4,020,196,720
2012	3,109,065,167	15.43	79.06%	656,519,213	39,588,320	127,147,780	823,255,313	32.20	20.94%	18.94	3,932,320,480
2013	3,134,309,527	15.79	79.29%	658,879,273	40,010,900	120,007,710	818,897,883	34.37	20.71%	19.64	3,953,207,410
2014	3,214,058,863	16.08	79.83%	658,995,037	36,653,100	116,322,320	811,970,457	34.72	20.17%	19.84	4,026,029,320
2015	3,330,483,081	15.87	80.48%	661,372,619	33,981,500	112,195,780	807,549,899	33.95	19.52%	19.40	4,138,032,980
2016	3,487,624,988	15.49	80.73%	691,486,412	32,486,100	108,568,250	832,540,762	33.02	19.27%	18.87	4,320,165,750
2017	3,710,487,092	14.76	80.97%	719,725,798	39,639,410	112,560,630	871,925,838	31.36	19.03%	17.92	4,582,412,930
2018	3,929,302,277	14.55	81.50%	733,573,448	39,820,375	118,583,480	891,977,303	30.68	18.50%	17.53	4,821,279,580

Source: Assessor's Department, Town of Dedham

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

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

Principal Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2018			2009		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Legacy Place LLC	Shopping Center	\$ 104,193,200	1	2.16%			
HRCA of Dedham, Inc.	Apts/Assisted Living	85,000,000	2	1.76%			
OCW Retail-Dedham LLC	Shopping Center	63,576,200	3	1.32%	\$ 42,347,000	1	1.04%
Federal Realty Investment	Shopping Center	35,721,400	4	0.74%	29,000,000	2	0.71%
DIV CMM Rustcraft	Office/Warehouse	34,563,100	5	0.72%			
National Amusements	Theater/Entertainment	28,224,800	6	0.59%			
Nstar Electric Co	Utility	25,449,790	7	0.53%			
Pearl Realty Trust	Retail	25,096,900	8	0.52%	25,759,600	4	0.63%
Nstar Gas Co	Utility	24,361,670	9	0.51%			
RAR2-Jefferson At Dedham	Apartment Complex	49,823,800	10	1.03%	39,571,600	5	0.97%
Liberty MA Portfolio	Office/Warehouse				26,578,900	3	0.65%
Lowe's	Retail				18,546,700	6	0.46%
Dedham Equity Partners LLC	Offices				18,319,800	7	0.45%
Fox Television	Broadcasting				14,031,200	8	0.34%
Dedham Corp Center Realty Tr	Retail				13,605,600	9	0.33%
P-LR 5A-LP	Hotel/Offices				12,000,000	10	0.29%
	Totals	\$ 476,010,860		9.87%	\$ 239,760,400		5.89%

Source: Official Statements

**Property Tax Levies and Collections
Last Ten Years**

Year	Total Tax Levy	Less Abatements & Exemptions (1)	Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2009	\$ 61,495,558	\$ 1,403,400	\$ 60,092,158	\$ 59,471,579	98.97%	\$ 443,415	\$ 59,914,994	99.71%
2010	\$ 66,083,247	\$ 1,850,167	\$ 64,233,080	\$ 64,493,926	100.41%	\$ 488,703	\$ 64,982,629	101.17%
2011	\$ 71,352,386	\$ 2,800,787	\$ 68,551,599	\$ 68,553,824	100.00%	\$ 895,359	\$ 69,449,183	101.31%
2012	\$ 74,481,697	\$ 1,947,191	\$ 72,534,506	\$ 73,079,651	100.75%	\$ 633,516	\$ 73,713,167	101.62%
2013	\$ 77,636,268	\$ 2,327,218	\$ 75,309,050	\$ 75,820,958	100.68%	\$ 586,607	\$ 76,407,565	101.46%
2014	\$ 79,873,681	\$ 2,275,432	\$ 77,598,249	\$ 77,968,654	100.48%	\$ 1,236,443	\$ 79,205,097	102.07%
2015	\$ 80,271,086	\$ 2,166,652	\$ 78,104,434	\$ 78,814,902	100.91%	\$ 882,434	\$ 79,697,336	102.04%
2016	\$ 81,513,807	\$ 1,795,999	\$ 79,717,808	\$ 79,831,976	100.14%	\$ 442,909	\$ 80,274,885	100.70%
2017	\$ 82,110,384	\$ 612,899	\$ 81,497,485	\$ 80,504,125	98.78%	\$ 321,256	\$ 80,825,381	99.18%
2018	\$ 84,537,212	\$ 786,359	\$ 83,750,853	\$ 83,201,168	99.34%	\$ -	\$ 83,201,168	99.34%

Source: Accounting Records and Official Statements

(1) Budgeted per tax rate setting.

**Ratio of Outstanding Debt by Type
Last Ten Years**

Year	Governmental Activities		Business-Type Activities		Total Debt Outstanding	Percentage of Personal Income	U.S. Census	Debt Per Capita
	General Obligation Bonds (1)	Capital Leases	General Obligation Bonds (1)	Capital Leases				
2009	\$ 38,742,274	\$ -	\$ 4,882,153	\$ -	\$ 43,624,427	4.68%	24,811	\$ 1,758
2010	\$ 41,815,045	\$ -	\$ 4,580,317	\$ -	\$ 46,395,362	4.49%	24,775	\$ 1,873
2011	\$ 53,428,816	\$ -	\$ 3,944,580	\$ -	\$ 57,373,396	5.54%	24,895	\$ 2,305
2012	\$ 53,487,088	\$ -	\$ 3,381,500	\$ -	\$ 56,868,588	5.51%	24,895	\$ 2,284
2013	\$ 54,989,041	\$ -	\$ 3,143,870	\$ -	\$ 58,132,911	5.42%	24,974	\$ 2,328
2014	\$ 53,222,523	\$ -	\$ 2,607,080	\$ -	\$ 55,829,603	5.38%	24,884	\$ 2,244
2015	\$ 58,188,059	\$ -	\$ 2,294,140	\$ -	\$ 60,482,199	5.62%	24,974	\$ 2,422
2016	\$ 73,180,615	\$ -	\$ 2,008,335	\$ -	\$ 75,188,950	6.72%	25,299	\$ 2,972
2017	\$ 81,334,824	\$ -	\$ 1,581,855	\$ -	\$ 82,916,679	7.24%	25,411	\$ 3,263
2018	\$ 100,352,916	\$ -	\$ 1,150,675	\$ -	\$ 101,503,591	7.90%	25,397	\$ 3,997

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

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

**Ratio of General Bonded Debt
Last Ten Years**

Year	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	\$ 43,624,427	\$ -	\$ 43,624,427	1.07%	\$ 1,758
2010	\$ 46,395,362	\$ -	\$ 46,395,362	1.16%	\$ 1,873
2011	\$ 57,373,396	\$ -	\$ 57,373,396	1.43%	\$ 2,305
2012	\$ 56,868,588	\$ -	\$ 56,868,588	1.45%	\$ 2,284
2013	\$ 58,132,911	\$ -	\$ 58,132,911	1.47%	\$ 2,328
2014	\$ 55,829,603	\$ -	\$ 55,829,603	1.39%	\$ 2,244
2015	\$ 60,482,199	\$ -	\$ 60,482,199	1.46%	\$ 2,422
2016	\$ 75,188,950	\$ -	\$ 75,188,950	1.74%	\$ 2,972
2017	\$ 82,916,679	\$ -	\$ 82,916,679	1.81%	\$ 3,263
2018	\$ 101,503,591	\$ -	\$ 101,503,591	2.11%	\$ 3,997

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

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

Direct and Overlapping Governmental Activities Debt

As of June 30, 2018

<u>Town of Dedham, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Massachusetts Bay Transportation Authority.....	\$ 165,775,301	0.332%	\$ 550,374
Town direct debt.....			<u>100,352,916</u>
Total direct and overlapping debt.....			<u>\$ 100,903,290</u>

Source: Official Statements, Accounting Records

Note: The estimated percentage applicable is based on the Town's weighted percentage of total population as provided in the enabling act.

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

Computation of Legal Debt Margin

Last Ten Years

(Amounts in thousands)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Equalized Valuation.....	\$ 4,544,587	\$ 4,401,456	\$ 4,401,456	\$ 4,266,970	\$ 4,266,970	\$ 4,205,404	\$ 4,205,404	\$ 4,726,183	\$ 4,726,183	\$ 5,319,863
Debt Limit -5% of Equalized Valuation.....	227,229	220,073	220,073	213,349	213,349	210,270	210,270	236,309	236,309	265,993
Less:										
Outstanding debt applicable to limit.....	43,624	46,395	57,373	57,276	58,133	49,576	55,421	69,123	68,900	80,685
Authorized and unissued debt.....	6,645	36,510	19,844	24,064	19,681	34,256	25,458	39,158	26,971	4,629
Legal debt margin.....	<u>\$ 176,960</u>	<u>\$ 137,168</u>	<u>\$ 142,856</u>	<u>\$ 132,009</u>	<u>\$ 135,535</u>	<u>\$ 126,438</u>	<u>\$ 129,391</u>	<u>\$ 128,028</u>	<u>\$ 140,438</u>	<u>\$ 180,679</u>
Total debt applicable to the limit as a percentage of debt limit.....	22.12%	37.67%	35.09%	38.13%	36.47%	39.87%	38.46%	45.82%	40.57%	32.07%

Source: State Division of Local Services, Accounting Records

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	24,811	\$ 931,305,696	\$ 37,536	39.6	2,857	7.00%
2010	24,775	1,033,662,550	41,722	43.4	2,910	7.60%
2011	24,895	1,035,507,525	41,595	43.4	2,879	6.70%
2012	24,895	1,032,345,860	41,468	43.4	2,862	5.80%
2013	24,974	1,072,932,988	42,962	43.4	2,826	5.40%
2014	24,884	1,038,210,248	41,722	43.4	2,819	4.70%
2015	24,974	1,076,803,958	43,117	43.4	2,776	4.00%
2016	25,299	1,118,671,182	44,218	43.1	2,772	2.40%
2017	25,411	1,145,623,000	45,283	43.1	2,693	3.30%
2018	25,397	1,285,381,000	50,584	42.4	2,658	2.60%

Source: U. S. Census, Division of Local Services, Massachusetts Department of Elementary and Secondary Education

Note: Median age is based on most recent census data

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2018			2009		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Legacy Place Lifestyle Center	Retail	1,750	1	10.15%			
Newbridge on the Charles	Assisted Living/Nursing Home	650	2	3.77%			
Dedham Medical Associates	Medical Center	500	3	2.90%			
Norfolk County	County Government	500	4	2.90%	150	9	1.01%
General Dynamics	Technology	400	5	2.32%			
Citizens Bank	Finance	350	6	2.03%			
Whole Foods	Grocery/ Retail	300	7	1.74%			
American Red Cross	Emergency Relief/Blood Bank	250	8	1.45%	250	1	1.68%
Dedham Executive Center	Office Complex	250	9	1.45%			
Dedham Savings	Banking	220	10	1.28%	220	3	1.48%
Sears, Roebuck & Co	Retail				250	2	1.68%
Highgate Manor	Nursing home				212	4	1.43%
Fox Television	Broadcasting				205	5	1.38%
Hilton at Dedham	Hotel				202	6	1.36%
National Amusements	Movie Theaters				200	7	1.35%
Commonwealth of MA Court System	Government				190	8	1.28%
Eastwood Care Center	Nursing Home				150	10	1.01%
	Total	<u>5,170</u>		<u>29.98%</u>	<u>2,029</u>		<u>13.65%</u>

Source: Official Statements

Note: Employers with same amount of employees are ranked equally.

Calendar Year Average

Full-time Equivalent Town Employees by Function

Last Ten Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government.....	37	35	37	64	67	68	68	65	66	68
Public safety.....	144	146	144	144	143	141	141	141	145	145
Education.....	509	460	518	497	502	515	486	490	501	494
Public works.....	24	22	24	24	24	28	28	28	28	28
Health and human services....	14	4	14	14	14	14	14	14	13	13
Culture and recreation.....	27	40	26	26	25	27	28	28	28	29
Total	755	707	763	769	775	793	765	766	781	777

Source: Town personnel records

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Town Clerk										
Registered Voters.....	16,211	16,688	16,799	17,825	17,930	18,147	17,498	18,924	18,544	19,075
Public Safety										
Police										
Criminal offenses										
Violent.....	124	110	124	83	68	78	22	13	11	5
Property.....	572	678	641	669	737	654	498	585	473	378
Total criminal offenses.....	696	788	765	752	805	732	520	598	484	383
Fire										
Incidents										
Fires.....	119	167	188	209	177	206	230	217	191	169
Non-fire incidents.....	3,496	4,166	4,290	4,081	4,246	4,203	4,568	4,352	4,665	4,909
Total fire calls.....	3,615	4,333	4,478	4,290	4,423	4,409	4,798	4,569	4,856	5,078
Inspectional Services										
Number of Building Permits.....	1,072	1,244	1,055	1,165	1,104	1,149	1,032	1,475	1,527	1,207
Education										
Number of students.....	2,857	2,910	2,903	2,864	2,829	2,819	2,776	2,747	2,694	2,658
Public Works										
Highway										
Roads paved (miles).....	4.5	2.5	6	4	4	11	8	4	6	1
Sewer										
Sanitary sewers replaced (miles).....	0.05	0.02	0.02	0.01	0.01	0.04	0.09	0.14	0.10	0.10
Health and Human Services										
Board of Health										
Inspections										
Food establishments.....	780	642	467	511	492	568	605	742	724	690
Other.....	217	258	194	241	200	366	268	202	159	210
Total Inspections.....	997	900	661	752	692	934	873	944	883	900
Culture and Recreation										
Libraries										
Circulation.....	251,387	293,895	278,085	138,732	140,195	137,891	146,186	137,326	154,653	172,363
Holdings.....	103,487	107,246	113,764	124,252	126,368	137,149	137,994	150,214	126,763	130,020
Total libraries.....	354,874	401,141	391,849	262,984	266,563	275,040	284,180	287,540	281,416	302,383

Source: Various Town Departments and State Websites.

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Number of buildings.....	18	18	18	18	18	18	18	18	18	18
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	7	7	7	7	7	7	7	7	7	7
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Road miles.....	110	110	110	110	110	107	107	107	107	107
Sewer main lines (miles).....	118	118	118	118	118	95	95	95	95	95
Number of cemeteries.....	3	3	3	3	3	3	3	3	3	3
Culture and Recreation										
Number of libraries.....	2	2	2	2	2	2	2	2	2	2
Number of public parks.....	9	9	9	9	9	9	9	9	9	9

Source: Various Town Departments and State websites.