

TOWN OF DEDHAM

MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended June 30, 2015

On the Cover: The Endicott Estate

The Endicott Estate was built in 1904 by Henry Bradford Endicott, founder of the Endicott-Johnson Shoe Corporation, after fire destroyed the original home on the site. The Estate remained in the Endicott family until 1967. After the death of Henry's adopted daughter Katherine, it was willed to the Town of Dedham to be used for "educational, civic and recreational purposes."

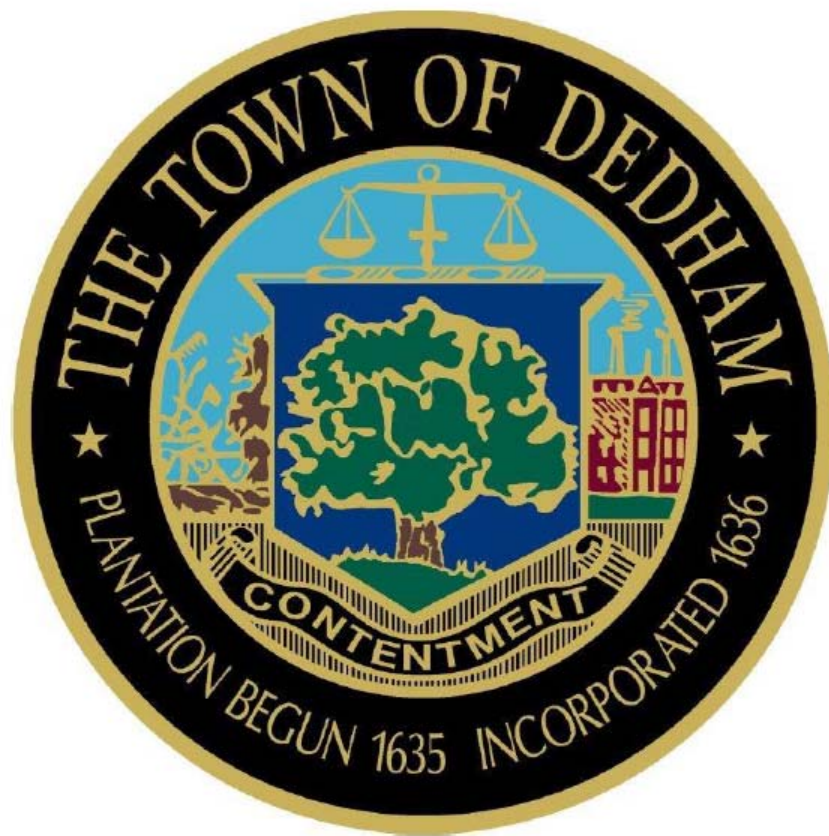
The graceful three-story, 25 room Colonial Revival mansion with Georgian overtones is situated on 15 acres of rolling lawns surrounded by stately elm, spruce and weeping willow trees.

The Estate has the distinction of being listed on the National Register of Historic Places.

TOWN OF DEDHAM, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015



Prepared by:

The Finance Department of the Town of Dedham, Massachusetts

TOWN OF DEDHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

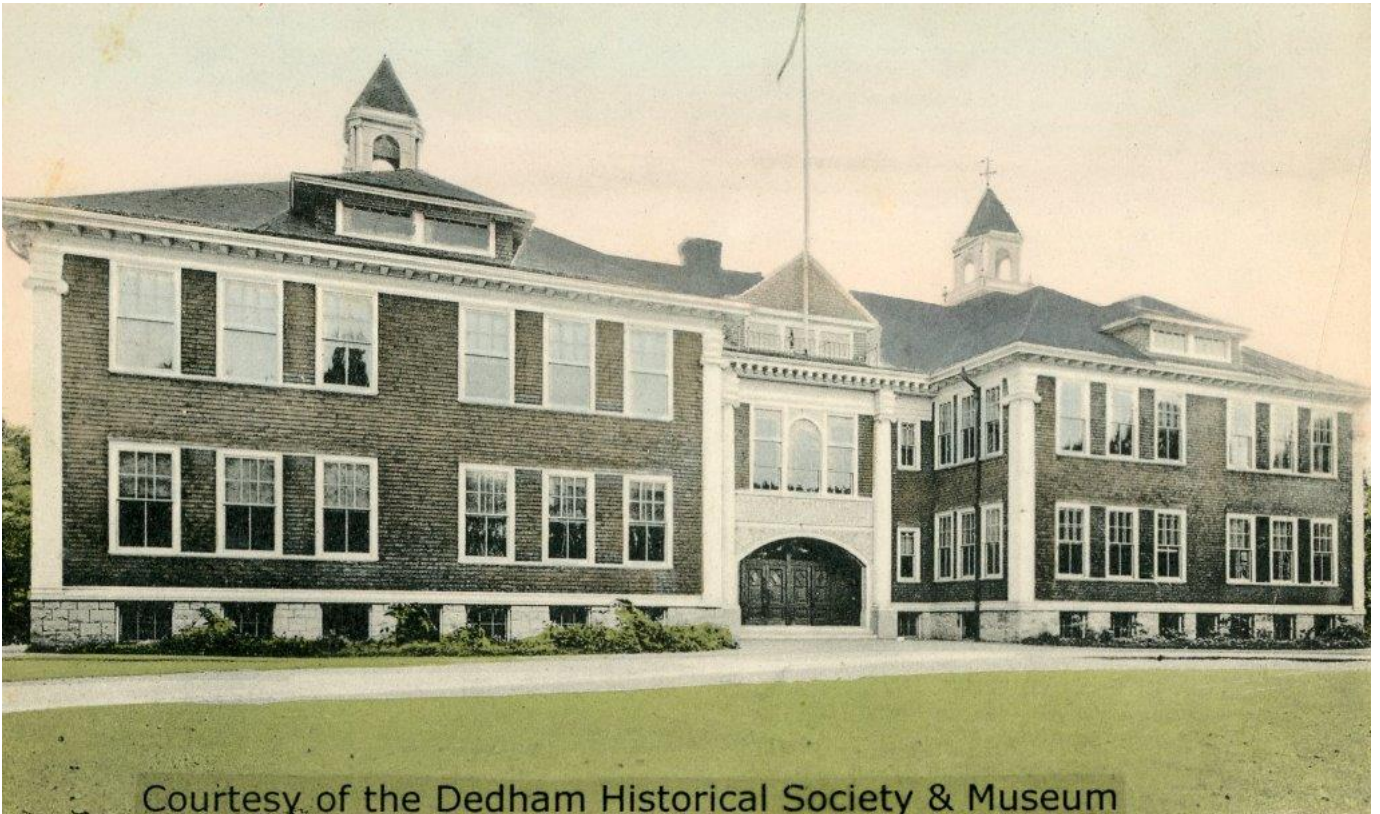
JUNE 30, 2015

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Introductory Section



Courtesy of the Dedham Historical Society & Museum

The Ames Schoolhouse

The Ames Schoolhouse is a historic school building at 450 Washington Street in Dedham, Massachusetts. The 2-1/2 story brick Colonial Revival structure was built in 1897. It was named in honor of American Revolution-era politician Fisher Ames.

During 2014, Town Meeting approved a plan to purchase the historic Ames Schoolhouse as part of the development of a new municipal campus. Once the plan is complete, Town Hall and the senior center will occupy the Ames building and the current Town Hall, located just blocks away, will be renovated for use as a police station. The total project is expected to cost roughly \$28 million. The purchase of the Ames building was completed in July, 2014.

Introductory Section

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Michael L. Butler, Chairman
Dennis J. Guilfoyle, Vice Chairman
Brendan G. Keogh
James A. MacDonald
Dennis J. Teehan, Jr

James A. Kern
Town Manager

Nancy A. Baker
Assistant Town Manager



TOWN OF DEDHAM
Board of Selectmen

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Letter of Transmittal

December 23, 2015

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 fourth annual *Comprehensive Annual Financial Report (CAFR)*. The report is for the year ended June 30, 2015, 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 of Dedham.

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 of Dedham'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 of Dedham 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 of Dedham's financial statements for the year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Dedham was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Dedham's separately issued Single Audit Reports Pursuant to OMB Circular A-133.

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 of Dedham'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, 93 and 95 and interstate 109. 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 three stops on the Franklin Line (Endicott, Dedham Corporate Center and the 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 finalize plans for a new Early Childhood Education Center. Current school enrollment across the District is approximately 2,800 and funding for schools is received via taxation and from governmental revenues based on a minimum net school spending formula.

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.

Factors Affecting Economic Condition

Dedham is a residential community with significant commercial development, primarily along US Route 1 and State Route 1A. On the basis of fiscal 2015 assessed valuations, approximately 79.3% of the Town's property is residential, 16.7% is commercial, 1.0% is industrial and 3.0% is personal property.

The Town center remains a vibrant hub for small businesses. A significant \$6.5 million dollar public infrastructure investment in the downtown was completed in October, 2013. The intent and goal of the project is the immediate creation of jobs, small business growth and increased tax revenues. The Commonwealth of Massachusetts recognized the merits of the project with the award of a \$1.7 million grant to the Town for the project.

The Town's proximity to Boston's business districts and the presence of MBTA commuter rail service in the Town make Dedham a popular suburb for professionals commuting to the city and contributes to average property values and income levels. Amtrak's passenger service between Boston and New York City makes a stop in the Route 128 Amtrak Station in Dedham.

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 development 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 capital facilities. In FY15, the Town received \$2.3 million in hotel/motel and meals excise tax revenues.

The major developments that have emerged over this period are:

Legacy Place is a 675,000 square foot "lifestyle" shopping center featuring national retail stores, dining and entertainment anchored by a major cinema complex and high end grocer.

With an assessed valuation of \$119 million, the center offers a unique mix of retailers, restaurants and entertainment that have established it as a regional destination. It is within walking distance of the commuter rail and adjacent upscale apartments with multi modal public transportation access for the approximately 1,000 employee base. This is arguably the crown jewel of Dedham with respect to recent developments.

NewBridge on the Charles is an independent living community set amidst 162 acres. The development is a vibrant retirement community that offers a wealth of choices in amenities, services and styles of homes. It's ideal for active and independent seniors who want the reassurance that continuing care can provide. The development spans the entire spectrum of care from separate cottages to condominiums to assisted living to short term rehabilitation facilities including a licensed hospital and Alzheimer's wing. The total assessed valuation of this development is over \$180 million, with nearly \$90 million taxable.

OCW Retail, a Wilder Companies property, is a redevelopment of the Dedham Mall. This was completed in 2008 with an assessed valuation of approximately \$53 million.

Dedham at Jefferson Station is an upscale one and two bedroom luxury unit apartment complex. Located very close to commuter rail access into Boston and a three minute walk to Legacy Place, the units provide an attractive living arrangement for the upscale professional crowd. This was completed in 2009 with 300 residential units and an assessed valuation of over \$40 million.

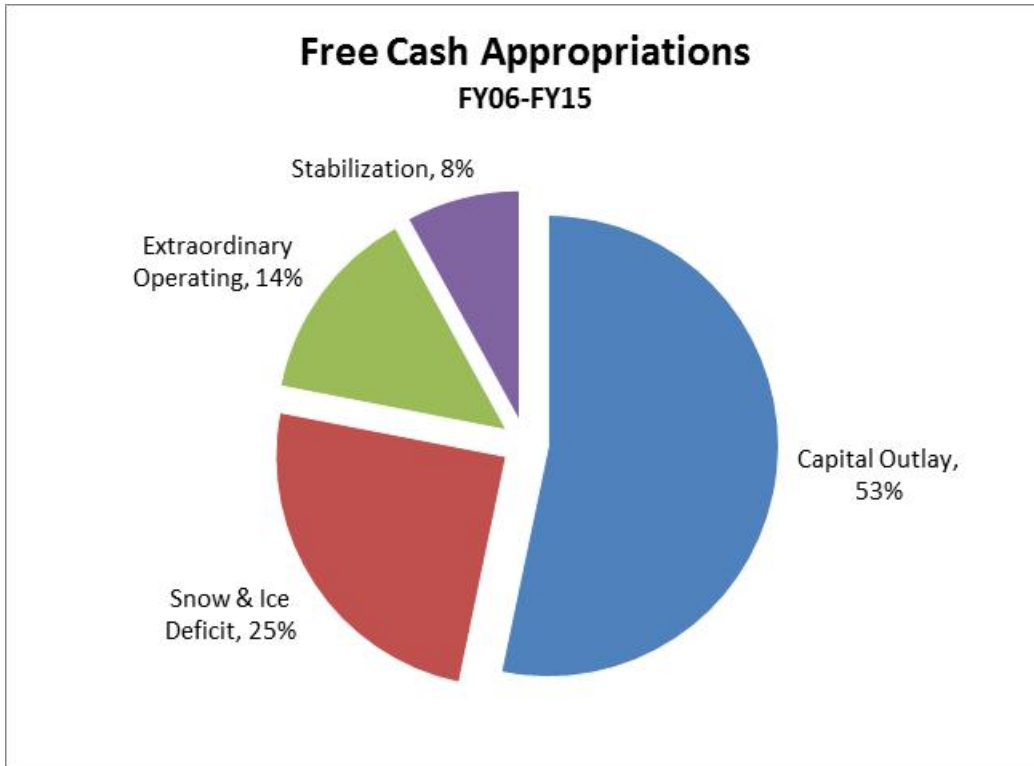
Station 250 is a second large upscale apartment complex with 285 units also adjacent to Legacy Place. This development and the neighboring Jefferson Station have consistently had very low vacancy rates and are typically 95% leased on average. This property has an assessed valuation of over \$45 million.

The Town of Dedham created an Economic Development department in 2007 to proactively manage economic growth. Since then the Town has adopted expedited permitting and designated two priority development sites. The Town is also rated as a Silver BioReady Community by the MA Biotech Council and is part of regional economic development working group hosted by the Neponset Valley Chamber of Commerce.

A significant new growth sector in development has emerged with seven mixed use buildings either completed or under construction currently. Included within this growth sector are medical office space/outpatient facilities which are a key growth area that feature higher wage earning employment. Dedham is attractive as a satellite location, close to Boston, but with greater transportation ease and access outside of the City. The new Shields Medical Center is an outpatient facility with 60% leased to New England Baptist Hospital. The building has 66,000 square feet of new construction and has approximately 90 employees. In addition, 910 Washington Street is a 21,000 square foot medical office complex with 60 employees. 420 Washington Street has four commercial first floor tenants in 10,314 square feet with two floors of 26 residential units above. All the buildings are 100% leased and a fourth is in the construction phase now with 27 units planned above street level commercial space.

The 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. Construction for this new 150,000 square foot state-of-the-art manufacturing and research development facility is slated to begin in December 2015. 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, when complete in December 2017, is expected to include 75 full-time jobs.

Revenues and Reserves: The growth of the Town's main source of revenues, property taxes, is capped by Proposition 2 ½ and can only be overridden through a ballot by the voters. While tax revenue increase has been limited in recent years, fixed costs, including health insurance and pension costs, have increased more dramatically. As a result, balancing the annual budget is a challenge without an appropriation from free cash for non-recurring or extraordinary expenditures. The Town looks to maintain a level of undesignated reserve that is no less than 3 to 5% of total estimated general fund appropriations and other amounts to be raised in the following year. Over the last decade, Dedham has appropriated \$20.5 million in undesignated reserve (Free Cash) to the categories shown on the next page:



Conservative spending, new and increasing local receipts and, improving property tax collections during the last two accounting cycles have generated Free Cash certifications in excess of Town’s policy threshold. As a result, Dedham is currently considering other onetime or short-lived uses for its Free Cash surplus. Possible uses include but are not limited to: reducing the tax rate one or more years, paying off certain existing debt exclusions, purchase of equipment, and funding for senior tax relief.

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 continues to invest in capital improvements. In the past decade, the Town has invested over \$120 million in improving facilities and adding much needed infrastructure. The following were key capital initiatives:

- Streets, sidewalks and sewer infrastructure; funded principally through the Massachusetts Highway Department Chapter 90 program, MWRA and Massachusetts Clean Water Trust (MCWT) notes, and bond issuances over \$35 million.
- Upgrades to educational facilities including construction of the Dedham Middle School and Avery Elementary School over \$60 million. These were funded principally through bond issuances and MSBA reimbursements.

- Energy efficiency improvements to public buildings over \$14 million.
- Various other improvements and additions of equipment regarding public safety and culture and recreation over \$11 million.

The Town currently maintains two special purpose stabilization funds for capital. The Mitigation Stabilization fund was created for Town Meeting to set aside mitigation payments for later use for certain small to mid-size projects. The Major Capital Stabilization fund was created for Town Meeting to set aside local option meals and room excise for later use to pay the annual debt service for large building projects. In May 2015, Town Meeting voted in favor of a special act that would allow Dedham to post its local option tax receipts directly into the stabilization fund. Appropriations from the special fund for debt service payments will still be required by a 2/3rds vote at Town Meeting.

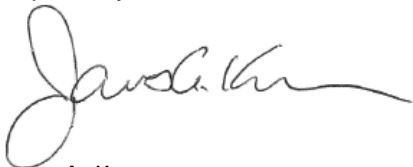
Awards and Acknowledgements

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, 2014. This was the third 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
Town Manager



Andrea L. Terkelsen
Director of Finance



Government Finance Officers Association

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

Presented to

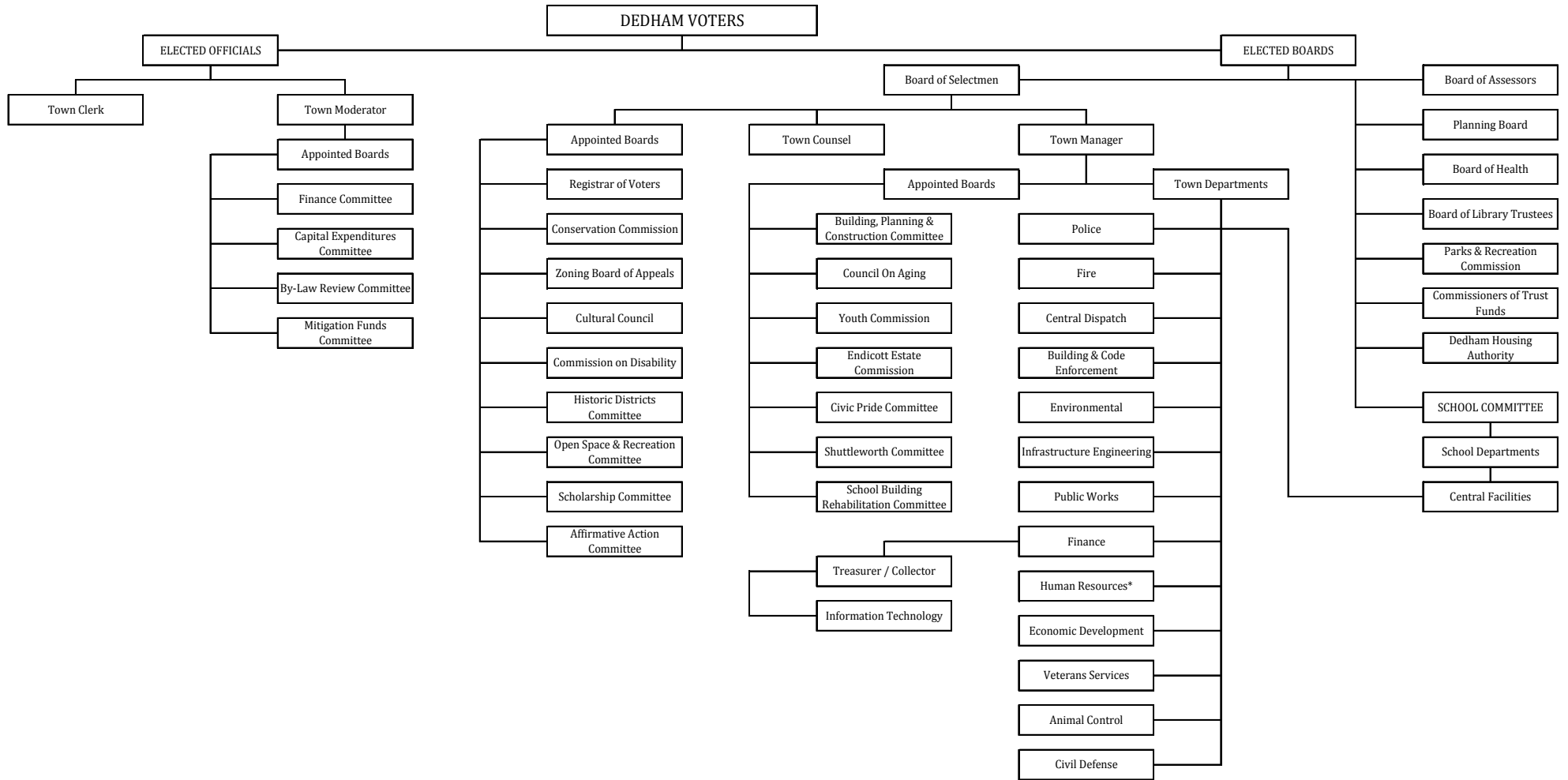
**Town of Dedham
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

TOWN ORGANIZATIONAL CHART



Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Michael L. Butler, Chairman	2016
	Dennis J. Guifoyle, Vice Chairman	2017
	Brendan Keogh	2016
	James A. MacDonald	2015
	Dennis J. Teehan, Jr.	2017
Moderator	Daniel Driscoll	2017
Town Clerk	Paul M. Munchbach	2015
School Committee	Tom Ryan, Chairperson	2017
	Susan Butler-Walko, Vice Chairperson	2017
	Steve Bilafer	2017
	Mayanne Briggs	2016
	Kevin Coughlin	2015
	Lisa Laprade	2015
	Rachel McGregor	2016
 <u>Appointed Officials</u>		
Finance Committee	John Heffernan, Chair	2017
	Maureen Hanlon, Vice Chair	2016
	Cecelia Butler	2016
	Sue Carney	2015
	Kevin Hughes	2015
	Marty Lindeman	2018
	Liz O'Donnell	2017
	Dave Roberts	2017
	Russell Stamm	2016
 <u>Other Officials</u>		
Town Manager	James A. Kern	
Director of Finance	Andrea L. Terkelsen	
Superintendent of Schools	Mike Welch	

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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, 2015 (except for the Dedham Contributory Retirement System which is as of and for the year ended December 31, 2014), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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, 2015 (except for the Dedham Contributory Retirement System which is as of December 31, 2014), and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 December 23, 2015, 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

December 23, 2015

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Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Dedham, Massachusetts, 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, 2015.

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.

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.

Proprietary funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town uses a proprietary fund to account for its sewer operations. The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail.

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 Town maintains four different fiduciary funds. The pension trust is used to account for resources held in trust for members of the Dedham Contributory Retirement System. The Other Postemployment Benefits Trust Fund is used to accumulate funds for future payments of other postemployment benefits for retirees such as health and life insurance. 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 of Dedham exceeded its liabilities at the close of the recent year by \$97.3 million and \$25 million (net position) for governmental activities and business-type activities, respectively. The business-type activities include the activities of the sewer enterprise fund.
- Of these amounts, 21.3% or \$26 million (total primary governmental unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors.
- At the close of the current year, the Town's general fund reported an ending fund balance of \$37 million, an increase of \$8.8 million over the prior year. Total fund balance represents 38.4% of total general fund

expenditures, which management considers adequate. Approximately \$29.7 million of this total amount is unassigned and available for appropriation at the Town's discretion.

- The Town of Dedham's total governmental debt increased by \$5.1 million during the current year resulting from \$6 million of principal payments and new borrowings of \$11.1 million. Current year debt issuances include various capital improvements and infrastructure projects.

Government-wide Financial Analysis

Government-wide net position of \$91.5 million (75%) 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 of Dedham's net position, \$4.8 million (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$26 million (21%), may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current year, the Town of Dedham is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

Governmental Activities. The governmental activities net position increased by \$11.2 million during the current year as compared to an increase in net position of \$9.1 million during the prior year. The Town was able to achieve this through better than expected revenue collections and prudent management of expenditures on the budgetary basis of accounting as well as a decrease in the other postemployment benefits liability.

Total revenues had a slight decrease when compared to prior year. Charges for services increased mainly from the Town issuing more building permits. The decrease in operating grants is related to the Massachusetts Teachers Retirement System's (MTRS) implementation of GASB #68 and #71 which decreased the on-behalf revenue and corresponding education expense by \$3.9 million. The increase in capital grants is mainly due to an increase in state funding for road improvement projects.

Overall, governmental activities expenses decreased \$1.2 million from the prior year. Education decreased \$1.8 million which was the decrease in the MTRS, offset with an increase in school assessments.

	2015	(As Revised) 2014
Assets:		
Current assets.....	\$ 60,864,699	\$ 50,312,039
Capital assets, non depreciable.....	19,670,260	19,670,260
Capital assets, net of accumulated depreciation.....	<u>111,096,569</u>	<u>105,769,403</u>
Total assets.....	<u>191,631,528</u>	<u>175,751,702</u>
Deferred outflows of resources.....	<u>321,077</u>	<u>-</u>
Liabilities:		
Current liabilities (excluding debt).....	7,058,091	5,907,613
Noncurrent liabilities (excluding debt).....	28,809,405	29,944,423
Current debt.....	6,820,983	6,641,574
Noncurrent debt.....	<u>51,967,076</u>	<u>47,130,789</u>
Total liabilities.....	<u>94,655,555</u>	<u>89,624,399</u>
Net Position:		
Net investment in capital assets.....	75,778,459	74,333,335
Restricted.....	4,772,773	4,987,798
Unrestricted.....	<u>16,745,818</u>	<u>6,806,170</u>
Total net position.....	<u>\$ 97,297,050</u>	<u>\$ 86,127,303</u>

	2015	(As Revised) 2014
Program Revenues:		
Charges for services.....	\$ 6,236,579	\$ 5,219,258
Operating grants and contributions.....	11,514,258	15,558,347
Capital grants and contributions.....	1,503,681	856,405
General Revenues:		
Real estate and personal property taxes.....	78,188,390	78,692,616
Tax liens.....	2,231,139	355,426
Motor vehicle and other excise taxes.....	3,416,160	3,401,778
Hotel/motel taxes.....	1,395,840	1,187,574
Meals taxes.....	860,026	828,669
Penalties and interest on taxes.....	656,738	585,132
Payment in lieu of taxes.....	28,714	27,780
Nonrestricted grants and contributions.....	3,202,367	3,139,624
Unrestricted investment income.....	<u>380,238</u>	<u>510,602</u>
Total revenues.....	<u>109,614,130</u>	<u>110,363,211</u>
Expenses:		
General government.....	9,213,762	8,933,404
Public safety.....	16,073,950	16,283,890
Education.....	58,821,863	60,660,525
Public works.....	10,694,480	9,867,811
Health and human services.....	1,407,928	1,426,511
Culture and recreation.....	3,181,678	3,185,169
Interest.....	<u>1,411,829</u>	<u>1,629,350</u>
Total expenses.....	<u>100,805,490</u>	<u>101,986,660</u>
Excess before transfers.....	<u>8,808,640</u>	<u>8,376,551</u>
Transfers.....	<u>2,361,107</u>	<u>679,977</u>
Change in net position.....	<u>11,169,747</u>	<u>9,056,528</u>
Net position - beginning (as revised).....	<u>86,127,303</u>	<u>77,070,775</u>
Net position - ending.....	<u>\$ 97,297,050</u>	<u>\$ 86,127,303</u>

The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #68 and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the June 30, 2014 balance of the governmental activities to be revised by \$18,062,241. Previously reported net position of \$104,189,544 has been revised to \$86,127,303.

Other financial notes related to governmental activities:

- Charges for services represented 5.7% 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 \$1 million from prior year mainly from increases in building permits and other departmental revenues.
- Operating grants and contributions accounted for 10.5% 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 71.3% of current resources.
- Other taxes and other revenues comprised a total of 12.5% 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 \$45.7 million in taxes and other revenue (general revenues) were needed to cover its 2015 operating expenses, net of related program revenues. A pension contribution of approximately \$4.1 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 \$14.6 million and \$9.4 million, respectively, of general revenues were needed to cover their 2015 operating expenses, net of related program revenues.

Business-type activities. Business-type activities net position increased by \$175,000 compared to an increase of \$1.6 million in the previous year. Contributing to the change was a \$685,000 capital grant from the MWRA toward the Town's sewer projects, which was offset with an increase in transfers to the general fund.

As shown on the following page, business-type activities assets exceeded liabilities by \$25 million at the close of 2015. The net investment in capital assets was \$15.7 million (63%) and unrestricted net position was \$9.3 million (37%). The overall results of operations reflect management's goal of maintaining the systems while only charging users for the cost of operations.

	<u>2015</u>	<u>2014</u>
Assets:		
Current assets.....	\$ 10,391,512	\$ 11,083,041
Noncurrent assets (excluding capital).....	183,429	235,640
Capital assets, non depreciable.....	1,000,276	-
Capital assets, net of accumulated depreciation.....	<u>16,795,635</u>	<u>16,647,072</u>
Total assets.....	<u>28,370,852</u>	<u>27,965,753</u>
Liabilities:		
Current liabilities (excluding debt).....	1,063,975	521,032
Current debt.....	514,055	541,190
Noncurrent debt.....	<u>1,780,085</u>	<u>2,065,890</u>
Total liabilities.....	<u>3,358,115</u>	<u>3,128,112</u>
Net Position:		
Net investment in capital assets.....	15,737,411	14,327,266
Unrestricted.....	<u>9,275,326</u>	<u>10,510,375</u>
Total net position.....	<u>\$ 25,012,737</u>	<u>\$ 24,837,641</u>

Noncurrent assets (excluding capital) consist of a receivable from the Massachusetts Clean Water Trust for a principal subsidy in the amount of \$183,000. The subsidy is discussed further in Note 7.

	<u>2015</u>	<u>2014</u>
Program Revenues:		
Charges for services.....	\$ 7,598,905	\$ 7,684,973
Operating grants and contributions.....	35,087	37,454
Capital grants and contributions.....	684,750	-
General Revenues:		
Unrestricted investment income.....	<u>690</u>	<u>800</u>
Total revenues.....	<u>8,319,432</u>	<u>7,723,227</u>
Expenses:		
Sewer.....	<u>5,783,229</u>	<u>5,488,730</u>
Excess before transfers.....	2,536,203	2,234,497
Transfers.....	<u>(2,361,107)</u>	<u>(679,977)</u>
Change in net position.....	175,096	1,554,520
Net position - beginning.....	<u>24,837,641</u>	<u>23,283,121</u>
Net position - ending.....	<u>\$ 25,012,737</u>	<u>\$ 24,837,641</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 funds.

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 \$47.6 million which translates into a \$9.2 million increase over the prior year. The significant cause of the increase is the results of operations within the general 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 \$29.7 million, while the total fund balance was \$37 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 30.8% of total general fund expenditures, while the total fund balance represents 38.4% of that same amount.

The General Fund increase of \$8.8 million was the result of the following:

- Real estate and personal property tax revenues, motor vehicle excise tax revenues, and hotel/motel surcharge tax revenues exceeding budgeted amounts by \$3.5 million;
- Receipt of \$269,000 of tax lien revenue and \$860,000 of meals tax revenue. Both of these revenue categories were unbudgeted;
- Prudent cost control in the general government, public safety and public works functions resulting in unspent appropriations of \$1.9 million;
- Balances in old projects were closed out and transferred in and out of the general fund resulting in a net increase of \$3.4 million.

Nonmajor governmental funds had a net increase of \$402,000. This represents the activity of nonmajor capital projects, grants and permanent trust funds. This increase was the result of the proceeds from the issuance of \$11.1 million in construction bonds along with \$7.5 million in grants, contributions and other departmental revenues, used to finance \$17.2 million in combined expenditures.

General Fund Budgetary Highlights

The final budget increased from the original budget by approximately \$3.6 million. This mainly relates to supplemental appropriations of \$1.7 million for the Town's other postemployment benefit trust fund and \$2 million for snow and ice.

Revenues of the general fund came in higher than anticipated by \$6.2 million, mainly relating to motor vehicle excise, real estate and personal property and hotel/motel taxes as well as \$860,000 received for local meals tax which the Town does not budget for. Total expenditures and carryovers were less than budget by approximately

Financial Section



The Ames Schoolhouse

\$1.9 million which includes \$300,000 from the finance committee, \$282,000 from facilities maintenance and operations and \$193,000 from the fire department.

Capital Assets and Debt Management

The Town's valuation of governmental activities capital assets as of June 30, 2015, amounts to \$130.8 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 major capital additions related to the purchase of the Ames building, various infrastructure projects and the purchase of vehicles and equipment.

The Town's valuation of business-type activities capital assets as of June 30, 2015, amounts to \$17.8 million, net of accumulated depreciation. This amount represents purchases made over time to improve or expand the system infrastructure.

The Town of Dedham's governmental funds has total bonded debt outstanding of \$57.6 million at the end of the current year. As compared to the prior year, this is a net increase of \$5.1 million resulting from principal payments of \$6 million offset by \$11.1 million long term bond issuances during 2015.

The sewer enterprise fund has \$2.3 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 (System) recognized net investment income and receipts of \$14.7 million for the calendar year ended December 31, 2014. The System paid out \$9.3 million of retirement benefits, administration costs and transfers to other systems. Total net position of the System amounted to \$110.7 million at December 31, 2014. Based on the most recent actuarial valuation performed as of January 1, 2014, the System's Funded Ratio was 80.2%, up from 71.9% in the previous valuation dated January 1, 2012.

Other Postemployment Benefits

In accordance with GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension (OPEB)*, the government-wide activities have accumulated a liability for other postemployment benefits totaling \$10.3 million as of June 30, 2015. The total assets set aside in trust for future benefits amounted to approximately \$9.4 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, 2015

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 48,769,899	\$ 5,965,184	\$ 54,735,083
Investments.....	5,539,579	-	5,539,579
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals.....	1,617,577	-	1,617,577
Tax liens.....	3,724,235	-	3,724,235
Motor vehicle and other excise taxes.....	494,187	-	494,187
User charges.....	-	4,374,117	4,374,117
Departmental and other.....	34,607	-	34,607
Special assessments.....	14,947	-	14,947
Intergovernmental.....	669,668	52,211	721,879
Total current assets.....	<u>60,864,699</u>	<u>10,391,512</u>	<u>71,256,211</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	-	183,429	183,429
Capital assets, non depreciable.....	19,670,260	1,000,276	20,670,536
Capital assets, net of accumulated depreciation.....	<u>111,096,569</u>	<u>16,795,635</u>	<u>127,892,204</u>
Total noncurrent assets.....	<u>130,766,829</u>	<u>17,979,340</u>	<u>148,746,169</u>
TOTAL ASSETS.....	<u>191,631,528</u>	<u>28,370,852</u>	<u>220,002,380</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions.....	<u>321,077</u>	-	<u>321,077</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	1,902,736	1,063,975	2,966,711
Accrued payroll.....	2,832,051	-	2,832,051
Tax refunds payable.....	1,244,216	-	1,244,216
Other liabilities.....	566,088	-	566,088
Compensated absences.....	513,000	-	513,000
Notes payable.....	600,000	-	600,000
Bonds payable.....	6,220,983	514,055	6,735,038
Total current liabilities.....	<u>13,879,074</u>	<u>1,578,030</u>	<u>15,457,104</u>
NONCURRENT:			
Compensated absences.....	1,539,000	-	1,539,000
Net pension liability.....	16,921,130	-	16,921,130
Other postemployment benefits.....	10,349,275	-	10,349,275
Bonds payable.....	51,967,076	1,780,085	53,747,161
Total noncurrent liabilities.....	<u>80,776,481</u>	<u>1,780,085</u>	<u>82,556,566</u>
TOTAL LIABILITIES.....	<u>94,655,555</u>	<u>3,358,115</u>	<u>98,013,670</u>
NET POSITION			
Net investment in capital assets.....	75,778,459	15,737,411	91,515,870
Restricted for:			
Cemetery care, library and other trust funds:			
Expendable.....	793,815	-	793,815
Nonexpendable.....	1,132,525	-	1,132,525
Gifts and grants.....	2,846,433	-	2,846,433
Unrestricted.....	16,745,818	9,275,326	26,021,144
TOTAL NET POSITION.....	<u>\$ 97,297,050</u>	<u>\$ 25,012,737</u>	<u>\$ 122,309,787</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 9,213,762	\$ 1,749,713	\$ 298,556	\$ 251,667	\$ (6,913,826)
Public safety.....	16,073,950	1,450,133	24,438	16,595	(14,582,784)
Education.....	58,821,863	2,032,470	10,984,116	86,934	(45,718,343)
Public works.....	10,694,480	133,983	18,900	1,148,485	(9,393,112)
Health and human services.....	1,407,928	181,192	155,827	-	(1,070,909)
Culture and recreation.....	3,181,678	689,088	32,421	-	(2,460,169)
Interest.....	1,411,829	-	-	-	(1,411,829)
Total Governmental Activities.....	<u>100,805,490</u>	<u>6,236,579</u>	<u>11,514,258</u>	<u>1,503,681</u>	(81,550,972)
<i>Business-Type Activities:</i>					
Sewer.....	<u>5,783,229</u>	<u>7,598,905</u>	<u>35,087</u>	<u>684,750</u>	2,535,513
Total Primary Government.....	<u>\$ 106,588,719</u>	<u>\$ 13,835,484</u>	<u>\$ 11,549,345</u>	<u>\$ 2,188,431</u>	\$ (79,015,459)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (81,550,972)	\$ 2,535,513	\$ (79,015,459)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	78,188,390	-	78,188,390
Tax liens.....	2,231,139	-	2,231,139
Motor vehicle and other excise taxes.....	3,416,160	-	3,416,160
Hotel/motel taxes.....	1,395,840	-	1,395,840
Meals taxes.....	860,026	-	860,026
Penalties and interest on taxes.....	656,738	-	656,738
Payments in lieu of taxes.....	28,714	-	28,714
Grants and contributions not restricted to specific programs.....	3,202,367	-	3,202,367
Unrestricted investment income.....	380,238	690	380,928
<i>Transfers, net</i>	2,361,107	(2,361,107)	-
Total general revenues and transfers.....	92,720,719	(2,360,417)	90,360,302
Change in net position.....	11,169,747	175,096	11,344,843
<i>Net Position:</i>			
Beginning of year (as revised).....	86,127,303	24,837,641	110,964,944
End of year.....	\$ 97,297,050	\$ 25,012,737	\$ 122,309,787

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2015

	General	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents.....	\$ 39,196,726	\$ 9,573,173	\$ 48,769,899
Investments.....	3,869,609	1,669,970	5,539,579
Receivables, net of uncollectibles:			
Real estate, personal property and tax deferrals.....	1,617,577	-	1,617,577
Tax liens.....	3,724,235	-	3,724,235
Motor vehicle and other excise taxes.....	494,187	-	494,187
Departmental and other.....	34,607	-	34,607
Special assessments.....	14,947	-	14,947
Intergovernmental.....	-	669,668	669,668
Due from other funds.....	16,548	-	16,548
TOTAL ASSETS.....	\$ 48,968,436	\$ 11,912,811	\$ 60,881,247
LIABILITIES			
Warrants payable.....	\$ 1,522,137	\$ 380,599	\$ 1,902,736
Accrued payroll.....	2,832,051	-	2,832,051
Tax refunds payable.....	1,244,216	-	1,244,216
Other liabilities.....	566,088	-	566,088
Due to other funds.....	-	16,548	16,548
Notes payable.....	-	600,000	600,000
TOTAL LIABILITIES.....	6,164,492	997,147	7,161,639
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues.....	5,759,058	347,233	6,106,291
FUND BALANCES			
Nonspendable.....	-	793,815	793,815
Restricted.....	-	9,774,616	9,774,616
Committed.....	844,518	-	844,518
Assigned.....	6,530,614	-	6,530,614
Unassigned.....	29,669,754	-	29,669,754
TOTAL FUND BALANCES.....	37,044,886	10,568,431	47,613,317
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 48,968,436	\$ 11,912,811	\$ 60,881,247

See notes to basic financial statements.

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

JUNE 30, 2015

Total governmental fund balances.....		\$ 47,613,317
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		130,766,829
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		6,106,291
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as (deferred outflows of resources) or deferred inflows of resources related to pensions.....		321,077
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(57,573,629)	
Unamortized premiums on bonds.....	(614,430)	
Compensated absences.....	(2,052,000)	
Net pension liability.....	(16,921,130)	
Other postemployment benefits.....	<u>(10,349,275)</u>	
Net effect of reporting long-term liabilities.....		<u>(87,510,464)</u>
Net position of governmental activities.....		<u>\$ 97,297,050</u>

See notes to basic financial statements.

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

	General	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 79,916,907	\$ -	\$ 79,916,907
Tax liens.....	269,413	-	269,413
Motor vehicle and other excise taxes.....	3,603,525	-	3,603,525
Hotel/motel taxes.....	1,395,840	-	1,395,840
Meals taxes.....	860,026	-	860,026
Payments in lieu of taxes.....	28,714	-	28,714
Penalties and interest on taxes.....	656,738	-	656,738
Licenses and permits.....	1,375,299	-	1,375,299
Fines and forfeitures.....	97,452	-	97,452
Intergovernmental.....	11,766,618	3,835,096	15,601,714
Departmental and other.....	1,374,405	3,380,086	4,754,491
Contributions.....	-	296,504	296,504
Investment income.....	379,620	618	380,238
TOTAL REVENUES.....	101,724,557	7,512,304	109,236,861
EXPENDITURES:			
Current:			
General government.....	6,142,351	7,072,077	13,214,428
Public safety.....	12,192,954	639,103	12,832,057
Education.....	41,677,621	5,830,688	47,508,309
Public works.....	8,107,167	3,155,149	11,262,316
Health and human services.....	962,433	96,898	1,059,331
Culture and recreation.....	2,065,670	439,499	2,505,169
Pension.....	4,121,103	-	4,121,103
Employee benefits.....	10,984,788	-	10,984,788
State and county charges.....	2,481,421	-	2,481,421
Debt service:			
Principal.....	5,980,831	-	5,980,831
Interest.....	1,697,913	-	1,697,913
TOTAL EXPENDITURES.....	96,414,252	17,233,414	113,647,666
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	5,310,305	(9,721,110)	(4,410,805)
OTHER FINANCING SOURCES (USES):			
Issuance of long-term debt.....	-	11,057,270	11,057,270
Premium from issuance of bonds.....	175,181	-	175,181
Transfers in.....	5,192,640	1,314,008	6,506,648
Transfers out.....	(1,897,578)	(2,247,963)	(4,145,541)
TOTAL OTHER FINANCING SOURCES (USES).....	3,470,243	10,123,315	13,593,558
NET CHANGE IN FUND BALANCES.....	8,780,548	402,205	9,182,753
FUND BALANCES AT BEGINNING OF YEAR.....	28,264,338	10,166,226	38,430,564
FUND BALANCES AT END OF YEAR.....	\$ 37,044,886	\$ 10,568,431	\$ 47,613,317

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, 2015

Net change in fund balances - total governmental funds.....	\$	9,182,753
<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.....		12,148,760
Depreciation expense.....		<u>(6,821,594)</u>
Net effect of reporting capital assets.....		5,327,166
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.....</p>		
		377,269
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of long-term debt.....		(11,057,270)
Premium from issuance of bonds.....		175,181
Debt service principal payments.....		<u>5,980,831</u>
Net effect of reporting long-term debt.....		(4,901,258)
<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.....		(832,000)
Net change in deferred outflow/(inflow) of resources related to pensions.....		321,077
Net change in pension liability.....		1,141,111
Net change in other postemployment benefits accrual.....		617,907
Amortization of bond premiums.....		<u>(64,278)</u>
Net effect of recording long-term liabilities.....		<u>1,183,817</u>
Change in net assets of governmental activities.....	\$	<u>11,169,747</u>

See notes to basic financial statements.

PROPRIETARY FUND
STATEMENT OF NET POSITION

JUNE 30, 2015

	Sewer
ASSETS	
CURRENT:	
Cash and cash equivalents.....	\$ 5,965,184
Receivables, net of allowance for uncollectibles:	
User charges.....	4,374,117
Intergovernmental.....	52,211
Total current assets.....	10,391,512
NONCURRENT:	
Receivables, net of allowance for uncollectibles:	
Intergovernmental.....	183,429
Capital assets, nondepreciable.....	1,000,276
Capital assets, net of accumulated depreciation.....	16,795,635
Total noncurrent assets.....	17,979,340
TOTAL ASSETS.....	28,370,852
LIABILITIES	
CURRENT:	
Warrants payable.....	1,063,975
Bonds payable.....	514,055
Total current liabilities.....	1,578,030
NONCURRENT:	
Bonds payable.....	1,780,085
TOTAL LIABILITIES.....	3,358,115
NET POSITION	
Net investment in capital assets.....	15,737,411
Unrestricted.....	9,275,326
TOTAL NET POSITION.....	\$ 25,012,737

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

		Sewer
<u>OPERATING REVENUES:</u>		
Charges for services.....	\$	7,598,905
<u>OPERATING EXPENSES:</u>		
Administration and general.....		5,024,473
Depreciation.....		629,655
TOTAL OPERATING EXPENSES.....		5,654,128
OPERATING INCOME.....		1,944,777
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Investment income.....		690
Interest expense.....		(129,101)
Intergovernmental.....		35,087
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....		(93,324)
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS.....		1,851,453
CAPITAL CONTRIBUTIONS.....		684,750
<u>TRANSFERS:</u>		
Transfers in.....		583,570
Transfers out.....		(2,944,677)
TOTAL TRANSFERS.....		(2,361,107)
CHANGE IN NET POSITION.....		175,096
NET POSITION AT BEGINNING OF YEAR.....		24,837,641
NET POSITION AT END OF YEAR.....	\$	25,012,737

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	Sewer
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users.....	\$ 7,814,989
Payments to vendors.....	(4,481,530)
NET CASH FROM OPERATING ACTIVITIES.....	3,333,459
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Transfers in.....	583,570
Transfers out.....	(2,944,677)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(2,361,107)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Proceeds from the issuance of bonds.....	228,250
Capital contributions.....	684,750
Acquisition and construction of capital assets.....	(1,778,494)
Principal payments on bonds.....	(489,556)
Interest expense.....	(94,014)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,449,064)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Investment income.....	690
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(476,022)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	6,441,206
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 5,965,184
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>	
Operating income (loss).....	\$ 1,944,777
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation.....	629,655
Changes in assets and liabilities:	
User charges.....	216,084
Warrants payable.....	542,943
Total adjustments.....	1,388,682
NET CASH FROM OPERATING ACTIVITIES.....	\$ 3,333,459
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>	
Debt service subsidy.....	\$ 86,721

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund	Agency Fund
ASSETS				
Cash and cash equivalents.....	\$ 164,247	\$ 37,970	\$ 198,139	\$ 1,145,857
Investments:				
Equity securities.....	-	-	173,297	-
Fixed income mutual funds.....	-	3,454,827	336,466	-
Equity mutual funds.....	-	5,913,534	254,313	-
Debt securities.....	-	-	592,042	-
PRIT funds.....	110,559,010	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other receivables.....	79	-	-	179,625
TOTAL ASSETS.....	110,723,336	9,406,331	1,554,257	1,325,482
LIABILITIES				
Accrued liabilities.....	1,714	-	389,793	-
Liabilities due depositors.....	-	-	-	1,325,482
TOTAL LIABILITIES.....	1,714	-	389,794	1,325,482
NET POSITION				
Restricted for pension benefits.....	110,721,622	-	-	-
Held in trust for OPEB benefits and other purposes....	-	9,406,331	1,164,463	-
TOTAL NET POSITION.....	\$ 110,721,622	\$ 9,406,331	\$ 1,164,463	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	Pension Trust Fund (as of December 31, 2014)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:			
Contributions:			
Employer contributions.....	\$ 4,277,701	\$ 1,674,000	\$ -
Member contributions.....	2,101,983	-	-
Member contributions - transfers from other systems.....	81,419	-	-
Total contributions.....	6,461,103	1,674,000	-
Net investment income:			
Net change in fair value of investments.....	5,401,541	-	-
Interest.....	3,091,982	155,344	533
Total investment income.....	8,493,523	155,344	533
Less: investment expense.....	(578,033)	-	-
Net investment income.....	7,915,490	155,344	533
Other receipts:			
3(8)c receipts from other systems.....	137,518	-	-
Worker's compensation settlements.....	9,000	-	-
Federal grant reimbursements.....	3,720	-	-
State COLA reimbursements.....	138,830	-	-
Total other receipts.....	289,068	-	-
TOTAL ADDITIONS.....	14,665,661	1,829,344	533
DEDUCTIONS:			
Administration.....	213,559	-	-
Retirement benefits - transfers to other systems.....	355,741	-	-
3(8)c payments to other systems.....	194,057	-	-
Retirement benefits and refunds.....	8,558,122	-	-
Scholarships and public assistance.....	-	-	48,448
TOTAL DEDUCTIONS.....	9,321,479	-	48,448
CHANGE IN NET POSITION.....	5,344,182	1,829,344	(47,915)
NET POSITION AT BEGINNING OF YEAR.....	105,377,440	7,576,987	1,212,378
NET POSITION AT END OF YEAR.....	\$ 110,721,622	\$ 9,406,331	\$ 1,164,463

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 2015 assessment was \$1,410,353. 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 *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.

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 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.

The *other postemployment benefit trust fund* is used 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. 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 of uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various Federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the

provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

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

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.

F. 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.

G. 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 are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with 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.

H. Deferred Outflows/Inflows of Resources*Government-Wide Financial Statements (Net Position)*

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

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

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 unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds 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.

J. 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.

K. 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.

L. 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.

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.

M. 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.

N. 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.

O. 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.

P. 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.

Q. 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.

R. 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 1.33 to 21.81 years.

MMDT maintains a cash portfolio and a short-term bond portfolio with combined average maturities of approximately 3 months. 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. At year end, the carrying amount of deposits totaled \$38,443,862 and the bank balance totaled \$39,412,148. Of the bank balance, \$9,931,656 was covered by Federal Depository Insurance, \$9,701,872 was covered by Depositor Insurance Fund, \$2,781,736 was covered by Share Insurance Fund, and \$16,996,884 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2014 the carrying amount of the Retirement System's deposits totaled \$164,248 and the bank balance totaled \$232,688. The bank balance was fully covered by Federal Depository Insurance.

As of June 30, 2015 the Town had the following investments:

Investment Type	Fair Value	Maturity		
		Under 1 Year	1-5 Years	6-10 Years
<u>Debt Securities</u>				
Government sponsored enterprises.....	\$ 1,965,331	\$ 60,631	\$ 1,904,700	\$ -
U.S. Treasury Notes.....	457,596	111,075	89,051	257,470
Corporate Bonds.....	1,400,608	165,766	985,156	249,686
Total Debt Securities.....	3,823,535	\$ 337,472	\$ 2,978,907	\$ 507,156
<u>Other Investments</u>				
Equity Securities.....	1,809,294			
Money Market Mutual Funds.....	631,485			
Fixed Income Mutual Funds.....	4,186,147			
Equity Mutual Funds.....	6,445,082			
MMDT.....	17,042,173			
Total Investments.....	\$ 33,937,716			

As of December 31, 2014, the Retirement System had investments in PRIT totaling \$110,559,010.

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 \$2,564,980 in debt securities and \$1,809,294 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, 2014, the System's \$110,559,010 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. At June 30, 2015 the Town's investments were rated as follows:

Quality Ratings	Government Sponsored Enterprises	Corporate Bonds
AAA.....	\$ 1,557,520	\$ -
AA+.....	407,811	165,766
AA.....	-	77,659
A.....	-	515,542
BAA.....	-	50,736
BB.....	-	122,469
BBB+.....	-	210,436
BB.....	-	258,000
Total.....	\$ 1,965,331	\$ 1,400,608

The Town's investment in money market mutual funds is unrated. The Town's investment in MMDT is 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.

NOTE 3 – RECEIVABLES

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate, personal property and tax deferrals.....	\$ 1,989,750	\$ (372,173)	\$ 1,617,577
Tax liens.....	3,724,235	-	3,724,235
Motor vehicle and other excise taxes.....	678,549	(184,362)	494,187
Departmental and other.....	214,232	-	214,232
Intergovernmental.....	669,668	-	669,668
Special assessments.....	14,947	-	14,947
Total.....	\$ 7,291,381	\$ (556,535)	\$ 6,734,846

At June 30, 2015, 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>			
User Charges.....	\$ 4,374,117	\$ -	\$ 4,374,117
Intergovernmental.....	235,640	-	235,640
Total.....	<u>\$ 4,609,757</u>	<u>\$ -</u>	<u>\$ 4,609,757</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>Other Governmental Funds</u>	<u>Total</u>
<u>Receivable type:</u>			
Real estate, personal property and tax deferrals.....	\$ 1,491,082	\$ -	\$ 1,491,082
Tax liens.....	3,724,235	-	3,724,235
Motor vehicle and other excise taxes.....	494,187	-	494,187
Departmental and other.....	34,607	-	34,607
Intergovernmental.....	-	347,233	347,233
Special assessments.....	14,947	-	14,947
Total.....	<u>\$ 5,759,058</u>	<u>\$ 347,233</u>	<u>\$ 6,106,291</u>

NOTE 4 – CAPITAL ASSETS

A summary of changes in capital asset activity for the year ended June 30, 2015, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 19,670,260	\$ -	\$ -	\$ 19,670,260
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	6,177,565	42,505	-	6,220,070
Buildings and improvements.....	114,053,634	6,513,246	-	120,566,880
Vehicles, machinery and equipment.....	20,698,399	2,288,272	-	22,986,671
Infrastructure.....	<u>74,982,815</u>	<u>3,304,737</u>	<u>-</u>	<u>78,287,552</u>
Total capital assets being depreciated.....	<u>215,912,413</u>	<u>12,148,760</u>	<u>-</u>	<u>228,061,173</u>
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(1,405,726)	(276,789)	-	(1,682,515)
Buildings and improvements.....	(56,922,052)	(2,837,455)	-	(59,759,507)
Vehicles, machinery and equipment.....	(17,146,955)	(1,444,407)	-	(18,591,362)
Infrastructure.....	<u>(34,668,277)</u>	<u>(2,262,943)</u>	<u>-</u>	<u>(36,931,220)</u>
Total accumulated depreciation.....	<u>(110,143,010)</u>	<u>(6,821,594)</u>	<u>-</u>	<u>(116,964,604)</u>
Total capital assets being depreciated, net.....	<u>105,769,403</u>	<u>5,327,166</u>	<u>-</u>	<u>111,096,569</u>
Total governmental activities capital assets, net.....	<u>\$ 125,439,663</u>	<u>\$ 5,327,166</u>	<u>\$ -</u>	<u>\$ 130,766,829</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ -	\$ 1,000,276	\$ -	\$ 1,000,276
<u>Capital assets being depreciated:</u>				
Infrastructure.....	<u>19,249,029</u>	<u>778,218</u>	<u>-</u>	<u>20,027,247</u>
<u>Less accumulated depreciation for:</u>				
Infrastructure.....	<u>(2,601,957)</u>	<u>(629,655)</u>	<u>-</u>	<u>(3,231,612)</u>
Total capital assets being depreciated, net.....	<u>16,647,072</u>	<u>148,563</u>	<u>-</u>	<u>16,795,635</u>
Total business-type activities capital assets, net.....	<u>\$ 16,647,072</u>	<u>\$ 1,148,839</u>	<u>\$ -</u>	<u>\$ 17,795,911</u>

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

Governmental Activities:

General government.....	\$ 870,782
Public safety.....	528,673
Education.....	2,606,445
Public works.....	2,542,441
Health and human services.....	8,216
Culture and recreation.....	<u>265,037</u>

Total depreciation expense - governmental activities..... \$ 6,821,594

Business-Type Activities:

Sewer.....	\$ <u>629,655</u>
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NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2015, the Town has an interfund receivable/payable totaling \$16,548 which exists between the general fund and the Environmental State Grants Fund. The purpose of this balance is to cover short-term cash needs that will be funded by future grant proceeds.

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

Transfers Out:	Transfers In:			
	General Fund	Nonmajor Governmental Funds	Sewer Enterprise Fund	Total
General Fund.....	\$ -	\$ 1,314,008	\$ 583,570	\$ 1,897,578 (1)
Nonmajor Governmental Funds.....	2,247,963	-	-	2,247,963 (2)
Sewer Enterprise Fund.....	<u>2,944,677</u>	<u>-</u>	<u>-</u>	<u>2,944,677 (3)</u>
Total.....	<u>\$ 5,192,640</u>	<u>\$ 1,314,008</u>	<u>\$ 583,570</u>	<u>\$ 7,090,218</u>

- (1) Represents transfers from the General Fund to the nonmajor capital project funds for various Town capital projects as well as \$583,570 for sewer debt service.
- (2) Represents transfers to the General Fund from Endicott Estate receipts reserved, energy savings company (ESCO) projects, cemetery perpetual care and various nonmajor capital project funds.
- (3) Represents transfers from the Sewer Fund to the general fund for indirect costs and close out of completed projects.

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, 2015, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
BAN	School Construction.....	0.30%	8/28/2014	\$ 549,840	\$ -	\$ (549,840)	\$ -
BAN	School Construction.....	0.45%	6/15/2016	-	600,000	-	600,000
Total.....				\$ 549,840	\$ 600,000	\$ (549,840)	\$ 600,000

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, 2015, and the debt service requirements for the governmental activities are as follows:

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
MCWT Loans of 2001.....	2019	\$ 121,105	0.00	\$ 33,630	\$ -	\$ (6,726)	\$ 26,904
Municipal Purpose Loans of 2002.....	2022	4,210,000	3.50-5.00	800,000	-	(100,000)	700,000
Municipal Purpose Loans of 2005.....	2025	15,826,000	3.25-4.00	6,070,000	-	(1,070,000)	5,000,000
Municipal Purpose Loans of 2007.....	2022	9,865,000	3.70-5.00	3,500,000	-	(830,000)	2,670,000
Municipal Purpose Loans of 2008.....	2027	6,825,000	3.50-4.05	3,710,000	-	(480,000)	3,230,000
Municipal Purpose Loans of 2009.....	2019	9,080,000	2.00-4.75	2,685,000	-	(560,000)	2,125,000
Municipal Purpose Loans of 2010.....	2030	8,094,500	2.00-4.00	5,540,000	-	(615,000)	4,925,000
Municipal Purpose Loans of 2011.....	2031	16,890,000	2.00-5.00	13,755,000	-	(1,040,000)	12,715,000
Municipal Purpose Loans of 2012.....	2032	6,295,000	2.00-4.00	5,385,000	-	(455,000)	4,930,000
Municipal Purpose Loans of 2013.....	2023	6,988,000	2.00-2.38	6,495,000	-	(480,000)	6,015,000
Municipal Purpose Loans of 2014.....	2029	3,589,105	3.00	3,589,105	-	(344,105)	3,245,000
Municipal Purpose Loans of 2014.....	2035	5,384,455	2.00-3.20	934,455	4,450,000	-	5,384,455
Municipal Purpose Loans of 2015.....	2035	6,607,270	2.00-4.00	-	6,607,270	-	6,607,270
Total Bonds Payable.....				52,497,190	11,057,270	(5,980,831)	57,573,629
Add: Unamortized Premium.....				725,333	175,181	(286,084)	614,430
Total Bonds Payable, net.....				\$ 53,222,523	\$ 11,232,451	\$ (6,266,915)	\$ 58,188,059

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016.....	\$ 6,123,451	\$ 1,806,698	\$ 7,930,149
2017.....	5,581,726	1,611,564	7,193,290
2018.....	5,331,726	1,437,772	6,769,498
2019.....	5,006,726	1,261,116	6,267,842
2020.....	4,475,000	1,096,419	5,571,419
2021.....	4,010,000	957,766	4,967,766
2022.....	3,760,000	834,870	4,594,870
2023.....	3,140,000	726,112	3,866,112
2024.....	3,125,000	628,652	3,753,652
2025.....	3,110,000	531,127	3,641,127
2026.....	2,570,000	432,917	3,002,917
2027.....	2,495,000	355,640	2,850,640
2028.....	2,285,000	282,082	2,567,082
2029.....	1,835,000	211,122	2,046,122
2030.....	1,645,000	150,220	1,795,220
2031.....	1,250,000	93,495	1,343,495
2032.....	600,000	57,868	657,868
2033.....	410,000	38,600	448,600
2034.....	410,000	24,320	434,320
2035.....	410,000	10,040	420,040
Total.....	\$ 57,573,629	\$ 12,548,398	\$ 70,122,027

Details related to the Town's outstanding general obligation indebtedness at June 30, 2015, and the debt service requirements for the enterprise funds are as follows:

<u>Project</u>	<u>Maturities Through</u>	<u>Original Loan Amount</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2015</u>
Municipal Purpose Loans of 2001.....	2016	\$ 1,765,000	4.30-7.00	\$ 230,000	\$ -	\$ (115,000)	\$ 115,000
Municipal Purpose Loans of 2003.....	2023	2,172,000	2.00-4.00	960,000	-	(110,000)	850,000
MCWT Loans of 2005.....	2020	2,545,794	0.00	1,079,400	-	(194,600)	884,800
Municipal Purpose Loans of 2009.....	2019	170,000	2.00-3.00	75,000	-	(15,000)	60,000
MWRA Loans of 2010.....	2015	272,800	0.00	54,560	-	(54,560)	-
MWRA Loans of 2013.....	2018	260,150	0.00	208,120	-	(52,030)	156,090
MWRA Loans of 2015.....	2026	228,250	0.00	-	228,250	-	228,250
Total Bonds Payable.....				\$ 2,607,080	\$ 228,250	\$ (541,190)	\$ 2,294,140

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

Year	Principal	Interest	Total
2016.....	\$ 514,055	\$ 73,968	\$ 588,023
2017.....	403,655	57,213	460,868
2018.....	408,355	39,536	447,891
2019.....	361,125	28,754	389,879
2020.....	177,825	17,860	195,685
2021.....	127,825	12,495	140,320
2022.....	127,825	8,400	136,225
2023.....	127,825	4,200	132,025
2024.....	22,825	-	22,825
2025.....	22,825	-	22,825
Total.....	\$ 2,294,140	\$ 242,426	\$ 2,536,566

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$235,640 and interest costs for \$80,125. Net MCWT loan repayments including interest are scheduled to be \$688,647. 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 2015, the sewer enterprise fund principal subsidy totaled \$51,634 and the sewer enterprise interest subsidy totaled \$35,087.

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 \$384,340 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, 2015, the Town had the following authorized and unissued debt:

Purpose	Amount
Equipment.....	\$ 403,000
Sidewalks.....	500,000
Roads.....	1,500,000
Police Vehicles.....	165,692
High School Parking Lot.....	200,000
Rustcraft/Elm/Bussey Street Design.....	505,000
Ames Property.....	20,900,000
School Ceilings and Doors.....	100,000
Land Acquisition.....	25,000
Town Hall Solar.....	25,000
Avery School Construction.....	550,142
Avery School Plans.....	150,000
Sewer Repairs.....	180,000
High School Equipment - Security.....	20,000
Replace Heating Pipes.....	25,000
Striar Property.....	210,000
Total.....	\$ 25,458,834

Changes in Long-term Liabilities

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

	Balance June 30, 2014	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2015	Due Within One Year
Governmental Activities:							
Long-Term Bonds.....	\$ 52,497,190	\$ 11,057,270	\$ (5,980,831)	\$ -	\$ -	\$ 57,573,629	\$ 6,123,451
Add: Unamortized Bond Premium...	725,333	-	-	175,181	(286,084)	614,430	97,532
Total Bonds Payable.....	53,222,523	11,057,270	(5,980,831)	175,181	(286,084)	58,188,059	6,220,983
Compensated Absences.....	1,220,000	-	-	1,137,000	(305,000)	2,052,000	513,000
Net Pension Liability.....	18,062,241	-	-	-	(1,141,111)	16,921,130	-
Other Postemployment Benefits.....	10,967,182	-	-	4,283,426	(4,901,333)	10,349,275	-
Total Governmental Activities.....	83,471,946	11,057,270	(5,980,831)	5,595,607	(6,633,528)	87,510,464	6,733,983
Business Type Activities:							
Long-Term Bonds.....	2,607,080	228,250	(541,190)	-	-	2,294,140	514,055
Total.....	\$ 86,079,026	\$ 11,285,520	\$ (6,522,021)	\$ 5,595,607	\$ (6,633,528)	\$ 89,804,604	\$ 7,248,038

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>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balances			
Nonspendable:			
Cemetery care and library trust funds..... \$	-	\$ 793,815	\$ 793,815
Restricted for:			
Town Grants.....	-	164,314	164,314
School Grants.....	-	944,227	944,227
Town Gifts.....	-	1,600,609	1,600,609
School Gifts.....	-	137,283	137,283
School Lunch Fund.....	-	198,355	198,355
Town Revolving Funds.....	-	803,509	803,509
School Revolving Funds.....	-	1,424,767	1,424,767
Receipts Reserved.....	-	169,338	169,338
Land and Improvements.....	-	89,886	89,886
Buildings and Improvements.....	-	2,264,226	2,264,226
Roadway Improvements.....	-	393,896	393,896
Machinery and Equipment.....	-	451,681	451,681
Cemetery Trust Funds.....	-	83,729	83,729
Library Trust Funds.....	-	667,287	667,287
Other Trust Funds.....	-	381,509	381,509
Committed to:			
Reserve for bond premium.....	354,109	-	354,109
General Government.....	385,400	-	385,400
Public Safety.....	5,809	-	5,809
Education.....	9,874	-	9,874
Public Works.....	63,300	-	63,300
Community Services.....	26,026	-	26,026
Assigned to:			
General Government.....	447,938	-	447,938
Public Safety.....	38,162	-	38,162
Education.....	1,675,461	-	1,675,461
Public Works.....	130,011	-	130,011
Community Services.....	59,932	-	59,932
Employee Benefits.....	146	-	146
Free cash for subsequent year expenditures.....	4,178,964	-	4,178,964
Unassigned.....	<u>29,669,754</u>	<u>-</u>	<u>29,669,754</u>
Total Fund Balances..... \$	<u>\$ 37,044,886</u>	<u>\$ 10,568,431</u>	<u>\$ 47,613,317</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, 2015, the following amounts (included above as unassigned fund balance) have been set aside in the following stabilization funds: general stabilization \$5,414,695, mitigation stabilization fund \$138,935, and \$5,503,440 in the major capital project stabilization fund. During 2015 the general stabilization fund, the mitigation stabilization fund, and the major capital projects stabilization fund recognized interest earnings of

\$124,603, \$2,996 and \$73,565, respectively. These amounts are reported as a component of unassigned fund balance.

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, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$4,058,458 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 \$58,416,266 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, 2014.

At December 31, 2014, the DCRS membership consists of the following:

Active members.....	439
Inactive members.....	123
Disabled members.....	54
Retirees and beneficiaries currently receiving benefits.....	<u>264</u>
Total.....	<u><u>880</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, 2014 was \$4,277,701, 20.84% 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 \$4,107,233 which equaled its actual contribution.

Pension Liabilities

The components of the net pension liability of the participating member units at June 30, 2015 were as follows:

Total pension liability.....	\$	128,291,064
Total pension plan's fiduciary net position.....		<u>(110,721,622)</u>
Total net pension liability.....	\$	<u><u>17,569,442</u></u>
The pension plan's fiduciary net position as a percentage of the total pension liability.....		86.31%

At June 30, 2015, the Town reported a liability of \$16,921,130 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. Accordingly, update procedures were used to roll forward the total pension liability to the measurement date. 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, 2014, the Town's proportion was 96.310%, which did not change from its proportion measured at December 31, 2013.

Pension Expense

For the year ended June 30, 2015, the Town recognized pension expense of \$2,923,446. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$321,077, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation biennially, there are no reported differences between expected and actual experience or changes of assumptions as of December 31, 2014.

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

Year ended June 30:		
2016.....	\$	80,269
2017.....		80,269
2018.....		80,269
2019.....		<u>80,270</u>
Total.....	\$	<u><u>321,077</u></u>

Actuarial Assumptions

The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2014:

Valuation date.....	January 1, 2014
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Amortization payments increasing at 4.0%.
Remaining amortization period.....	10 years from July 1, 2014, closed.
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 five-year smoothing of asset returns greater than or less than the assumed rate of return.
Inflation rate.....	4.00%
Projected salary increases.....	4.00%
Cost of living adjustments.....	3.0% of the lesser of the pension amount and \$12,000 per year.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	For general employees, it was assumed that 50% of all disabilities are ordinary (50% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Annual rate of mortality.....	The RP-2000 Mortality Table for males and females, adjusted to 2015 with Scale AA. Mortality for disabled members is represented by the RP-2000 Mortality Table set forward two years for all disabled members.
Investment rate of return/Discount rate....	8.00%

Investment policy

The pension plan'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 pension plan’s target asset allocation as of January 1, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Domestic equity.....	6.60%	20.00%
International developed markets equity.....	7.10%	16.00%
International emerging markets equity.....	9.40%	7.00%
Core fixed income.....	2.20%	13.00%
High-yield fixed income.....	4.70%	10.00%
Real estate.....	4.40%	10.00%
Commodities.....	4.40%	4.00%
Hedge fund, GTAA, Risk parity.....	3.90%	10.00%
Private equity.....	11.70%	10.00%

Rate of return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.58%. 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 8.00%. 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.

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 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount (8.00%)	1% Increase (9.00%)
The Town's proportionate share of the net pension liability.....	\$ 29,191,171	\$ 16,921,130	\$ 6,356,029
DCRS total net pension liability.....	\$ 30,309,595	\$ 17,569,442	\$ 6,599,552

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.

At June 30, 2015, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	677
Current active members.....	<u>626</u>
Total.....	<u><u>1,303</u></u>

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 \$1.7 million to the plan during 2015. Administrative costs of the Plan are assumed to be included in plan premiums.

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

The components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town’s net OPEB obligations/(assets) are summarized in the following table:

Annual required contribution.....	\$ 4,223,417
Interest on net OPEB obligation.....	728,363
Adjustments to annual required contribution.....	<u>(668,354)</u>
Annual OPEB cost.....	4,283,426
Contributions made.....	<u>(4,901,333)</u>
Increase/(Decrease) in net OPEB obligation.....	(617,907)
Net OPEB obligation - beginning of year.....	<u>10,967,182</u>
Net OPEB obligation - end of year.....	<u><u>\$ 10,349,275</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two most recent preceding years are as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 4,283,426	114.4%	\$ 10,349,275
6/30/2014	4,232,932	113.2%	10,967,182
6/30/2013	6,075,651	80.1%	11,526,149

Funded Status and Funding Progress – The funded status of the Plan as of the most recent actuarial valuation dates is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
06/30/14	\$ 5,876,987	\$ 56,071,275	\$ 50,194,288	10.5%	\$ 43,951,811	114.2%
06/30/12	3,180,875	77,722,866	74,541,991	4.1%	39,791,854	187.3%
06/30/10	1,403,793	74,018,559	72,614,766	1.9%	45,934,750	158.1%

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

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

In the June 30, 2014 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 7.5% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date; 4.0% projected salary increases; an inflation rate of 4.0% and an annual medical and drug cost trend rate of 6.5% initially graded to 4.5% over 4 years. The UAAL is being amortized over a closed 28 year period using a level dollar amount with amortization payment increasing at 4.0% per year. The remaining amortization period at June 30, 2014 is 27 years.

NOTE 12 – COMMITMENTS

The Town is committed to completing various projects throughout the Town which will be funded with long-term debt totaling approximately \$11 million. Additionally, the May 2015 annual Town Meeting authorized the Board of Selectmen to borrow \$28.25 million to acquire the Ames Schoolhouse property to renovate it to create a Senior Center and Town Hall; and to renovate the existing Town Hall for a Police Station to create a Municipal Campus in Dedham Square. As of June 30, 2015, the Town has issued \$7.4 million for the purchase and preparation of the Ames property. Interior demolition is scheduled to begin in December 2015.

NOTE 13 – CONTINGENCIES

The Town participates in a number of Federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although 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, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2015, which is the date the financial statements were available to be issued.

NOTE 15 – REVISION OF NET POSITION

The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #68 and #71. To reflect this change, the Town has recorded a net pension liability, which has resulted in the June 30, 2014, balance of the governmental activities to be revised by \$18,062,241. Previously reported governmental activities net position of \$104,189,544 has been revised to \$86,127,303.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, *Financial Reporting for Pension Plans*; GASB Statement #68, *Accounting and Financial Reporting for Pensions*; and GASB Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.
- GASB Statement #69, *Governmental Combinations and Disposals of Government Operations*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in 2016.
- The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB*

Statements 67 and 68. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which is required to be implemented in 2017.

- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

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

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, 2015

	Budgeted Amounts					Actual	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.....	\$ -	\$ 77,678,349	\$ 77,678,349	\$ 78,104,434	\$ 80,066,710	\$ -	\$ 1,962,276	
Tax liens.....	-	-	-	-	269,413	-	269,413	
Motor vehicle and other excises.....	-	2,875,000	2,875,000	2,875,000	3,603,525	-	728,525	
Meals tax.....	-	-	-	-	860,026	-	860,026	
Hotel/motel taxes.....	-	600,000	600,000	600,000	1,395,840	-	795,840	
Licenses and permits.....	-	750,000	750,000	750,000	1,375,299	-	625,299	
Penalties and interest on taxes.....	-	400,000	400,000	400,000	656,738	-	256,738	
Payment in lieu of taxes.....	-	20,000	20,000	20,000	28,714	-	8,714	
Fines and forfeitures.....	-	130,000	130,000	130,000	97,452	-	(32,548)	
Intergovernmental.....	-	7,545,794	7,545,794	7,545,794	7,708,160	-	162,366	
Departmental and other revenue.....	-	785,000	785,000	785,000	1,357,830	-	572,830	
Investment income.....	-	150,000	150,000	150,000	178,456	-	28,456	
TOTAL REVENUES.....	-	90,934,143	90,934,143	91,360,228	97,598,163	-	6,237,935	
EXPENDITURES:								
Current:								
General Government								
Selectmen/Town Manager:								
Personnel services.....	-	376,997	376,997	380,221	365,594	-	14,627	
Purchase of services.....	12,900	61,345	74,245	79,245	55,884	2,000	21,361	
Supplies.....	-	600	600	600	600	-	-	
Other charges/expenditures.....	-	13,465	13,465	13,465	10,612	-	2,853	
Bus service contract.....	-	100,000	100,000	150,000	128,143	13,200	8,657	
Town audit.....	16,169	75,000	91,169	91,169	86,749	625	3,795	
SNARC assessment.....	-	5,750	5,750	5,750	5,750	-	-	
Liability and property insurance.....	-	858,223	858,223	850,657	765,416	-	85,241	
Operating capital.....	-	-	-	90,000	19,124	70,876	-	
Articles.....	285,573	100,000	385,573	285,573	123,636	161,937	-	
Total.....	314,642	1,591,380	1,906,022	1,946,680	1,561,508	248,638	136,534	
Finance Committee:								
Purchase of services.....	-	4,820	4,820	4,820	4,820	-	-	
Supplies.....	-	150	150	150	100	-	50	
Other charges and expenses.....	-	673	673	673	528	-	145	
Reserve funds.....	-	250,000	250,000	299,924	-	-	299,924	
Total.....	-	255,643	255,643	305,567	5,448	-	300,119	
Department of Finance:								
Personnel services.....	-	961,331	961,331	886,974	837,495	-	49,479	
Purchase of services.....	9,000	573,155	582,155	687,155	590,388	37,228	59,539	
Supplies.....	-	50,000	50,000	50,000	18,414	-	31,586	
Other charges and expenses.....	-	8,704	8,704	9,201	6,494	-	2,707	
Operating capital.....	-	100,000	100,000	100,000	23,801	76,199	-	
Articles.....	373,287	-	373,287	73,762	829	58,371	14,562	
Total.....	382,287	1,693,190	2,075,477	1,807,092	1,477,421	171,798	157,873	
Central Purchasing:								
Purchase of services.....	-	1,000	1,000	1,000	300	-	700	
Postage.....	-	87,431	87,431	87,431	72,705	-	14,726	
Overtime and sick leave.....	-	82,103	82,103	85,663	62,122	-	23,541	
Supplies.....	-	36,420	36,420	36,420	34,021	100	2,299	
Non-capital equipment.....	-	58,000	58,000	58,000	19,757	-	38,243	
Total.....	-	264,954	264,954	268,514	188,905	100	79,509	
Assessors:								
Personnel services.....	-	315,767	315,767	309,002	258,224	-	50,778	
Purchase of services.....	-	2,300	2,300	2,300	-	-	2,300	
Supplies.....	-	1,100	1,100	1,100	954	-	146	
Other charges and expenses.....	-	5,838	5,838	5,838	1,426	-	4,412	
Articles.....	99,298	-	99,298	199,298	140,890	58,408	-	
Total.....	99,298	325,005	424,303	517,538	401,494	58,408	57,636	

(continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Human Resources:							
Personnel services.....	-	162,648	162,648	170,040	170,040	-	-
Purchase of services.....	4,000	26,600	30,600	30,600	21,147	-	9,453
Other charges and expenses.....	-	4,191	4,191	3,190	578	-	2,612
Total.....	4,000	193,439	197,439	203,830	191,765	-	12,065
Legal Services:							
Purchase of services.....	-	215,550	215,550	335,550	286,634	48,916	-
Litigation/damages.....	-	25,000	25,000	25,000	11,607	-	13,393
Articles.....	14,585	-	14,585	14,585	9,312	-	5,273
Total.....	14,585	240,550	255,135	375,135	307,553	48,916	18,666
Town Clerk/ Elections/Registrars:							
Personnel services.....	-	236,244	236,244	244,799	244,630	-	169
Purchase of services.....	-	68,264	68,264	68,264	64,073	-	4,191
Supplies.....	-	750	750	750	682	-	68
Other charges and expenses.....	-	1,450	1,450	1,450	1,293	-	157
Total.....	-	306,708	306,708	315,263	310,678	-	4,585
Economic Development:							
Personnel services.....	-	79,021	79,021	61,392	54,261	-	7,131
Purchase of services.....	-	300	300	300	-	-	300
Other charges and expenses.....	-	8,700	8,700	13,000	6,587	-	6,413
Articles.....	77,732	-	77,732	77,732	-	77,732	-
Total.....	77,732	88,021	165,753	152,424	60,848	77,732	13,844
Planning Board:							
Personnel services.....	-	132,451	132,451	137,925	137,826	-	99
Purchase of services.....	-	11,000	11,000	11,000	3,427	6,000	1,573
Other charges and expenses.....	-	1,282	1,282	1,282	280	-	1,002
Total.....	-	144,733	144,733	150,207	141,533	6,000	2,674
Building Planning and Construction Committee:							
Purchase of services.....	9,461	20,000	29,461	29,461	-	-	29,461
Facilities Maintenance and Operations:							
Personnel services.....	-	214,660	214,660	227,549	216,343	-	11,206
Substitutes.....	-	32,640	32,640	32,640	15,238	-	17,402
Centralized electric & heating.....	8,370	746,302	754,672	746,302	473,509	62,201	210,592
Central telephone.....	-	129,173	129,173	129,173	124,635	-	4,538
Purchase of services.....	-	466,484	466,484	466,484	409,643	25,293	31,548
Supplies.....	-	76,034	76,034	76,034	65,473	4,232	6,329
Other charges and expenses.....	-	1,264	1,264	1,264	786	-	478
Operating capital.....	-	315,000	315,000	321,022	225,628	95,394	-
Articles.....	26,030	210,000	236,030	26,030	-	26,030	-
Total.....	34,400	2,191,557	2,225,957	2,026,498	1,531,255	213,150	282,093
Conservation Commission:							
Personnel services.....	-	48,319	48,319	51,268	51,268	-	-
Purchase of services.....	-	37,917	37,917	37,917	31,914	5,000	1,003
Other charges and expenses.....	-	2,710	2,710	2,710	2,194	-	516
Total.....	-	88,946	88,946	91,895	85,376	5,000	1,519
Environmental:							
Personnel services.....	-	80,556	80,556	82,927	82,927	-	-
Purchase of services.....	-	11,522	11,522	11,522	6,741	674	4,107
Other charges and expenses.....	-	1,186	1,186	1,186	712	-	474
Articles.....	15,552	-	15,552	15,552	12,630	2,922	-
Total.....	15,552	93,264	108,816	111,187	103,010	3,596	4,581
Total General Government.....	951,957	7,497,390	8,449,347	8,301,291	6,366,794	833,338	1,101,159

(continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Public Safety:							
Police Department:							
Personnel services.....	-	4,710,508	4,710,508	4,770,503	4,770,503	-	-
Overtime and substitutes.....	-	555,371	555,371	583,917	567,220	-	16,697
Purchase of services.....	-	73,589	73,589	114,589	102,233	200	12,156
Supplies.....	5,282	161,554	166,836	176,868	154,710	3,836	18,322
Other charges and expenses.....	-	13,230	13,230	15,297	14,406	-	891
Operating capital.....	-	198,200	198,200	198,200	168,918	29,282	-
Articles.....	5,550	-	5,550	5,550	-	5,531	19
Total.....	10,832	5,712,452	5,723,284	5,864,924	5,777,990	38,849	48,085
Fire Department:							
Personnel services.....	-	4,244,699	4,244,699	4,571,012	4,459,174	-	111,838
Overtime and substitutes.....	-	592,002	592,002	610,177	543,492	-	66,685
Purchase of services.....	-	128,350	128,350	168,350	156,308	1,056	10,986
Supplies.....	-	66,752	66,752	61,752	60,066	-	1,686
Other charges and expenses.....	-	8,610	8,610	8,610	6,885	-	1,725
Operating capital.....	-	174,000	174,000	174,000	170,382	3,618	-
Articles.....	309	-	309	309	-	278	31
Total.....	309	5,214,413	5,214,722	5,594,210	5,396,307	4,952	192,951
Central Dispatch Center:							
Personnel services.....	-	470,096	470,096	497,091	497,091	-	-
Overtime and substitutes.....	-	69,000	69,000	69,000	69,000	-	-
Purchase of services.....	-	27,475	27,475	27,475	26,245	-	1,230
Other charges and expenses.....	-	75	75	75	-	-	75
Total.....	-	566,646	566,646	593,641	592,336	-	1,305
Building Department:							
Personnel services.....	-	397,485	397,485	408,782	405,980	-	2,802
Overtime and substitutes.....	-	4,000	4,000	12,800	10,075	-	2,725
Supplies.....	-	525	525	525	-	-	525
Other charges and expenses.....	-	1,910	1,910	1,910	1,271	170	469
Total.....	-	403,920	403,920	424,017	417,326	170	6,521
Sealer of Weights and Measures:							
Personnel services.....	-	10,000	10,000	10,000	5,778	-	4,222
Supplies.....	-	-	-	2,000	581	-	1,419
Total.....	-	10,000	10,000	12,000	6,359	-	5,641
Civil Preparedness Agency:							
Personnel services.....	-	1,395	1,395	1,395	1,307	-	88
Supplies.....	-	2,760	2,760	2,760	1,329	-	1,431
Other charges and expenses.....	-	200	200	200	-	-	200
Total.....	-	4,355	4,355	4,355	2,636	-	1,719
Total Public Safety.....	11,141	11,911,786	11,922,927	12,493,147	12,192,954	43,971	256,222
Education:							
Dedham Public Schools:							
School operations.....	493,347	36,699,260	37,192,607	37,927,325	36,143,770	1,675,461	108,094
Articles.....	2,893	382,450	385,343	18,874	9,000	9,874	-
Total.....	496,240	37,081,710	37,577,950	37,946,199	36,152,770	1,685,335	108,094
Blue Hills Regional School:							
Assessment.....	-	1,410,353	1,410,353	1,410,353	1,410,353	-	-
Norfolk County Agricultural High School:							
Assessment.....	-	42,964	42,964	56,040	56,040	-	-
Total Education.....	496,240	38,535,027	39,031,267	39,412,592	37,619,163	1,685,335	108,094

(continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Public Works:							
Public Works Operations:							
Personnel services.....	-	1,519,108	1,519,108	1,601,217	1,590,527	-	10,690
Overtime.....	-	160,000	160,000	169,777	157,520	-	12,257
Purchase of services.....	-	670,500	670,500	670,500	670,455	-	45
Supplies.....	-	281,040	281,040	281,040	280,235	-	805
Other charges and expenses.....	-	1,500	1,500	1,500	1,490	-	10
Operating capital.....	-	160,000	160,000	160,000	99,684	60,316	-
Total.....	-	2,792,148	2,792,148	2,884,034	2,799,911	60,316	23,807
Snow and Ice Control:							
Snow and ice removal.....	-	650,000	650,000	2,650,000	2,638,777	11,223	-
Infrastructure Engineering:							
Personnel services.....	-	426,400	426,400	439,422	395,964	-	43,458
Purchase of services.....	2,049	77,087	79,136	79,136	58,659	-	20,477
Supplies.....	-	23,200	23,200	23,200	10,882	-	12,318
Other charges/expenditures.....	-	8,762	8,762	8,762	3,599	1,129	4,034
Operating capital.....	-	15,000	15,000	15,000	12,027	2,973	-
Articles.....	77,032	-	77,032	67,152	3,852	63,300	-
Total.....	79,081	550,449	629,530	632,672	484,983	67,402	80,287
Rubbish and Recycling:							
Contracts.....	-	1,950,000	1,950,000	1,950,000	1,797,109	-	152,891
Supplies.....	-	28,000	28,000	28,000	22,819	1,550	3,631
Total.....	-	1,978,000	1,978,000	1,978,000	1,819,928	1,550	156,522
Street Lighting:							
Streetlights.....	-	250,000	250,000	250,000	135,212	52,820	61,968
Street Lighting capital.....	97,965	-	97,965	97,965	97,965	-	-
Total.....	97,965	250,000	347,965	347,965	233,177	52,820	61,968
Total Public Works.....	177,046	6,220,597	6,397,643	8,492,671	7,976,776	193,311	322,584
Community Services:							
Board of Health:							
Personnel services.....	-	239,720	239,720	258,982	245,893	-	13,089
Purchase of services.....	-	3,600	3,600	3,600	2,126	-	1,474
Supplies.....	-	840	840	840	222	-	618
Other charges and expenses.....	-	2,160	2,160	1,960	1,280	-	680
Hazardous waste collection.....	-	9,043	9,043	9,243	8,432	-	811
Articles.....	7,326	-	7,326	7,326	-	7,326	-
Total.....	7,326	255,363	262,689	281,951	257,953	7,326	16,672
Council of Aging:							
Personnel services.....	-	213,607	213,607	224,221	217,753	-	6,468
Purchases of services.....	-	1,865	1,865	1,865	1,734	-	131
Supplies.....	-	5,900	5,900	5,900	5,078	-	822
Other charges and expenses.....	-	1,324	1,324	1,324	1,020	-	304
Total.....	-	222,696	222,696	233,310	225,585	-	7,725
Youth Commission:							
Personnel services.....	-	253,419	253,419	265,239	264,966	-	273
Purchase of services.....	-	2,975	2,975	2,975	2,815	-	160
Supplies.....	-	1,221	1,221	1,221	662	82	477
Other charges and expenses.....	-	360	360	360	-	-	360
Total.....	-	257,975	257,975	269,795	268,443	82	1,270
Veteran's Services:							
Personnel services.....	-	84,092	84,092	87,558	87,558	-	-
Memorial Day program.....	-	5,700	5,700	5,700	5,657	-	43
Purchase of services.....	-	5,000	5,000	3,900	2,152	-	1,748
Supplies.....	-	300	300	300	103	-	197
Other charges and expenses.....	-	3,365	3,365	4,465	4,458	-	7
Veteran's benefits.....	-	92,400	92,400	112,400	110,524	-	1,876
Total.....	-	190,857	190,857	214,323	210,452	-	3,871

(continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts					Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget				
Public Libraries:								
Personnel services.....	-	808,275	808,275	850,527	795,795	-	54,732	
Overtime and substitutes.....	-	11,000	11,000	11,672	10,107	-	1,565	
Books, periodicals, and bindings.....	-	160,290	160,290	160,290	160,272	-	18	
Purchase of services.....	-	66,569	66,569	66,569	65,071	-	1,498	
Supplies.....	-	15,865	15,865	15,865	15,849	-	16	
Other charges and expenses.....	-	6,900	6,900	6,900	6,899	-	1	
Articles.....	18,700	-	18,700	18,700	-	18,700	-	
Total.....	18,700	1,068,899	1,087,599	1,130,523	1,053,993	18,700	57,830	
Recreation Department:								
Personnel services.....	-	526,143	526,143	537,758	537,750	-	8	
Overtime and substitutes.....	-	9,500	9,500	5,650	5,650	-	-	
Purchase of services.....	-	70,500	70,500	96,500	81,766	-	14,734	
Supplies.....	-	87,863	87,863	87,863	87,655	-	208	
Other charges and expenses.....	-	371	371	371	55	-	316	
Operating capital.....	-	56,500	56,500	106,500	46,650	59,850	-	
Total.....	-	750,877	750,877	834,642	759,526	59,850	15,266	
Endicott Estate Commission:								
Personnel services.....	-	133,177	133,177	133,177	126,057	-	7,120	
Purchase of services.....	-	15,415	15,415	15,415	11,758	-	3,657	
Supplies.....	-	4,144	4,144	4,144	3,755	-	389	
Other charges and expenses.....	-	1,175	1,175	1,175	229	-	946	
Total.....	-	153,911	153,911	153,911	141,799	-	12,112	
Civic Pride:								
Other charges and expenses.....	-	10,000	10,000	10,000	10,000	-	-	
Cultural Council:								
Community grants.....	-	6,300	6,300	6,300	6,300	-	-	
Total Community Services.....	26,026	2,916,878	2,942,904	3,134,755	2,934,051	85,958	114,746	
State and County Assessments.....	-	2,430,040	2,430,040	2,430,040	2,481,421	-	(51,381)	
Debt Service:								
Principal.....	-	5,980,831	5,980,831	5,980,831	5,980,831	-	-	
Interest.....	-	1,692,985	1,692,985	1,697,985	1,697,913	-	72	
Total.....	-	7,673,816	7,673,816	7,678,816	7,678,744	-	72	
Employee Benefits:								
Contributory pension.....	-	4,107,233	4,107,233	4,107,233	4,107,233	-	-	
Non-contributory pension.....	-	15,000	15,000	15,000	13,870	-	1,130	
Unemployment payments.....	-	50,000	50,000	50,000	27,296	-	22,704	
Insurance and Hospitalization.....	-	10,259,935	10,259,935	10,271,935	10,271,161	146	628	
Medicare tax.....	-	686,566	686,566	698,566	671,831	-	26,735	
Deferred compensation.....	-	19,500	19,500	19,500	14,500	-	5,000	
Reserve for Salary Increases.....	-	560,416	560,416	-	-	-	-	
Total.....	-	15,698,650	15,698,650	15,162,234	15,105,891	146	56,197	
TOTAL EXPENDITURES.....	1,662,410	92,884,184	94,546,594	97,105,546	92,355,794	2,842,059	1,907,693	
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,662,410)	(1,950,041)	(3,612,451)	(5,745,318)	5,242,369	(2,842,059)	8,145,628	

(continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
OTHER FINANCING SOURCES (USES):							
Premiums from debt issuance.....	-	-	-	-	175,181	-	175,181
Transfers in.....	-	1,256,344	1,256,344	1,262,366	5,663,935	-	4,401,569
Transfers out.....	-	(1,435,355)	(1,435,355)	(2,442,831)	(3,459,712)	-	(1,016,881)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(179,011)	(179,011)	(1,180,465)	2,379,404	-	3,559,869
NET CHANGE IN FUND BALANCE.....	(1,662,410)	(2,129,052)	(3,791,462)	(6,925,783)	7,621,773	(2,842,059)	11,705,497
BUDGETARY FUND BALANCE, Beginning of year.....	-	19,439,546	19,439,546	19,439,546	19,439,546	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (1,662,410)	\$ 17,310,494	\$ 15,648,084	\$ 12,513,763	\$ 27,061,319	\$ (2,842,059)	\$ 11,705,497

(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
Total pension liability:	
Service cost.....	\$ 2,850,624
Interest.....	10,222,589
Changes in benefit terms.....	-
Differences between expected and actual experience.....	-
Changes in assumptions.....	-
Benefit payments.....	(8,913,863)
Interest on benefit payments.....	-
	4,159,350
Net change in total pension liability.....	4,159,350
Total pension liability, beginning.....	124,131,714
Total pension liability, ending (a).....	\$ 128,291,064
Plan fiduciary net position:	
Employer contributions.....	\$ 4,277,701
Member contributions.....	2,183,402
Net investment income (loss).....	7,721,433
Retirement benefits and refunds.....	(8,913,863)
Administrative expenses.....	(213,559)
Other receipts.....	289,068
	5,344,182
Net increase (decrease) in fiduciary net position.....	5,344,182
Fiduciary net position at beginning of year.....	105,377,440
Fiduciary net position at end of year (b).....	\$ 110,721,622
Net pension liability - ending (a) - (b).....	\$ 17,569,442
Plan fiduciary net position as a percentage of the total pension liability.....	86.31%
Covered-employee payroll (*).....	\$ 20,523,383
Net pension liability as a percentage of covered-employee payroll.....	85.61%

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.

*Covered employee payroll as reported in the January 1, 2014 funding
valuation report.

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

	December 31, 2014
Actuarially determined contribution (a).....	\$ 4,277,701
Contributions in relation to the actuarially determined contribution.....	(4,277,701)
Contribution deficiency (excess).....	\$ -
Covered-employee payroll (*).....	\$ 20,523,383
Contributions as a percentage of covered- employee payroll.....	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.

(a) Based on the results of the January 1, 2012 actuarial
valuation (including assumptions and methods) which
determined budgeted appropriations for fiscal 2015.

*Covered employee payroll as reported in the January 1, 2014
funding valuation report.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURN
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

December 31,
2014

Annual money-weighted rate of return, net of investment expense.....	7.58%
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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 annual money-weighted rate of return has been calculated by
the Pension Reserves Investment Management Board (PRIM).

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**

	December 31, 2014
Town's proportionate share of the net pension liability (asset).....	96.31%
Town's proportionate share of the net pension liability (asset)..... \$	16,921,130
Town's covered employee payroll..... \$	19,766,070
Net pension liability as a percentage of covered-employee payroll.....	85.61%
Plan fiduciary net position as a percentage of the total pension liability.....	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.

See notes to required supplementary information.

SCHEDULE OF TOWN'S CONTRIBUTIONS
DEDHAM CONTRIBUTORY RETIREMENT SYSTEM

	December 31, 2014
Actuarially determined contribution (a).....	\$ 4,107,233
Contributions in relation to the actuarially determined contribution.....	<u>(4,107,233)</u>
Contribution deficiency (excess).....	<u>\$ -</u>
Covered-employee payroll.....	\$ 19,766,070
Contributions as a percentage of covered- employee payroll.....	20.78%

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.

(a) Based on the results of the January 1, 2012 actuarial
valuation (including assumptions and methods) which
determined budgeted appropriations for fiscal 2015.

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. 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 a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
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 Funding Progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions compares, over time, the Annual Required Contributions to the Actual Contributions made.

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

JUNE 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll (B-A)/C
6/30/2014	\$ 5,876,987	\$ 56,071,275	\$ 50,194,288	10.5%	\$ 43,951,811	114.2%
6/30/2012	3,180,875	77,722,866	74,541,991	4.1%	39,791,854	187.3%
6/30/2010	1,403,793	74,018,559	72,614,766	1.9%	45,934,750	158.1%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage Contributed
2015	\$ 4,223,417	\$ 4,901,333	116.1%
2014	4,054,489	4,791,899	118.2%
2013	5,915,883	4,869,417	82.3%
2012	5,622,162	3,964,104	70.5%
2011	5,319,868	3,583,527	67.4%
2010	5,065,094	3,534,713	69.8%
2009	7,950,316	2,657,430	33.4%

The Town implemented GASB Statement No. 45 for the year ended June 30, 2009.

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

YEAR ENDED JUNE 30, 2015

Actuarial Methods:

Valuation date.....	June 30, 2014
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 4.0%
Remaining amortization period.....	28 years as of July 1, 2014, closed

Actuarial Assumptions:

Investment rate of return.....	7.5% pre-funding scenario
Inflation rate.....	4.0%
Projected salary increases.....	4.0%
Medical/drug cost trend rate.....	6.5% decreasing by 0.50% for 4 years to an ultimate level of 4.5% per year

Plan Membership:

Current retirees, beneficiaries, and dependents.....	677
Current active members.....	<u>626</u>
Total.....	<u><u>1,303</u></u>

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary 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 2015 budget consisted of approximately \$96 million in appropriations and other amounts to be raised. Included in the original budget are approximately \$1.7 million in amounts carried over from previous years.

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

B. 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, 2015, is presented below:

Net change in fund balance, budgetary basis.....	\$	7,621,773
<u>Perspective difference:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		1,308,578
<u>Basis of accounting differences:</u>		
Net change in revenue accrual.....		126,497
Net change in tax refunds payable.....		(276,300)
Recognition of revenue for on-behalf payments.....		4,058,458
Recognition of expenditures for on-behalf payments.....		<u>(4,058,458)</u>
Net change in fund balance, GAAP basis.....	\$	<u>8,780,548</u>

C. Appropriation Deficits

Expenditures exceeded appropriations in state and county assessments. This is based on state assessments which are not required to be raised.

NOTE B – PENSION PLAN

Pension Plan Schedules – Retirement System

A. 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.

Since the System performs an actuarial valuation bi-annually, there are no reported amounts for the changes in benefit terms, differences between expected and actual experience and changes in assumptions as of December 31, 2014.

B. 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.

C. 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 - Town

A. Schedule 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.

B. 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.

C. 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.

D. Changes in Assumptions: There were no changes in assumptions.

E. Changes in Plan Provisions: There were no changes in plan provisions.

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.

The Town currently finances its other postemployment benefits (OPEB) on combined pre-funded and a pay-as-you-go basis whereby the funding schedule is designed to pay the normal cost currently and amortizes the unfunded liability over a period of 28 years. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarially accrued liability) as of the most recent valuation was 10.5%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions presents multi-year trend information of contributions relating to the plan.

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

The Schedule of Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

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.

Buildings and Improvements Fund – This fund accounts for building acquisition and construction activities that are funded 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.

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, 2015

	Special Revenue Funds					
	Town Grants	School Grants	Town Gifts	School Gifts	School Lunch Fund	Town Revolving Funds
ASSETS						
Cash and cash equivalents.....	\$ -	\$ 835,358	\$ 1,603,608	\$ 138,633	\$ 204,013	\$ 815,642
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Intergovernmental.....	187,500	134,935	-	-	-	-
TOTAL ASSETS.....	\$ 187,500	\$ 970,293	\$ 1,603,608	\$ 138,633	\$ 204,013	\$ 815,642
LIABILITIES						
Warrants payable.....	\$ 6,638	\$ 26,066	\$ 2,999	\$ 1,350	\$ 5,658	\$ 12,133
Due to other funds.....	16,548	-	-	-	-	-
Notes payable.....	-	-	-	-	-	-
TOTAL LIABILITIES.....	23,186	26,066	2,999	1,350	5,658	12,133
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues.....	-	-	-	-	-	-
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	164,314	944,227	1,600,609	137,283	198,355	803,509
TOTAL FUND BALANCES.....	164,314	944,227	1,600,609	137,283	198,355	803,509
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 187,500	\$ 970,293	\$ 1,603,608	\$ 138,633	\$ 204,013	\$ 815,642

(Continued)

Special Revenue Funds			Capital Projects Funds				
School Revolving Funds	Receipts Reserved Fund	Sub-total	Land and Improvements	Buildings and Improvements	Roadway Improvements	Machinery and Equipment	Sub-total
\$ 1,438,751	\$ 169,559	\$ 5,205,564	\$ 102,463	\$ 2,448,877	\$ 443,404	\$ 1,116,495	\$ 4,111,239
-	-	-	-	-	-	-	-
-	-	322,435	-	-	347,233	-	347,233
<u>\$ 1,438,751</u>	<u>\$ 169,559</u>	<u>\$ 5,527,999</u>	<u>\$ 102,463</u>	<u>\$ 2,448,877</u>	<u>\$ 790,637</u>	<u>\$ 1,116,495</u>	<u>\$ 4,458,472</u>
\$ 13,984	\$ 221	\$ 69,049	\$ 12,577	\$ 184,651	\$ 49,508	\$ 64,814	\$ 311,550
-	-	16,548	-	-	-	-	-
-	-	-	-	-	-	600,000	600,000
<u>13,984</u>	<u>221</u>	<u>85,597</u>	<u>12,577</u>	<u>184,651</u>	<u>49,508</u>	<u>664,814</u>	<u>911,550</u>
-	-	-	-	-	347,233	-	347,233
-	-	-	-	-	-	-	-
<u>1,424,767</u>	<u>169,338</u>	<u>5,442,402</u>	<u>89,886</u>	<u>2,264,226</u>	<u>393,896</u>	<u>451,681</u>	<u>3,199,689</u>
<u>1,424,767</u>	<u>169,338</u>	<u>5,442,402</u>	<u>89,886</u>	<u>2,264,226</u>	<u>393,896</u>	<u>451,681</u>	<u>3,199,689</u>
<u>\$ 1,438,751</u>	<u>\$ 169,559</u>	<u>\$ 5,527,999</u>	<u>\$ 102,463</u>	<u>\$ 2,448,877</u>	<u>\$ 790,637</u>	<u>\$ 1,116,495</u>	<u>\$ 4,458,472</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2015

	Permanent Funds				Total Nonmajor Governmental Funds
	Cemetery Trust Funds	Library Trust Funds	Other Trust Funds	Sub-total	
ASSETS					
Cash and cash equivalents.....	\$ 78,821	\$ 115,723	\$ 61,826	\$ 256,370	\$ 9,573,173
Investments.....	513,433	753,808	402,729	1,669,970	1,669,970
Receivables, net of uncollectibles:					
Intergovernmental.....	-	-	-	-	669,668
TOTAL ASSETS.....	\$ 592,254	\$ 869,531	\$ 464,555	\$ 1,926,340	\$ 11,912,811
LIABILITIES					
Warrants payable.....	\$ -	\$ -	\$ -	\$ -	\$ 380,599
Due to other funds.....	-	-	-	-	16,548
Notes payable.....	-	-	-	-	600,000
TOTAL LIABILITIES.....	-	-	-	-	997,147
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues.....	-	-	-	-	347,233
FUND BALANCES					
Nonspendable.....	508,525	202,244	83,046	793,815	793,815
Restricted.....	83,729	667,287	381,509	1,132,525	9,774,616
TOTAL FUND BALANCES.....	592,254	869,531	464,555	1,926,340	10,568,431
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$ 592,254	\$ 869,531	\$ 464,555	\$ 1,926,340	\$ 11,912,811

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

YEAR ENDED JUNE 30, 2015

	Special Revenue Funds					
	Town Grants	School Grants	Town Gifts	School Gifts	School Lunch Fund	Town Revolving Funds
REVENUES:						
Intergovernmental.....	\$ 330,728	\$ 2,152,411	\$ -	\$ -	\$ 415,979	\$ 73,667
Departmental and other.....	57,620	23,200	-	-	750,315	894,042
Contributions.....	-	-	214,709	50,048	-	3,224
Interest income.....	-	-	-	32	91	149
TOTAL REVENUES.....	388,348	2,175,611	214,709	50,080	1,166,385	971,082
EXPENDITURES:						
Current:						
General government.....	250,873	-	14,376	5,001	-	299,457
Public safety.....	54,474	-	26,162	-	-	42,029
Public education.....	-	2,609,998	-	40,043	1,138,621	1,249
Public works.....	-	-	-	-	-	-
Health and human services.....	43,385	-	26,974	-	-	26,539
Culture and recreation.....	7,160	-	-	-	-	386,500
TOTAL EXPENDITURES.....	355,892	2,609,998	67,512	45,044	1,138,621	755,774
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	32,456	(434,387)	147,197	5,036	27,764	215,308
OTHER FINANCING SOURCES (USES):						
Issuance of long-term debt.....	-	-	-	-	-	-
Transfers in.....	15,396	32,786	-	-	-	46,890
Transfers out.....	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	15,396	32,786	-	-	-	46,890
NET CHANGE IN FUND BALANCES.....	47,852	(401,601)	147,197	5,036	27,764	262,198
FUND BALANCES AT BEGINNING OF YEAR.....	116,462	1,345,828	1,453,412	132,247	170,591	541,311
FUND BALANCES AT END OF YEAR.....	\$ 164,314	\$ 944,227	\$ 1,600,609	\$ 137,283	\$ 198,355	\$ 803,509

(Continued)

Special Revenue Funds			Capital Projects Funds				
School Revolving Funds	Receipts Reserved Fund	Sub-total	Land and Improvements	Buildings and Improvements	Roadway Improvements	Machinery and Equipment	Sub-total
\$ -	\$ -	\$ 2,972,785	\$ -	\$ -	\$ 798,577	\$ 63,734	\$ 862,311
1,254,582	400,327	3,380,086	-	-	-	-	-
-	-	267,981	-	-	-	-	-
-	-	272	-	-	-	-	-
<u>1,254,582</u>	<u>400,327</u>	<u>6,621,124</u>	<u>-</u>	<u>-</u>	<u>798,577</u>	<u>63,734</u>	<u>862,311</u>
-	10,031	579,738	-	6,151,345	-	340,989	6,492,334
-	10,056	132,721	-	-	-	500,013	500,013
1,232,705	-	5,022,616	-	302,593	-	505,479	808,072
-	-	-	1,425	-	2,954,243	199,401	3,155,069
-	-	96,898	-	-	-	-	-
-	-	393,660	28,503	16,236	-	1,100	45,839
<u>1,232,705</u>	<u>20,087</u>	<u>6,225,633</u>	<u>29,928</u>	<u>6,470,174</u>	<u>2,954,243</u>	<u>1,546,982</u>	<u>11,001,327</u>
<u>21,877</u>	<u>380,240</u>	<u>395,491</u>	<u>(29,928)</u>	<u>(6,470,174)</u>	<u>(2,155,666)</u>	<u>(1,483,248)</u>	<u>(10,139,016)</u>
-	-	-	-	7,700,000	2,200,000	1,157,270	11,057,270
-	1,342	96,414	117,170	598,557	4,373	482,362	1,202,462
-	(675,690)	(675,690)	(90,253)	(100,756)	(1,324,052)	(6,156)	(1,521,217)
-	(674,348)	(579,276)	26,917	8,197,801	880,321	1,633,476	10,738,515
21,877	(294,108)	(183,785)	(3,011)	1,727,627	(1,275,345)	150,228	599,499
<u>1,402,890</u>	<u>463,446</u>	<u>5,626,187</u>	<u>92,897</u>	<u>536,599</u>	<u>1,669,241</u>	<u>301,453</u>	<u>2,600,190</u>
<u>\$ 1,424,767</u>	<u>\$ 169,338</u>	<u>\$ 5,442,402</u>	<u>\$ 89,886</u>	<u>\$ 2,264,226</u>	<u>\$ 393,896</u>	<u>\$ 451,681</u>	<u>\$ 3,199,689</u>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	<u>Permanent Funds</u>				Total Nonmajor Governmental Funds
	Cemetery Trust Funds	Library Trust Funds	Other Trust Funds	Sub-total	
REVENUES:					
Intergovernmental.....	\$ -	\$ -	\$ -	\$ -	\$ 3,835,096
Departmental and other.....	-	-	-	-	3,380,086
Contributions.....	18,900	-	9,623	28,523	296,504
Interest income.....	310	117	(81)	346	618
TOTAL REVENUES.....	19,210	117	9,542	28,869	7,512,304
EXPENDITURES:					
Current:					
General government.....	-	-	5	5	7,072,077
Public safety.....	-	-	6,369	6,369	639,103
Public education.....	-	-	-	-	5,830,688
Public works.....	-	-	80	80	3,155,149
Health and human services.....	-	-	-	-	96,898
Culture and recreation.....	-	-	-	-	439,499
TOTAL EXPENDITURES.....	-	-	6,454	6,454	17,233,414
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	19,210	117	3,088	22,415	(9,721,110)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt.....	-	-	-	-	11,057,270
Transfers in.....	-	-	15,132	15,132	1,314,008
Transfers out.....	(37,500)	-	(13,556)	(51,056)	(2,247,963)
TOTAL OTHER FINANCING SOURCES (USES).....	(37,500)	-	1,576	(35,924)	10,123,315
NET CHANGE IN FUND BALANCES.....	(18,290)	117	4,664	(13,509)	402,205
FUND BALANCES AT BEGINNING OF YEAR.....	610,544	869,414	459,891	1,939,849	10,166,226
FUND BALANCES AT END OF YEAR.....	\$ 592,254	\$ 869,531	\$ 464,555	\$ 1,926,340	\$ 10,568,431

(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, 2015

	<u>Agency Accounts July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Agency Accounts June 30, 2015</u>
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 928,487	\$ 2,709,817	\$ (2,492,447)	\$ 1,145,857
Departmental and other receivables.....	<u>92,151</u>	<u>1,953,681</u>	<u>(1,866,207)</u>	<u>179,625</u>
 TOTAL ASSETS.....	 <u>\$ 1,020,638</u>	 <u>\$ 4,663,498</u>	 <u>\$ (4,358,654)</u>	 <u>\$ 1,325,482</u>
 LIABILITIES				
Liabilities due depositors.....	<u>\$ 1,020,638</u>	<u>\$ 4,663,498</u>	<u>\$ (4,358,654)</u>	<u>\$ 1,325,482</u>

Statistical Section



The Endicott Estate

The Endicott Estate is a truly magnificent Town-owned mansion located on 15 acres, featuring a beautifully manicured lawn surrounded by lush vegetation. The estate plays a vital role in the local community and beyond as a place for year-round recreation, corporate and social events, art shows, cars shows, summer concerts and movie filming.

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**

	<u>2006</u>	<u>2007 (1)</u>	<u>2008 (2)</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets.....	\$ 33,237,328	\$ 51,870,735	\$ 50,904,656	\$ 52,384,685
Restricted.....	6,457,883	7,971,185	3,823,701	3,987,014
Unrestricted.....	<u>10,349,636</u>	<u>10,802,972</u>	<u>13,562,033</u>	<u>9,095,390</u>
Total governmental activities net position.....	<u>\$ 50,044,847</u>	<u>\$ 70,644,892</u>	<u>\$ 68,290,390</u>	<u>\$ 65,467,089</u>
Business-type activities				
Net investment in capital assets.....	\$ -	\$ -	\$ 5,693,204	\$ 7,453,124
Unrestricted.....	<u>-</u>	<u>-</u>	<u>3,742,039</u>	<u>4,139,374</u>
Total business-type activities net position.....	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,435,243</u>	<u>\$ 11,592,498</u>
Primary government				
Net investment in capital assets.....	\$ 33,237,328	\$ 51,870,735	\$ 56,597,860	\$ 59,837,809
Restricted.....	6,457,883	7,971,185	3,823,701	3,987,014
Unrestricted.....	<u>10,349,636</u>	<u>10,802,972</u>	<u>17,304,072</u>	<u>13,234,764</u>
Total primary government net position.....	<u>\$ 50,044,847</u>	<u>\$ 70,644,892</u>	<u>\$ 77,725,633</u>	<u>\$ 77,059,587</u>

(Continued)

- (1) The Town elected to defer the recording of infrastructure in its governmental activities' net position until 2007. As a result, a prior period restatement of \$13,544,066 was made to beginning net position as of July 1, 2006.
- (2) In 2008, the Town elected to report the activities of its sewer department as a business-type activity. As a result, a prior period restatement was required to reduce the governmental activities statement of net position beginning balance by \$6,057,887 and increase the business-type activities statement of net position beginning balance by \$6,161,381 as of July 1, 2007.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) The 2014 unrestricted net position for governmental activities has been revised due to the implementation of GASB Statements #68 and #71.

	<u>2010 (3)</u>	<u>2011 (4)</u>	<u>2012</u>	<u>2013 (5)</u>	<u>2014 (6) & (7)</u>	<u>2015</u>
\$	49,775,353	\$ 55,971,463	\$ 70,945,301	\$ 74,967,068	\$ 74,333,335	\$ 75,778,459
	13,115,396	13,163,552	6,908,583	8,973,983	4,987,798	4,772,773
	<u>6,464,917</u>	<u>7,063,113</u>	<u>11,195,528</u>	<u>11,191,965</u>	<u>24,868,411</u>	<u>16,745,818</u>
\$	<u><u>69,355,666</u></u>	<u><u>76,198,128</u></u>	<u><u>89,049,412</u></u>	<u><u>95,133,016</u></u>	<u><u>104,189,544</u></u>	<u><u>97,297,050</u></u>
\$	7,381,486	\$ 8,831,268	\$ 11,061,349	\$ 10,563,015	\$ 14,327,266	\$ 15,737,411
	<u>10,114,947</u>	<u>10,269,669</u>	<u>10,746,685</u>	<u>11,430,629</u>	<u>10,510,375</u>	<u>9,275,326</u>
\$	<u><u>17,496,433</u></u>	<u><u>19,100,937</u></u>	<u><u>21,808,034</u></u>	<u><u>21,993,644</u></u>	<u><u>24,837,641</u></u>	<u><u>25,012,737</u></u>
\$	57,156,839	\$ 64,802,731	\$ 82,006,650	\$ 85,530,083	\$ 88,660,601	\$ 91,515,870
	13,115,396	13,163,552	6,908,583	8,973,983	4,987,798	4,772,773
	<u>16,579,864</u>	<u>17,332,782</u>	<u>21,942,213</u>	<u>22,622,594</u>	<u>35,378,786</u>	<u>26,021,144</u>
\$	<u><u>86,852,099</u></u>	<u><u>95,299,065</u></u>	<u><u>110,857,446</u></u>	<u><u>117,126,660</u></u>	<u><u>129,027,185</u></u>	<u><u>122,309,787</u></u>

(Concluded)

**Changes in Net Position
Last Ten Years**

	2006	2007	2008 (1)	2009
Expenses				
Governmental activities:				
General government.....	\$ 5,637,858	\$ 5,836,738	\$ 6,482,125	\$ 6,712,019
Public safety.....	15,487,680	15,636,464	14,898,467	16,885,045
Education.....	43,371,842	44,680,463	48,501,891	53,913,557
Public works.....	11,400,650	13,597,213	8,462,729	8,495,852
Health and human services.....	730,320	807,873	830,625	1,147,489
Culture and recreation.....	3,270,116	3,413,472	3,520,855	3,551,307
Interest.....	1,710,505	1,356,827	1,358,707	1,512,923
Total government activities expenses.....	81,608,971	85,329,050	84,055,399	92,218,192
Business-type activities:				
Sewer.....	-	-	4,877,909	5,369,806
Total primary government expenses.....	\$ 81,608,971	\$ 85,329,050	\$ 88,933,308	\$ 97,587,998
Program Revenues				
Governmental activities:				
General government.....	\$ 504,192	\$ 560,179	\$ 4,641,660	\$ 3,185,547
Public safety.....	2,007,388	2,844,670	694,261	29,465
Education.....	2,187,806	2,381,443	1,896,888	1,772,855
Public works.....	6,068,853	6,658,463	94,180	93,258
Health and human services.....	3,968	17,802	171,750	158,657
Culture and recreation.....	335,966	379,720	316,650	320,949
Operating grants and contributions.....	9,975,595	13,482,363	12,903,208	14,463,371
Capital grants and contributions.....	13,383,168	1,993,200	912,475	2,172,371
Total government activities program revenues.....	34,466,936	28,317,840	21,631,072	22,196,473
Business-type activities:				
Charge for services.....	-	-	7,188,754	7,214,875
Operating grants and contributions.....	-	-	346,875	83,854
Capital grants and contributions.....	-	-	-	-
Total business-type activities program revenues.....	-	-	7,535,629	7,298,729
Total primary government program revenues.....	\$ 34,466,936	\$ 28,317,840	\$ 29,166,701	\$ 29,495,202

(Continued)

- (1) In 2008, the Town modified its financial reporting of its sewer operations and reclassified the financial position and results of operations of its sewer operations from public works in its government activities to business-type activities.
- (2) Prior to 2011, 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.

	2010	2011	2012	2013	2014	2015
\$	7,455,799	\$ 7,187,256	\$ 7,144,072	\$ 8,576,777	\$ 8,933,404	\$ 9,213,762
	16,349,388	17,524,157	16,505,620	16,223,866	16,283,890	16,073,950
	52,733,810	53,013,845	57,609,327	59,992,955	60,660,525	58,821,863
	8,796,971	10,352,050	8,640,310	10,593,671	9,867,811	10,694,480
	1,156,051	1,300,046	1,293,813	1,333,425	1,426,511	1,407,928
	3,139,413	4,391,573	3,216,271	3,264,258	3,185,169	3,181,678
	1,433,392	1,555,138	1,858,222	1,782,917	1,629,350	1,411,829
	<u>91,064,824</u>	<u>95,324,065</u>	<u>96,267,635</u>	<u>101,767,869</u>	<u>101,986,660</u>	<u>100,805,490</u>
	<u>5,096,758</u>	<u>5,645,902</u>	<u>5,310,034</u>	<u>5,442,503</u>	<u>5,488,730</u>	<u>5,783,229</u>
\$	<u>96,161,582</u>	<u>100,969,967</u>	<u>101,577,669</u>	<u>107,210,372</u>	<u>107,475,390</u>	<u>106,588,719</u>
\$	741,943	\$ 866,660	\$ 521,601	\$ 705,729	\$ 871,069	\$ 1,749,713
	1,754,489	1,097,670	1,109,683	1,156,597	947,966	1,450,133
	2,118,664	2,030,420	2,314,003	2,415,302	2,270,306	2,032,470
	138,400	139,396	226,893	48,673	148,978	133,983
	198,859	197,170	217,543	113,926	318,813	181,192
	491,232	610,267	516,599	633,245	662,126	689,088
	14,200,975	14,807,668	15,443,557	15,464,617	15,558,347	11,514,258
	2,368,219	5,108,943	7,200,151	2,190,370	856,405	1,503,681
	<u>22,012,781</u>	<u>24,858,194</u>	<u>27,550,030</u>	<u>22,728,459</u>	<u>21,634,010</u>	<u>19,254,518</u>
	7,654,800	7,476,467	8,409,004	7,684,458	7,684,973	7,598,905
	17,821	52,146	38,227	82,589	37,454	35,087
	-	-	-	212,850	-	684,750
	<u>7,672,621</u>	<u>7,528,613</u>	<u>8,447,231</u>	<u>7,979,897</u>	<u>7,722,427</u>	<u>8,318,742</u>
\$	<u>29,685,402</u>	<u>32,386,807</u>	<u>35,997,261</u>	<u>30,708,356</u>	<u>29,356,437</u>	<u>27,573,260</u>

(Continued)

**Changes in Net Position
Last Ten Years**

	2006	2007	2008 (1)	2009
Net (Expense)/Revenue				
Governmental activities.....	\$ (47,142,035)	\$ (57,011,210)	\$ (62,424,327)	\$ (70,021,719)
Business-type activities.....	-	-	2,657,720	1,928,923
Total primary government net expense.....	<u>\$ (47,142,035)</u>	<u>\$ (57,011,210)</u>	<u>\$ (59,766,607)</u>	<u>\$ (68,092,796)</u>
General Revenues and other Changes in Net Position				
Governmental activities:				
Real estate and personal property taxes, net of tax refunds payable.....	\$ 50,846,181	\$ 54,614,942	\$ 57,131,569	\$ 60,306,299
Tax liens.....	-	-	-	-
Motor vehicle and other excise taxes.....	3,542,650	3,358,437	3,518,419	3,462,324
Hotel/motel tax.....	-	-	-	-
Meals tax.....	-	-	-	-
Penalties and interest on taxes.....	300,058	492,860	353,259	329,453
Payments in lieu of taxes.....	-	-	-	-
Grants and contributions not restricted to specific programs.....	5,664,434	4,680,383	4,218,553	2,780,778
Unrestricted investment income.....	956,437	920,567	1,076,108	547,896
Transfers.....	-	-	(170,196)	(228,332)
Total governmental activities.....	<u>61,309,760</u>	<u>64,067,189</u>	<u>66,127,712</u>	<u>67,198,418</u>
Business-type activities:				
Grants and contributions not restricted to specific programs.....	-	-	434,522	-
Unrestricted investment income.....	-	-	11,424	-
Transfers.....	-	-	170,196	228,332
Total business type activities.....	<u>-</u>	<u>-</u>	<u>616,142</u>	<u>228,332</u>
Total primary government general revenues and other changes in net position.....	<u>\$ 61,309,760</u>	<u>\$ 64,067,189</u>	<u>\$ 66,743,854</u>	<u>\$ 67,426,750</u>
Changes in Net Position				
Governmental activities.....	\$ 14,167,725	\$ 7,055,979	\$ 3,703,385	\$ (2,823,301)
Business-type activities.....	-	-	3,273,862	2,157,255
Total primary government.....	<u>\$ 14,167,725</u>	<u>\$ 7,055,979</u>	<u>\$ 6,977,247</u>	<u>\$ (666,046)</u>

(Continued)

- (1) In 2008, the Town modified its financial reporting of its sewer operations and reclassified the financial position and results of operations of its sewer operations from public works in its government activities to business-type activities.
- (2) Prior to 2011, 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.

2010	2011	2012	2013	2014	2015
\$ (69,052,043)	\$ (70,465,871)	\$ (68,717,605)	\$ (79,039,410)	\$ (80,352,650)	\$ (81,550,972)
<u>2,575,863</u>	<u>1,882,711</u>	<u>3,137,197</u>	<u>2,537,394</u>	<u>2,233,697</u>	<u>2,535,513</u>
<u>\$ (66,476,180)</u>	<u>\$ (68,583,160)</u>	<u>\$ (65,580,408)</u>	<u>\$ (76,502,016)</u>	<u>\$ (78,118,953)</u>	<u>\$ (79,015,459)</u>

\$ 65,728,908	\$ 69,653,675	\$ 72,965,354	\$ 76,993,771	\$ 78,692,616	\$ 78,571,596
-	-	-	-	355,426	1,875,713
2,941,257	4,543,269	4,449,942	3,041,377	3,401,778	3,416,160
-	-	-	315,907	1,187,574	1,395,840
-	-	-	813,338	828,669	860,026
345,255	296,259	345,562	344,787	585,132	656,738
-	-	-	-	-	934
2,889,606	2,736,500	2,765,940	2,737,462	3,139,624	3,202,367
583,957	807,498	611,980	398,380	510,602	380,238
<u>451,637</u>	<u>278,207</u>	<u>430,112</u>	<u>478,192</u>	<u>679,977</u>	<u>2,361,107</u>
<u>72,940,620</u>	<u>78,315,408</u>	<u>81,568,890</u>	<u>85,123,214</u>	<u>89,381,398</u>	<u>92,720,719</u>

280,880	-	-	-	-	-
-	-	11	25	800	690
<u>(451,637)</u>	<u>(278,207)</u>	<u>(430,112)</u>	<u>(478,192)</u>	<u>(679,977)</u>	<u>(2,361,107)</u>
<u>(170,757)</u>	<u>(278,207)</u>	<u>(430,101)</u>	<u>(478,167)</u>	<u>(679,177)</u>	<u>(2,360,417)</u>

<u>\$ 72,769,863</u>	<u>\$ 78,037,201</u>	<u>\$ 81,138,789</u>	<u>\$ 84,645,047</u>	<u>\$ 88,702,221</u>	<u>\$ 90,360,302</u>
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\$ 3,888,577	\$ 7,849,537	\$ 12,851,285	\$ 6,083,804	\$ 9,028,748	\$ 11,169,747
<u>2,405,106</u>	<u>1,604,504</u>	<u>2,707,096</u>	<u>2,059,227</u>	<u>1,554,520</u>	<u>175,096</u>

<u>\$ 6,293,683</u>	<u>\$ 9,454,041</u>	<u>\$ 15,558,381</u>	<u>\$ 8,143,031</u>	<u>\$ 10,583,268</u>	<u>\$ 11,344,843</u>
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(Concluded)

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

	2006	2007	2008 (1)	2009
General Fund				
Restricted.....	\$ -	\$ -	\$ -	-
Committed.....	-	-	-	600,000
Assigned.....	2,217,464	2,316,412	1,632,260	3,122,376
Unassigned.....	4,644,408	6,564,592	8,918,431	6,983,518
Total general fund.....	\$ 6,861,872	\$ 8,881,004	\$ 10,550,691	\$ 10,705,894
All Other Governmental Funds				
Nonspendable.....	\$ 649,055	\$ 670,290	\$ 700,265	\$ 726,715
Restricted.....	4,644,541	8,546,165	4,897,481	5,007,551
Unassigned.....	-	(4,144,145)	(402,403)	-
Total all other governmental funds.....	\$ 5,293,596	\$ 5,072,310	\$ 5,195,343	\$ 5,734,266

(Continued)

- (1) In 2008 the Town made several prior period restatements. These included the election to account for its sewer activities as a proprietary fund; the recording of receivables related to a major school renovation; the treatment of short-term debt as long-term and several other minor restatements. The cumulative result of all the restatements was to increase Other Governmental Fund balances by \$2,486,724 as of July 1, 2007.

- (2) 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>2010</u>	<u>2011 (2)</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$	-	\$ 572,271	\$ 857,469	\$ 450,779	\$ -	\$ -
	1,725,257	1,885,966	3,133,729	4,938,065	1,365,378	844,518
	2,084,712	2,281,430	2,973,705	1,716,512	1,963,577	6,530,614
	<u>8,929,306</u>	<u>9,560,722</u>	<u>11,016,182</u>	<u>14,067,643</u>	<u>24,935,383</u>	<u>29,669,754</u>
\$	<u><u>12,739,275</u></u>	<u><u>14,300,389</u></u>	<u><u>17,981,085</u></u>	<u><u>21,172,999</u></u>	<u><u>28,264,338</u></u>	<u><u>37,044,886</u></u>
\$	748,915	\$ 768,590	\$ 782,615	\$ 796,915	\$ 894,421	\$ 793,815
	9,277,010	9,772,714	6,125,968	8,710,556	9,271,805	9,774,616
	-	(159,362)	(528,119)	(60,283)	-	-
\$	<u><u>10,025,925</u></u>	<u><u>10,381,942</u></u>	<u><u>6,380,464</u></u>	<u><u>9,447,188</u></u>	<u><u>10,166,226</u></u>	<u><u>10,568,431</u></u>

(Concluded)

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

	2006	2007	2008 (1)
Revenues:			
Real estate and personal property taxes, net of tax refunds..... \$	50,845,052	\$ 54,437,494	\$ 56,793,154
(2) Tax liens.....	-	-	-
Motor vehicle and other excise taxes.....	3,542,650	3,358,437	3,388,468
(2) Payment in lieu of taxes.....	-	-	-
Penalties and interest on taxes.....	300,058	492,860	353,259
Licenses and permits.....	159,070	213,000	4,052,735
(2) Fines and forfeitures.....	-	-	-
Intergovernmental.....	26,564,451	17,310,474	17,111,710
Departmental and other.....	11,617,805	15,026,156	3,841,658
Contributions.....	363,495	448,594	485,645
Investment income.....	956,439	920,567	1,076,108
Total Revenues.....	94,349,020	92,207,582	87,102,737
Expenditures:			
General government.....	3,941,886	4,201,229	4,090,528
Public safety.....	11,748,759	11,971,812	10,756,822
Education.....	32,884,891	31,206,612	33,239,793
Public works.....	10,503,038	10,243,500	9,322,677
Health and human services.....	1,014,288	843,934	814,332
Culture and recreation.....	1,800,950	2,291,883	2,046,329
Pension and fringe benefits.....	13,479,041	15,036,688	16,107,081
State and county charges.....	1,902,338	2,221,627	2,213,537
Capital outlay and other.....	14,610,740	17,873,900	8,299,197
Debt service:			
Principal.....	3,110,705	3,147,453	3,561,729
Interest.....	1,710,505	1,356,827	1,364,521
Total Expenditures.....	96,707,141	100,395,465	91,816,546
Excess of revenues over (under) expenditures.....	<u>(2,358,121)</u>	<u>(8,187,883)</u>	<u>(4,713,809)</u>
Other Financing Sources (Uses)			
Issuance of bonds and notes.....	192,500	9,985,729	4,190,000
Premium from issuance of bonds.....	-	-	-
Transfers in.....	-	-	1,977,802
Transfers out.....	-	-	(2,147,998)
Total other financing sources (uses).....	192,500	9,985,729	4,019,804
Net change in fund balance..... \$	<u>(2,165,621)</u>	<u>1,797,846</u>	<u>(694,005)</u>
Debt service as a percentage of noncapital expenditures.....	5.87%	5.46%	5.90%

(Continued)

- (1) In 2008, the Town modified its financial reporting of its sewer operations and reclassified the financial position and results of operations of its sewer operations from public works in its governmental funds to a proprietary fund.
- (2) 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.

	2009	2010	2011	2012	2013	2014	2015
\$	60,019,839	\$ 64,823,037	\$ 69,152,109	\$ 72,986,435	\$ 76,448,797	\$ 79,137,319	\$ 79,916,907
	-	-	-	-	-	200,981	269,413
	3,433,110	2,987,651	4,454,360	4,466,321	4,224,173	5,445,337	5,859,391
	-	-	-	-	-	27,780	28,714
	329,453	345,255	296,259	345,562	344,787	585,132	656,738
	2,449,238	1,437,306	978,860	970,991	989,430	859,374	1,375,299
	-	-	-	-	-	180,097	97,452
	19,111,853	17,640,910	21,785,069	24,719,530	19,897,642	18,690,605	15,601,714
	3,367,924	3,867,015	4,082,789	4,011,738	4,336,189	4,481,537	4,754,491
	304,667	1,817,890	753,597	531,787	450,855	564,880	296,504
	547,896	583,957	439,927	573,233	398,380	510,602	380,238
	<u>89,563,980</u>	<u>93,503,021</u>	<u>101,942,970</u>	<u>108,605,597</u>	<u>107,090,253</u>	<u>110,683,644</u>	<u>109,236,861</u>
	4,648,871	5,378,583	4,886,067	4,622,485	5,494,350	5,991,113	6,708,315
	11,086,484	10,765,927	11,955,740	11,332,964	11,120,678	11,712,788	12,050,599
	36,624,106	36,694,551	35,584,639	37,973,487	40,590,610	41,811,603	46,542,607
	6,031,550	6,247,224	7,645,903	7,172,931	8,578,740	6,896,867	7,466,215
	788,797	837,605	862,411	844,790	937,300	1,016,686	1,059,331
	2,485,021	2,219,390	3,397,035	2,277,109	2,226,395	2,420,484	2,407,798
	17,230,690	18,182,453	20,358,753	21,215,130	21,858,995	22,234,425	15,105,891
	2,318,484	2,596,530	2,397,937	2,335,196	2,369,851	2,396,658	2,481,421
	7,157,524	6,132,142	22,606,961	20,106,394	6,994,455	5,676,752	12,146,745
	3,906,728	5,021,729	5,276,229	6,236,728	6,341,729	6,159,729	5,980,831
	1,503,267	1,647,984	1,555,138	1,858,222	1,899,555	1,759,699	1,697,913
	<u>93,781,522</u>	<u>95,724,118</u>	<u>116,526,813</u>	<u>115,975,436</u>	<u>108,412,658</u>	<u>108,076,804</u>	<u>113,647,666</u>
	<u>(4,217,542)</u>	<u>(2,221,097)</u>	<u>(14,583,843)</u>	<u>(7,369,839)</u>	<u>(1,322,405)</u>	<u>2,606,840</u>	<u>(4,410,805)</u>
	5,140,000	8,094,500	17,344,842	6,295,000	6,988,000	4,523,560	11,057,270
	-	-	485,000	323,945	114,851	-	175,181
	1,574,076	3,225,257	3,174,097	3,266,787	3,523,044	2,491,371	6,506,648
	<u>(1,802,408)</u>	<u>(2,773,620)</u>	<u>(2,895,890)</u>	<u>(2,836,675)</u>	<u>(3,044,852)</u>	<u>(1,811,394)</u>	<u>(4,145,541)</u>
	<u>4,911,668</u>	<u>8,546,137</u>	<u>18,108,049</u>	<u>7,049,057</u>	<u>7,581,043</u>	<u>5,203,537</u>	<u>13,593,558</u>
\$	<u>694,126</u>	<u>6,325,040</u>	<u>3,524,206</u>	<u>(320,782)</u>	<u>6,258,638</u>	<u>7,810,377</u>	<u>9,182,753</u>
	6.25%	7.44%	7.27%	8.44%	8.13%	7.73%	7.57%

(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
2006	\$ 3,185,636,525	\$ 11.15	82.78%	\$ 512,687,475	\$ 33,556,300	116,639,530	\$ 662,883,305	\$ 26.07	17.22%	\$ 13.72	\$ 3,848,519,830
2007	(1) 3,556,431,280	10.93	83.60%	542,931,020	41,240,700	113,549,940	697,721,660	23.89	16.40%	13.06	4,254,152,940
2008	3,351,352,480	12.05	82.18%	571,042,620	38,059,800	117,387,370	726,489,790	25.18	17.82%	14.39	4,077,842,270
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	(1) 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	(1) 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

(1) Revaluation year.

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	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Legacy Place, LLC	Shopping Center/Mall	\$ 118,723,500	1	2.87%	\$ -	-	-
OCW Retail - Dedham, LLC	Shopping Center/Mall	53,349,200	2	1.29%	-	-	-
HRCA of Dedham Inc.	Apts/Assisted Living	89,512,100	3	2.16%	-	-	-
Federal Realty Investment	Shopping Center/Mall	30,683,700	4	0.74%	30,641,000	1	0.80%
National Amusements	Theater/Entertainment	25,717,600	5	0.62%	14,996,700	10	0.39%
Pearl Realty Trust	Retail	21,789,300	6	0.53%	23,428,700	5	0.61%
NSTAR Electric Co	Utility	21,605,640	7	0.52%	-	-	-
Archstone Legacy Place	Apartment Complex	45,863,900	8	1.11%	-	-	-
DIV CMM Rustcraft	Office/Warehouse	20,759,600	9	0.50%	-	-	-
RAR2= Jefferson At Dedham	Apartment Complex	43,128,800	10	1.04%	-	-	-
Thomas Flatley	Shopping Center/Mall	-	-	-	30,446,700	2	0.79%
Fox Television	Broadcasting	-	-	-	26,259,720	3	0.68%
Lowe's Home Center	Retail	-	-	-	24,207,000	4	0.63%
Liberty MA Portfolio	Office/Warehouse	-	-	-	22,279,700	6	0.58%
Dedham Holdings, Inc.	Commercial Real Estate	-	-	-	21,460,800	7	0.56%
Towne-Lynn	Retail	-	-	-	20,516,000	8	0.53%
P-LR SALP	Hotel/Offices	-	-	-	20,097,560	9	0.52%
	Totals	\$ 471,133,340		11.39%	\$ 234,333,880		6.09%

Source: Official Statements

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

Year	Total Tax Levy (1)	Less Abatements & Exemptions	Net Tax Levy (1)	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 (2)
2006	\$52,801,215	\$1,125,637	\$51,675,578	\$51,060,070	98.81%	\$528,936	\$51,589,006	99.83%
2007	\$55,540,364	\$1,161,279	\$54,379,085	\$53,793,604	98.92%	\$498,227	\$54,291,831	99.84%
2008	\$58,676,810	\$1,182,158	\$57,494,652	\$56,546,016	98.35%	\$841,847	\$57,387,863	99.81%
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	\$2,575,947	\$75,060,321	\$75,820,958	101.01%	\$823,299	\$76,644,257	102.11%
2014	\$79,873,681	\$2,275,432	\$77,598,249	\$77,968,654	100.48%	\$803,414	\$78,772,068	101.51%
2015	\$80,271,086	\$2,166,652	\$78,104,434	\$78,665,099	100.72%	\$0	\$78,665,099	100.72%

Source: Accounting Records and Official Statements

(1) Includes tax liens.

(2) If the actual abatements and exemptions are lower than the reserve, the actual collections can exceed the net levy.

**Ratios of Outstanding Debt and General Bonded Debt
Last Ten Years**

Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities Debt			
				General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	23,796	\$ 868,125,672	\$ 3,848,519,830	\$ 28,900,934	1,215	3.33%	0.75%
2007	24,418	980,211,774	4,254,152,940	35,618,481	1,459	3.63%	0.84%
2008	24,779	954,090,616	4,077,842,270	37,509,003	1,514	3.93%	0.92%
2009	24,811	931,305,696	4,072,391,160	38,742,274	1,561	4.16%	0.95%
2010	24,775	1,033,662,550	4,005,879,086	41,815,045	1,688	4.05%	1.04%
2011	24,895	1,035,507,525	4,020,196,720	53,428,816	2,146	5.16%	1.33%
2012	24,895	1,032,345,860	3,932,320,480	53,487,088	2,149	5.18%	1.36%
2013	24,974	1,072,932,988	3,953,207,410	54,989,041	2,202	5.13%	1.39%
2014	25,299	1,086,895,638	4,026,029,320	53,222,523	2,104	4.90%	1.32%
2015	25,374	1,094,050,758	4,138,032,980	58,188,059	2,293	5.32%	1.41%

Year	Business-type Activities (1)		Total Primary Government		
	General Obligation Bonds	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	\$ -	\$ 28,900,934	1,215	3.33%	0.75%
2007	-	35,618,481	1,459	3.63%	0.84%
2008 (1)	5,266,377	42,775,380	1,726	4.48%	1.05%
2009	4,882,153	43,624,427	1,758	4.68%	1.07%
2010	4,580,317	46,395,362	1,873	4.49%	1.16%
2011	3,944,580	57,373,396	2,305	5.54%	1.43%
2012	3,381,500	56,868,588	2,284	5.51%	1.45%
2013	3,143,870	58,132,911	2,328	5.42%	1.47%
2014	2,607,080	55,829,603	2,207	5.14%	1.39%
2015	2,294,140	60,482,199	2,384	5.53%	1.46%

(1) In 2008, the Town modified its financial reporting of its sewer operations and reclassified the financial position and results of operations of its sewer operations from public works in its governmental activities to business-type activities.

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

Direct and Overlapping Governmental Activities Debt

As of June 30, 2015

<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.....	\$ 5,499,989,000	0.3320%	\$ 18,259,963
Town direct debt.....			<u>58,188,059</u>
Total direct and overlapping debt.....			<u>\$ 76,448,022</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)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equalized Valuation.....	\$ 3,556,144	\$ 4,262,715	\$ 4,262,715	\$ 4,544,587	\$ 4,401,456	\$ 4,401,456	\$ 4,266,970	\$ 4,266,970	\$ 4,205,404	\$ 4,205,404
Debt Limit -5% of Equalized Valuation.....	177,807	213,136	213,136	227,229	220,073	220,073	213,349	213,349	210,270	210,270
Less:										
Outstanding debt applicable to limit.....	28,901	35,618	42,775	43,624	46,395	57,373	57,276	58,133	49,576	55,421
Authorized and unissued debt.....	9,111	11,030	5,230	6,645	36,510	19,844	24,064	19,681	34,256	25,458
Legal debt margin.....	<u>\$ 139,795</u>	<u>\$ 166,488</u>	<u>\$ 165,131</u>	<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>
Total debt applicable to the limit as a percentage of debt limit.....	21.38%	21.89%	22.52%	22.12%	37.67%	35.09%	38.13%	36.47%	39.87%	38.46%

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
2006	23,796	\$ 868,125,672	\$ 36,482	39.6	2,897	4.60%
2007	24,418	980,211,774	40,143	39.6	2,871	4.40%
2008	24,779	954,090,616	38,504	39.6	2,879	5.60%
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	5.80%
2014	25,299	1,086,895,638	42,962	43.4	2,819	4.40%
2015	25,374	1,094,050,758	43,117	43.4	2,776	4.10%

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	2015			2006		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Newbridge on the Charles	Assisted Living/Nursing Home	650	1	4.04%	-	-	-
Dedham Medical Associates	Medical Center	500	2	3.11%	-	-	-
Norfolk County	County Government	500	2	3.11%	458	1	3.11%
Whole Foods	Grocery	300	4	1.87%	-	-	-
Sears, Roebuck & Co.	Retail	250	5	1.55%	250	3	1.70%
American Red Cross	Emergency Relief/Blood Bank	250	5	1.55%	250	3	1.70%
Dedham Executive Center	Offices	250	5	1.55%	-	-	-
Dedham Savings Bank	Banking	220	8	1.37%	220	5	1.49%
Fox Television	Broadcasting	205	9	1.28%	205	7	1.39%
Hilton at Dedham	Hotel	202	10	1.26%	202	8	1.37%
Bank of America	Banking	-	-	-	325	2	2.21%
Highgate Manor	Nursing Home	-	-	-	212	6	1.44%
Commonwealth of MA Court System	State Government	-	-	-	190	9	1.29%
Eastwood Care Center	Nursing Home	-	-	-	150	10	1.02%
	Total.....	<u>3327</u>		<u>20.69%</u>	<u>2462</u>		<u>16.71%</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	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government.....	34	35	37	37	35	37	64	67	71	69
Public safety.....	144	144	144	144	146	144	144	143	134	134
Education.....	494	491	486	509	460	518	497	502	492	492
Public works.....	24	23	24	24	22	24	24	24	28	28
Health and human services.....	14	14	14	14	4	14	14	14	13	13
Culture and recreation.....	28	28	27	27	40	26	26	25	25	25
Subtotal.....	<u>738</u>	<u>735</u>	<u>732</u>	<u>755</u>	<u>707</u>	<u>763</u>	<u>769</u>	<u>775</u>	<u>763</u>	<u>761</u>
Sewer.....	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total	<u><u>740</u></u>	<u><u>738</u></u>	<u><u>735</u></u>	<u><u>758</u></u>	<u><u>710</u></u>	<u><u>766</u></u>	<u><u>772</u></u>	<u><u>778</u></u>	<u><u>766</u></u>	<u><u>764</u></u>

Source: Town personnel records

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Town Clerk										
Registered Voters.....	15,614	15,020	16,522	16,211	16,688	16,799	17,825	17,930	18,147	17,498
Public Safety										
Police										
Criminal offenses										
Violent.....	82	96	72	124	110	124	83	68	78	22
Property.....	431	522	412	572	678	641	669	737	654	498
Total criminal offenses.....	513	618	484	696	788	765	752	805	732	520
Fire										
Incidents										
Fires.....	69	135	153	119	167	188	209	177	206	230
Non-fire incidents.....	3,732	3,986	4,157	3,496	4,166	4,290	4,081	4,246	4,203	4,568
Total fire calls.....	3,801	4,121	4,310	3,615	4,333	4,478	4,290	4,423	4,409	4,798
Inspectional Services										
Number of Building Permits.....	1,141	1,147	1,610	1,072	1,244	1,055	1,165	1,104	1,149	1,032
Education										
Number of students.....	2,897	2,871	2,879	2,857	2,910	2,903	2,864	2,829	2,819	2,776
Public Works										
Highway										
Roads paved (miles).....	-	2	8	4.5	2.5	6	4	4	11	8
Sewer										
Sanitary sewers replaced (miles).....	-	-	0.04	0.05	0.02	0.02	0.01	0.01	0.04	0.09
Health and Human Services										
Board of Health										
Inspections										
Food establishments.....	448	497	546	780	642	467	511	601	568	566
Other.....	268	280	291	217	258	194	241	259	366	417
Total Inspections.....	716	777	837	997	900	661	752	860	934	983
Culture and Recreation										
Libraries										
Circulation.....	143,433	257,397	268,736	251,387	293,895	278,085	138,732	140,195	137,891	146,186
Holdings.....	100,746	105,500	102,613	103,487	107,246	113,764	124,252	126,368	137,149	137,994
Total libraries.....	244,179	362,897	371,349	354,874	401,141	391,849	262,984	266,563	275,040	284,180

Source: Various Town Departments and State Websites.

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
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	110	110	110	107	107
Sewer main lines (miles).....	118	118	118	118	118	118	118	118	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.