



Town of Arlington, Massachusetts Public Annual Financial Report

Fiscal Year Ending June 30, 2015

As part of Arlington's commitment to keeping you informed of how your tax dollars are being spent, the Town is providing you with this Public Annual Financial Report (PAFR). We are hopeful it will provide you with financial information that you find both useful and easy to access.

All data and financial information found in this report are drawn from the most up-to-date information available from the Town's Annual Report, the Town Manager's Financial Plan, the Finance Committee's report to Town Meeting, and the State's Division of Local Services (mass.gov/dor).

The PAFR provides information such as relevant summarized financial schedules and tables so residents can more easily understand the Town's financial conditions and trends. It does not present the same level of detail as any of the reports listed above. It contains reports and statements that do not present the entire financial reporting entity and may not conform to GAAP and governmental reporting standards.

Complete Town budgets can be found at arlingtonma.gov/budget.



THE TOWN OF ARLINGTON

The Town of Arlington was originally settled in 1635 as the Village of Menotomy. It was incorporated as West Cambridge in 1807, and finally named Arlington in 1867. Arlington is home to approximately 43,000 residents and is contained within 5.5 square miles.

The Town is currently governed by the "Town Manager Act of the Town of Arlington, Massachusetts," by which a popularly elected, five member Board of Selectmen appoints a professional manager to administer the daily operations of the Town.

The Town's legislative body is a representative Town Meeting, which consists of 252 elected members elected from their home precincts.

The Town Manager is the chief executive officer of the Town, managing the day-to-day business of Town departments. These departments include: Public Works, Police, Fire, Libraries, Legal, Planning, Human Resources, Information Technology, Inspectional Services, Health and Human Services, Recreation, Facilities, and the Ed Burns Arena.

Under independent authority are the Board of Selectmen, Board of Assessors, Treasurer & Collector, and the Town Clerk. The Comptroller is appointed by the Board of Selectmen. The School Committee handles school administration and appoints the Superintendent. All departments consist of approximately 800 full-time employees.

IN THIS REPORT

The data contained herein are meant to be a snapshot of the Town's basic financial condition. This includes a summary of where Arlington is right now and how it presently compares to other, similar communities.

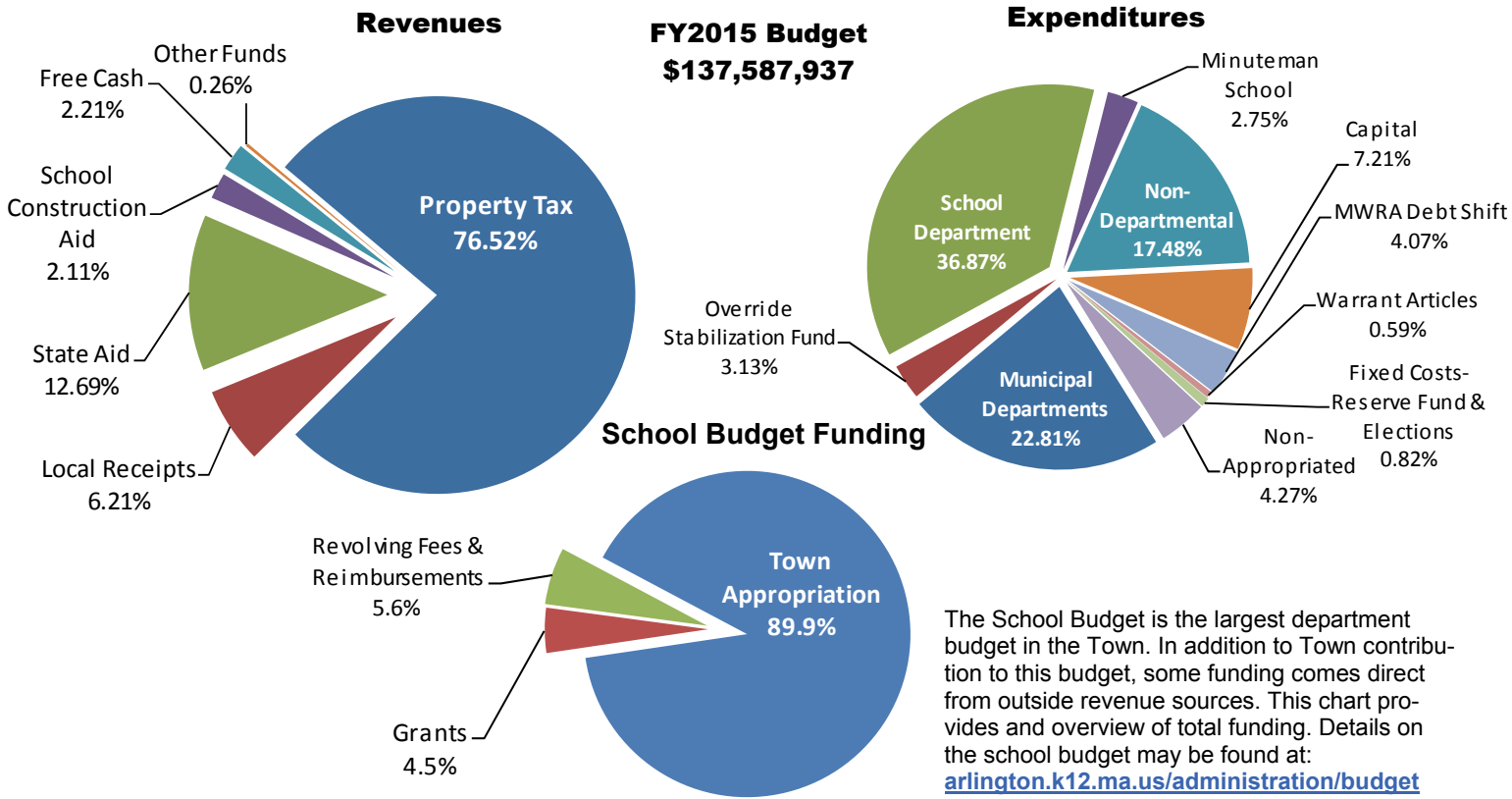
On **Page 2** you will find a breakdown of Arlington's revenues and expenditures. As you will see, Arlington's primary source of revenue is the Property Tax, followed by State Aid. Also on Page 2 is a budget summary and projection for FY2016 that provides more detail on the year-to-year growth of the Town budget.

Page 3 compares Arlington's Average Single Family Tax Bill, Average New Growth, and Total Per Capita Spending with other, comparable communities, as well as the state average. These communities provide a reference point from which to understand Arlington's financial situation.

FY2015 Highlights can be found on **Page 4**. This includes information on Arlington's Open Checkbook, as well as a spotlight on the completion of the Central Fire Station project and the Solar Panels installed at six Arlington schools.

Where the Money Comes From

...and Where it Goes



Budget Summary & FY2016 Projection

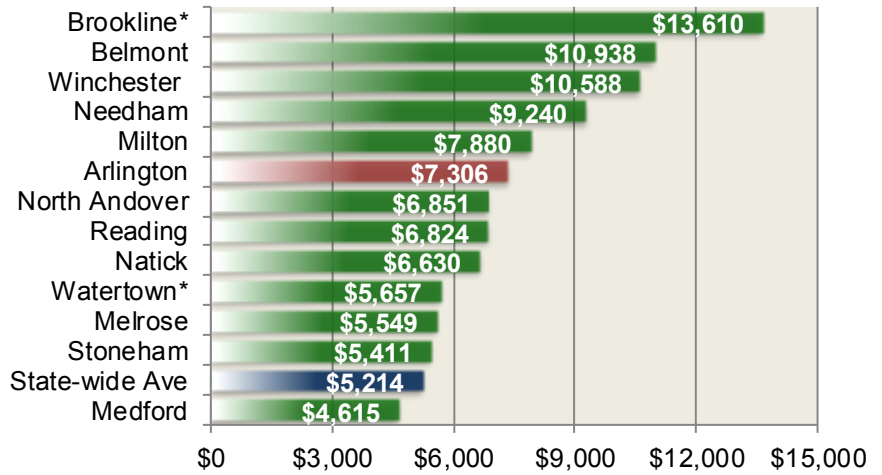
The summary provided below demonstrates the year-to-year growth between Fiscal Year 2015 and Fiscal Year 2016. This growth is consistent with the tenets of the Long Range Financial Plan. More detailed information and a glossary of terms, including the Town's long range financial plan can be found at: www.arlingtonma.gov/budget

	FY2015	FY2016	\$	Change	%
Revenue					
Property Tax	\$ 105,285,021	\$ 108,977,901	\$ 3,692,880	3.5%	
Local Receipts	\$ 8,540,842	\$ 8,896,000	\$ 355,158	4.2%	
State Aid	\$ 17,462,884	\$ 18,230,105	\$ 767,221	4.4%	
School Construction Aid	\$ 2,906,266	\$ 2,474,773	\$ (431,493)	-14.8%	
Free Cash	\$ 3,042,925	\$ 3,435,846	\$ 392,922	12.9%	
Other Funds	\$ 350,000	\$ 350,000	\$ -	0.0%	
TOTAL REVENUES	\$ 137,587,937	\$ 142,364,625	\$ 4,776,688	3.5%	
Expenditures					
Municipal Departments	\$ 31,392,491	\$ 32,376,144	\$ 983,653	3.1%	
School Department	\$ 50,729,968	\$ 53,574,114	\$ 2,844,146	5.6%	
Minuteman School	\$ 3,788,615	\$ 4,010,950	\$ 222,335	5.9%	
Non-Departmental (Healthcare & Pensions)	\$ 24,050,099	\$ 25,499,823	\$ 1,449,724	6.0%	
Capital (Includes Debt Service)	\$ 9,918,358	\$ 10,231,100	\$ 312,742	3.2%	
MWRA Debt Shift	\$ 5,593,112	\$ 5,593,112	\$ -	0.0%	
Warrant Articles	\$ 805,433	\$ 937,685	\$ 132,252	16.4%	
Fixed Costs- Reserve Fund & Elections	\$ 1,131,005	\$ 1,287,760	\$ 156,755	13.9%	
Override Stabilization Fund Deposit	\$ 4,310,362	\$ 2,782,763	\$ (1,527,599)	-35.4%	
TOTAL EXPENDITURES	\$ 131,719,443	\$ 136,293,452	\$ 4,574,009	3.5%	
Non-Appropriated Expenses	\$ 5,868,494	\$ 6,071,173	\$ 202,679	3.5%	
Surplus / (Deficit)	\$ -	\$ -	\$ -	0.0%	

The **Average Single Family Tax Bill** is the average home value in a community multiplied by that community's property tax rate. While individual tax bills may vary according to individual home value, the Average Tax Bill is a good indicator of what the property tax burden is on residential taxpayers.

Due to relatively high home values, Arlington residents tend to pay a higher tax bill than the state average. While this places Arlington near the middle in terms of its comparable communities, it is still significantly below neighbors Belmont and Winchester.

Average Single Family Tax Bill FY15

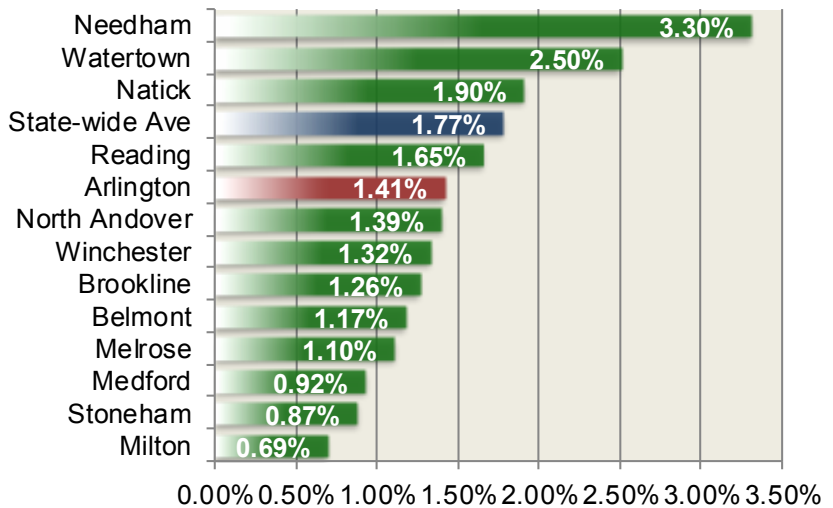


* Denotes these communities have a single family tax exemption included in the figure above.

Average New Growth: Under Proposition 2 $\frac{1}{2}$ local property taxes cannot be increased by more than 2.5% plus tax revenues from new construction added to the tax base. Consequently, for many communities, **New Growth** is an important revenue source.

Arlington's New Growth has exceeded the majority of its comparable communities, however it falls slightly short of the state-wide average.

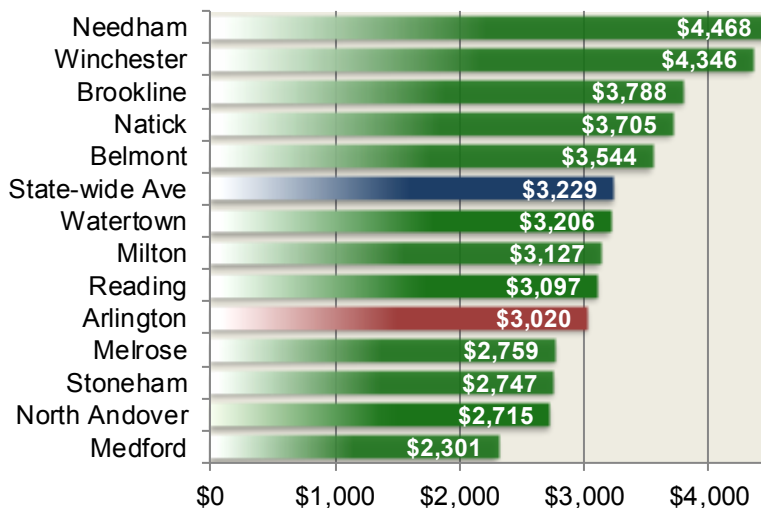
Average New Growth FY13 - FY15



Per Capita Spending is calculated from the Town's total expenditures divided by its population, which provides a point of comparison for how much the Town spends proportionate to its size. This makes it possible to compare spending between Towns while accounting for population.

Arlington is in the bottom half of per capita spending relative to its comparable communities. It is also below the state average of \$3,229.

Total Per Capita Spending FY14



FY2015 Highlights

Solar Panels Installed at Six Arlington Schools

Arlington entered into a 20-year solar power purchase agreement (PPA) with developer, Ameresco, purchasing electricity at a rate lower than it has paid Eversource in the past. Rooftop-mounted solar panels were installed at six Arlington schools, expecting to generate 850,000 kWh in the first year of system operation; 16 million kWh over 20 years, resulting in annual utility budget savings. Renewable generation will help reduce carbon dioxide emissions from New England fossil fuel-fired electric generation plants. Over 20 years, the six systems will help prevent the emissions of 11,000 metric tons of carbon dioxide; the same as eliminating over 2,300 cars from the road.

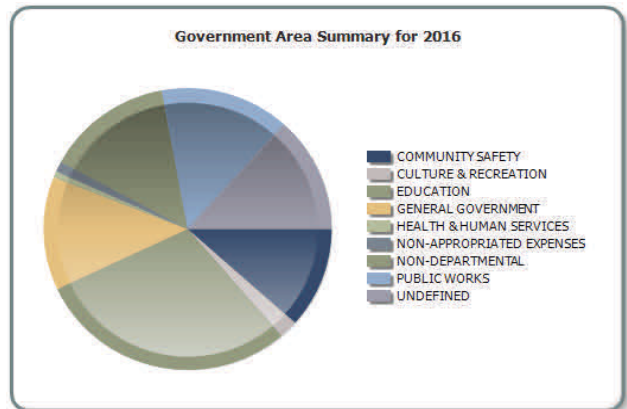
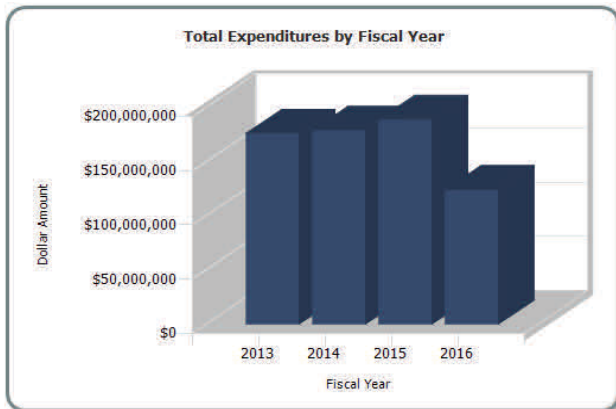


Central Fire Station Complete

The Central Fire Station renovations were completed in the summer of 2015. Built in 1926, it is a historic icon in Arlington Center. The architects were able to preserve the outside of the building, retaining its historic character, with the exception of the all new glass doors, which replaced the conventional solid steel doors. The station will also be LEED certified, saving money for taxpayers, reducing greenhouse gas emissions, and providing a healthier environment for the community.

Open Checkbook

Arlington received a Commonwealth of Massachusetts' Community Innovation Challenge (CIC) grant to develop its own version of the Commonwealth's Open Checkbook. The Town Manager's Office worked to prepare and label the Town's financial data so it would effectively integrate the Open Checkbook platform with existing financial systems. Open Checkbook allows residents to take a deeper dive into School and Town financials, including looking at spending data by category or department. Residents can view Open Checkbook at arlingtonma.gov/budget.



Data current as of: 01/28/2016

Receive timely news and notices from Town Hall via email with **Town of Arlington Notices**. Notices include public health and public works alerts, election information, special Town related events, and when the Town Manager's Annual Budget & Financial Plan is online. Subscribe today at: arlingtonma.gov/subscribe