SOUTHFIELD REDEVELOPMENT AUTHORITY

REPORT ON EXAMINATION OF BASIC FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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Independent Auditor's Report

To the Board of Directors
Southfield Redevelopment Authority
South Weymouth, 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 Southfield Redevelopment Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority'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 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 Southfield Redevelopment Authority, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2016, on our consideration of the Authority's' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Authority's' internal control over financial reporting and compliance.

Powers + Sullivan, LLC

March 8, 2016

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Southfield Redevelopment Authority ("SRA"), we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2015. We encourage readers to consider the information presented in this report.

On August 24, 2014, the Governor of Massachusetts signed into law legislation to promote the sustainable economic development of the former South Weymouth Naval Air Station for the benefit of the Towns of Abington, Rockland, and Weymouth, the NAS South Weymouth Region and the Commonwealth (Chapter 291 of the Acts of 2014, "the Act"). Among other things, the Act reconstituted the South Shore Tri-Town Development Authority ("SSTTDC") as the Southfield Redevelopment Authority.

Beginning in 2015, the SRA was a quasi-municipal entity required to provide municipal services including; public safety, public infrastructure maintenance, storm drain management, education, health, planning, zoning, water, sewer, and general administrative services. With the passing of the legislation the positions of Chief executive Officer, Chief Financial officer, Accountant, and the Water/Sewer Superintendent were eliminated.

The Act mandated that the SRA complete the following tasks to comply with the newly enacted legislation:

- Tax Plan
- Bond Indenture Certificate of Trustee
- Redevelopment Plan
- Second Amendment to the Amended and Restated Memorandum of Agreement on Financing for the Parkway
- Parkway Phase Two Financing Agreement
- Amend Zoning By-Laws and Regulations
- Amend Disposition and Development Agreement

In March 2015, the Office of Economic Adjustment of the United States Department of defense formally recognized the SRA as the Local Development Authority ("LDA") for the purpose of implementing the redevelopment plan for the former NAS South Weymouth, and assuming said responsibility from the South Shor Tri-Town Development Authority. As such, The SRA timely satisfied all of its obligations under the Act and all of the Act's provisions are in full force and effect.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The government-wide financial statements provide both long-term and short-term information about the Authority as a whole. The fund financial statements focus on the individual components of the Authority, reporting its operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Authority's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private sector business.

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

The *statement of activities* presents information showing how the government'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 of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the Authority 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 of the Authority include general administrative services, professional services and pre-development site design and review. The Authority's business-type activities include the water and sewer utility activities.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, 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 Authority can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 Authority maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Developer Deposit Fund, Multimodal Access Project Fund, Mass Highway Fund, Infrastructure Acquisition Fund, and East/West Parkway Fund, all of which are considered to be major funds. The remaining governmental funds are aggregated and shown as nonmajor governmental funds.

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Authority uses an enterprise fund to account for its water and sewer activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations.

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

Notes to the 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. The notes to the financial statements follow the basic financial statements described above.

General Government

The SRA, formally SSTTDC, was created in 1998. However, it did not have a basis or authority to collect taxes until 2009 on the original transfer of 324 acres. It is generally accepted that municipalities have real estate taxing authority but in the case of the SRA, it was slowed due to on-going negotiations with the Navy for the transfer of taxable land and the adverse economic conditions suffered by the Commonwealth of Massachusetts commencing in 2007. The Navy transfer of the 558 acres did not take place until December 2011 and was not included as a tax basis until 2014.

Property Values

Real Estate property values within the SRA are submitted annually by the Board of Assessors to the Massachusetts Department of Revenue for certification in accordance with MGL Chapter 59. Once certified, the Board of Assessors is able to determine the tax rate for the SRA. With the completion of the Cottages at HollyBrook and Parkview Place, as well as partial construction of Southfield Commons on the Green, residential values increased approximately 43% in 2015.

The first year for property valuation was during 2009, the first year the Massachusetts Department of Revenue approved the SRA valuation methodology.

Valuation by Taxable Property Class

Class	FY09	FY10	FY11	FY12	FY13	FY14	FY15
Residential…………………	$ 12,642,800	$ 12,642,800	$ 13,131,835	$ 20,330,300	$ 47,720,900	$ 64,167,400	$ 91,868,600
Open Space………………	1,809,800	1,809,800	1,809,800	500,800	2,542,500	2,542,500	6,070,500
Commercial……………….	35,106,400	35,106,400	35,938,865	35,467,300	60,268,800	57,923,700	60,718,700
Personal Property………..	19,000	19,000	19,000	53,000	3,363	1,776,905	1,975,853
Total Valuation…………….	$ 49,578,000	$ 49,578,000	$ 50,899,500	$ 56,351,400	$ 110,535,563	$ 126,410,505	$ 160,633,653

Tax Rate

Tax rates are set for the SRA in a manner consistent with all other cities and towns within the Commonwealth of Massachusetts. Tax rates are approved by the Massachusetts Department of Revenue based upon all revenues including tax receivables. The tax recapitulation (RECAP) requires reporting of all anticipated income and all authorized expenditures for a given year. This calculation yields a tax rate. The historic tax rates for the SRA are listed below:

	As approved by the Massachusetts Department of Revenue						
Tax Rates	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**
Residential…………………	$ 20.06	$ 11.78	$ 11.90	$ 12.89	$ 13.26	$ 13.47	$ 11.39
Open Space………………	20.06	11.78	11.90	12.89	13.26	13.47	22.12
Commercial……………….	20.06	17.47	17.70	23.89	26.35	30.73	22.12
Personal Property…………	20.06	17.47	17.70	23.89	26.35	30.37	22.12

For year 2010, the Board of Assessors recommended and the Board of Directors approved a tax shift whereby the commercial taxpayers bear more of property tax burden than does the residential taxpayer. By so doing, the tax rate for the SRA is more in line with that of the Town of Weymouth. It was determined that since the property being sold was located in Weymouth that this approach to the tax shift was reasonable. This practice continues.

By way of comparison, the following is a listing of the 2015 tax rates for the Southfield Communities:

a. Abington: Residential and Commercial rate: $17.00
b. Rockland: Residential and Commercial rate: $19.03
c. Weymouth: Residential Rate: $12.90
Commercial Rate: $22.24

Abatements

The SRA began the year with $400,528 in the Overlay for Abatement accounts. An Appellate Tax Board ("ATB") claim previously filed was settled in the amount of $30,000. All other outstanding ATB cases were withdrawn by the applicants eliminating any liability of the SRA. The Board of Assessors voted the release of the Overlay accounts to surplus on May 26, 2015. The year ended with no outstanding abatements or ATB cases and no amounts in Overlay.

Outstanding Tax Receivables

There was $5,631 of Real Estate and Personal Property tax receivables outstanding at the end of 2015; all of which was collected subsequent to year end.

GOVERNMENTAL ACTIVITIES

Highlights

During 2015, approximately $290,000 dollars were expended on capital items relating to the Multimodal Access Project and the East West Parkway project.

Governmental Activities

	2015	2014 (As Revised)	2013 (As Revised)	2012	2011 (As Revised)	2010
Assets:						
Current assets……………………………………………	$ 5,149,515	$ 6,545,884	$ 6,856,969	$ 8,100,361	$ 4,673,767	$ 1,409,310
Capital assets……………………………………………	46,199,502	47,599,685	27,398,140	23,835,156	18,585,497	7,463,770
Total assets……………………………………………	**51,349,017**	**54,145,569**	**34,255,109**	**31,935,517**	**23,259,264**	**8,873,080**
Deferred outflows of resources:						
Deferred outflows of resources related to pensions……	**28,014**	-	-	-	-	-
Liabilities:						
Current liabilities (excluding debt)………………………	2,645,449	3,532,023	2,872,200	3,305,995	1,186,502	771,053
Noncurrent liabilities (excluding debt)……………………	914,912	884,882	5,513	5,175	-	-
Current debt………………………………………………	50,000	-	-	-	-	-
Noncurrent debt…………………………………………	12,500,000	12,550,000	12,550,000	12,550,000	12,550,000	-
Total liabilities…………………………………………	**16,110,361**	**16,966,905**	**15,427,713**	**15,861,170**	**13,736,502**	**771,053**
Net position:						
Net investment in capital assets…………………………	33,649,502	35,049,685	14,848,140	11,285,156	6,035,497	7,463,770
Restricted…………………………………………………	449,180	454,502	457,974	816,464	1,922,371	-
Unrestricted………………………………………………	1,167,988	1,674,477	3,521,282	3,972,727	1,564,894	638,257
Total net position……………………………………	**$ 35,266,670**	**$ 37,178,664**	**$ 18,827,396**	**$ 16,074,347**	**$ 9,522,762**	**$ 8,102,027**

Noncurrent liabilities include the net pension liability and a liability for Other Postemployment Benefits of which were recorded for the first time beginning in 2014.

The 2014 governmental activities net position has been revised to reflect the implementation of the Governmental Accounting Standards Board (GASB) Statement #68, and the associated net pension liability totaling $613,507. As a result, previously reported net position of $37,792,171 has been revised to $37,178,664.

Net Position

By far the largest portion of the SRA's net position reflects its investment in capital assets (e.g., land, infrastructure improvements, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding. Although the SRA's investment in its 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.

Total governmental activities Net Position decreased during the year by approximately $1.9 million mainly due to the $153,000 transfer from the general fund to the Water and Sewer Enterprise fund and for the recording of an additional $1.7 million of depreciation expense.

Revenues and Expenses

	2015	2014 (As Revised)	2013 (As Revised)	2012	2011 (As Revised)	2010
Program revenues:						
Charges for services……	$ 48,739	$ 256,301	$ 734,567	$ 1,254,633	$ 748,829	$ -
Operating grants and contributions……	-	1,000	13,230	1,500	690,250	-
Capital grants and contributions……	301,252	22,521,253	3,009,747	8,078,491	1,319,563	53,578
General Revenues:						
Real estate and personal property taxes……	2,538,344	2,779,564	2,256,469	1,284,632	813,910	1,778,440
Entitlement fees……	77,145	225,036	111,800	637,260	556,093	700,276
Special assessments……	450,000	532,231	626,587	230,537	-	-
Fees, permits, and other revenue……	113,927	60,880	315,926	38,329	72,966	23,803
Unrestricted investment income……	25,890	27,588	27,359	26,450	12,497	2,174
Gain on the sale of capital assets……	-	-	-	44,618	-	-
Total revenues……	**3,555,297**	**26,403,853**	**7,095,685**	**11,596,450**	**4,214,108**	**2,558,271**
Expenses:						
Board of Directors……	92,720	72,021	62,677	58,477	48,457	-
Chief Executive Officer……	221,843	507,464	431,325	439,959	458,941	26,467
Finance……	219,857	400,814	377,374	379,280	151,176	-
Unallocated payroll……	-	-	-	-	-	429,216
Solicitor……	393,320	162,285	102,333	515,364	143,823	50,143
Information systems……	9,896	12,499	11,055	20,116	47,540	-
Planning board……	128,111	180,613	185,364	172,208	351,456	-
Pension, benefits, and insurance……	372,945	201,018	191,965	212,274	99,611	91,087
Education……	366,000	330,215	306,338	-	-	-
Maintenance of buildings……	21,847	71,150	23,945	82,336	67,132	-
Police and fire inspections……	365,016	319,607	250,492	75,707	16,229	-
Building inspections……	3,983	42,285	22,658	36,797	-	-
Department of Public Works……	314,878	252,067	223,819	135,929	124,805	-
Parkway deficiency……	-	1,375,325	260,897	729,093	-	-
Health services……	-	-	382	91	342	-
Veterans……	-	62	5,000	-	-	-
Route 18 improvements……	134,266	626,553	585,089	1,051,436	-	-
Capital outlay……	-	-	-	-	264,947	-
Debt service……	978,981	972,625	949,094	692,167	609,721	-
Depreciation……	1,690,425	1,692,931	352,829	348,130	425,370	60,173
Claims and judgments……	-	-	-	-	-	30,250
Other……	-	-	-	-	-	315,878
Total expenses……	**5,314,088**	**7,219,534**	**4,342,636**	**4,949,364**	**2,809,550**	**1,003,214**
Excess before extraordinary items and transfers……	**(1,758,791)**	**19,184,319**	**2,753,049**	**6,647,086**	**1,404,558**	**1,555,057**
Extraordinary item - credit issued to developer……	**-**	**-**	**-**	**-**	**-**	**(502,434)**
Transfers……	**(153,203)**	**11,528**	**-**	**(63,000)**	**16,177**	**45,639**
Change in net assets……	**(1,911,994)**	**19,195,847**	**2,753,049**	**6,584,086**	**1,420,735**	**1,098,262**
Net position - beginning, as revised……	37,178,664	17,982,817	15,843,275	9,490,261	8,069,526	7,003,765
Net position - ending……	$ 35,266,670	$ 37,178,664	$ 18,596,324	$ 16,074,347	$ 9,490,261	$ 8,102,027

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

Enterprise Fund: Water & Sewer

The SRA supplies its customers with water supply and sewer disposal through a contractual agreement with the Town of Weymouth. The SRA previously adopted MGL c.44 section 53F ½ of the MGL's for water and sewer activities. Revenues collected are dedicated solely to offset operating expenditures. Accordingly, any excess balances at year-end remains with the fund.

FY15 charges for services, transfers in, and investment income totaled approximately $535,000. Operating expenses totaled approximately $319,000 yielding a positive change in net position of approximately $219,000 for the year. The ending net position of the fund totaled approximately $566,000 and no amounts were appropriated from this balance during the year. The business-type activities are summarized below.

Business-Type *Activities*

	2015	2014 (As Revised)	2013 (As Revised)	2012	2011	2010
Assets:						
Current assets	$ 569,873	$ 425,160	$ 640,167	$ 432,727	$ 202,863	$ 81,335
Capital assets	26,298	27,284	28,270	9,806	-	-
Total assets	**596,171**	**452,444**	**668,437**	**442,533**	**202,863**	**81,335**
Deferred outflows of resources:						
Deferred outflows of resources related to pensions	**166**	**-**	**-**	**-**	**-**	**-**
Liabilities:						
Current liabilities (excluding debt)	798	78,655	446,911	382,019	202,863	81,335
Noncurrent liabilities (excluding debt)	29,753	26,723	-	-	-	-
Total liabilities	**30,551**	**105,378**	**446,911**	**382,019**	**202,863**	**81,335**
Net Assets:						
Net investment in capital assets	26,298	27,284	28,270	9,806	-	-
Unrestricted	539,488	319,782	193,256	50,708	-	-
Total net assets	**$ 565,786**	**$ 347,066**	**$ 221,526**	**$ 60,514**	**$ -**	**$ -**
Program revenues:						
Charges for services	$ 381,705	$ 705,134	$ 448,015	$ 139,226	$ 414,257	$ 242,731
Connection fees	-	78,023	52,009	189,405	-	-
General Revenues:						
Unrestricted investment income	2,403	2,060	3,227	-	-	-
Total revenues	**384,108**	**785,217**	**503,251**	**328,631**	**414,257**	**242,731**
Expenses:						
Water	-	-	-	72,501	88,436	10,575
Sewer	-	-	-	258,616	292,857	15,262
Water and sewer	318,591	624,431	342,239	-	-	-
Facilities leases and licenses	-	-	-	-	16,787	171,255
Total expenses	**318,591**	**624,431**	**342,239**	**331,117**	**398,080**	**197,092**
Excess (Deficiency) before transfers	**65,517**	**160,786**	**161,012**	**(2,486)**	**16,177**	**45,639**
Transfers	**153,203**	**(11,528)**	**-**	**63,000**	**(16,177)**	**(45,639)**
Change in net assets	**218,720**	**149,258**	**161,012**	**60,514**	**-**	**-**
Net position - beginning, as revised	347,066	197,808	40,421	-	-	-
Net position - ending	$ 565,786	$ 347,066	$ 201,433	$ 60,514	$ -	$ -

The 2014 business-type activities net position has been revised to reflect the implementation of GASB Statement #68, and the associated net pension liability totaling $3,625. As a result, previously reported net position of $350,691 has been revised to $347,066.

General Fund Budgetary Highlights

The SRA originally proposed only a three month budget while the legislation changes were being made at the beginning of the year. Actual revenues exceeded the final budget by approximately $205,000 mainly due to unbudgeted Entitlement fees collected in the amount of $447,200. Actual expenditures, including carryovers, were less than budgeted amounts by approximately $471,000 due to budgetary savings in virtually all categories.

General Fund and Water/Sewer Free Cash

Free Cash is the Commonwealth's budgetary basis of accounting calculation of an amount similar to the unassigned fund balance at the end of each year and represents those funds which were not expended by the SRA. The SRA annually petitions the Massachusetts Department of Revenue to certify that the SRA has achieved a surplus and for permission to expend those funds during the succeeding year.

	FREE CASH					
Fund	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**
General Fund……………………….	$ 380,135	$ 1,010,951	$ 1,654,836	$ 494,786	$ 1,039,658	$ 2,931,696
Water/Sewer Enterprise Fund……	-	181,280	14,433	126,843	220,386	529,780

STABILIZATION ACCOUNTS

Two Stabilization Accounts has been established in accordance with MGL Chapter 40, Section 5B.

General Stabilization

The Board of Directors authorized the use of $322,999 to meet the operational expenses for the first quarter of FY'15.

	General Stabilization Account					
	FY10	**FY11**	**FY12**	**FY13**	**FY14**	**FY15**
Balance forward………………	$ -	$ 78,021	$ 78,385	$ 550,810	$ 790,030	$ 324,154
Transfers In……………………	177,842	-	472,000	486,313	-	-
Transfers Out…………………	(100,000)	-	-	(251,165)	(469,618)	(322,999)
Interest Income………………	179	364	425	4,072	3,742	516
Ending Balance………………	$ 78,021	$ 78,385	$ 550,810	$ 790,030	$ 324,154	$ 1,671

Other Postemployment Benefits Stabilization

GASB Statement 45 requires state and local governments to report OPEB costs and obligations. This statement requires that the annual cost and liability associated with OPEB be computed and brought onto the governmental entity's books and records. The Board of Directors understood its responsibility with respect this pronouncement.

During 2014, the SRA undertook a study that complies with this reporting requirement. As the SRA has fewer than 100 participants covered under the plan, it is eligible for the alternative measurement method of reporting.

The report includes the calculation for the Actuarial Accrued Liability (AAL) which is defined as the total projected liability for OPEB covered under the plan. The AAL calculation uses the data on active employees, employees who have left employment but who are eligible for retiree healthcare, current retirees and their beneficiaries and spouses who are eligible for the retiree healthcare benefit provided by SRA.

Utilizing this approved methodology and an independent firm to perform the calculations, it was determined that the liability as of June 30, 2015 was $320,784. The SRA Board of Directors established a separate stabilization fund in 2013 in the amount of $251,165 for the specific purpose of holding such funds. The Board of Directors deposited $37,562 into this fund during 2014. The fund has a balance of $292,843 as of June 30, 2015.

	OPEB Stabilization Account		
	FY13	**FY14**	**FY15**
Balance forward………………	$ -	$ 251,175	$ 290,654
Transfers In……………………	251,165	37,562	-
Interest Income………………	10	1,917	2,189
Ending Balance………………	$ 251,175	$ 290,654	$ 292,843

DEBT

Debt Administration

The SRA authorized $15.275 million in bonds during the closing months of year 2010. Of that amount, $12.55 million was issued during 2011. Proceeds from the bonds were utilized for expenditures related to the purchase of various infrastructure improvements from the Developer (see below). In addition, the SRA authorized a note in the amount of $10 million (assigned to the Developer) for the purpose of purchasing the remaining Navy Land. This note is secured by a letter of credit offered by the Developer. Under a contractual agreement with the Developer, the Developer assumed the debt obligation. The SRA is secured by a 6 acre portion of land that abuts the parkway. Together, the Letter of Credit plus the value of the mortgaged property, exceeds the outstanding obligation.

INFRASTRUCTURE BOND

SRA issued the Series 2010A Infrastructure Development Revenue Bonds in the amount of $12,550,000 on August 9, 2010 (the "Bonds"). The Bonds are secured by Assessments and Pledged Revenues levied on each Parcel of Assessed Property. The Assessments have been imposed upon the real property within the boundaries of the SRA and are limited to those properties transferred under FOST 1 and 2 (June, 2006). The Assessments are equal to the interest and principal on the Bonds and bonds expected to be issued in the future and estimated administrative expenses related to the bonds. The Assessment Roll is updated each Tax Year. There was no Assessment for 2011. This is the first such bond authorized in the Commonwealth of Massachusetts.

The first payment for which assessments are to be collected under the bond was due and paid on August 1, 2012 (FY2013) as reserves were held by a third party for the semi-annual debt service for 2011 and for 2012. The SRA has pledged up to 35% of its tax revenues for properties included in FOST 1 and 2 for this debt service. The first special assessment was raised on property owners within FOST 1 and FOST 2 in 2013. Furthermore, the assessment, in accord with the Bond Agreements, was assessed on only those owners of unimproved land as of January 1, 2012. The Total Special Assessment was $450,000 in 2015 and there was a 100% collection rate.

CONTINGENT LIABILITY

Parkway Bond

The SRA, utilizing a quasi-grant from the Commonwealth of Massachusetts, began construction on the East\West Parkway. The following is a brief synopsis of the key terms of the Amended and Restated Memorandum of Agreement for the Implementation of Transportation Improvements for the Redevelopment of the South Weymouth Naval Air Station (the "Implementation MOA"), dated as of March 4, 2010, by and between the Massachusetts Department of Transportation ("MassDOT") and SRA.

This summary is not intended to be a complete description of all the terms and conditions of the Implementation MOA, and the terms and conditions of the Implementation MOA shall be controlling in the event of any legal issue arising under the Implementation MOA.

1. The Implementation MOA addresses the procurement, permitting, design, right of way acquisition, construction and operation of the Parkway and the East Side Connectivity Improvements.

2. Once completed, the portion of the Parkway within the Base will be owned and maintained by SRA and the portions of the Parkway outside the Base will be owned and maintained by the respective Towns. The portion of Route 18 to be widened between Route 3 in Weymouth and Route 139 in Abington will continue to be owned and maintained by the Commonwealth.

3. The MOA requires that the redevelopment of the NAS will generate annual New State Tax Revenues (by definition calculated as total sales taxes, personal income tax and hotel tax revenues generated by development at SRA) will be at least 1.5 times greater than the annual Debt Service Costs of the Parkway Bonds.

4. If the cumulative amount of New State Tax Revenues received in any fiscal year is less than the debt service for the Parkway Bond, the SRA is required to make a Deficiency Payment to the Commonwealth of MA in order to reimburse the Commonwealth for the portion of the Debt Service Costs not covered by the New State Tax Revenues. This contingent liability will exist annually for the life of the issued bond.

In December 2014, the Secretary of Administration and Finance for the Commonwealth of Massachusetts (“Secretary”) agreed to amend the MOA to allow for Deficiency Payments attributable to fiscal years 2013 to 2018 to be deferred until the beginning of fiscal year 2019. The Secretary is authorized to extend this deferral to additional fiscal years if the Secretary determines that this deferral is fiscally responsible and serves the public interest.

Retirement Board

The SRA is a member of Plymouth County Retirement Association that is comprised of a five member Board of Directors who manages the pension trust fund. The Association has the fiduciary responsibility for fund assets. Membership in this system is mandatory for all employees whose workweek consists of 20 or more hours for the SRA. The fund is accounted for on a calendar-year basis.

Requests for Information

This financial report is designed to provide a general overview of the SRA’s finances for all those with an interest in the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addresses to the Board of Directors, 223 Shea Memorial Drive, South Weymouth, MA 02190.

BASIC FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current:			
Cash and cash equivalents…………………………………	$ 4,230,049	$ 564,446	$ 4,794,495
Accounts receivable, net of uncollectibles:			
Real estate and personal property taxes…………………	5,631		5,631
User charges………………………………………………	-	5,427	5,427
Intergovernmental…………………………………………	39,000	-	39,000
Due from the Commonwealth of Massachusetts…………	290,093	-	290,093
Restricted Asset:			
Cash and cash equivalents…………………………………	584,742	-	584,742
Total Current Assets………………………………………	5,149,515	569,873	5,719,388
Noncurrent:			
Capital assets, net of accumulated depreciation…………………………………	46,199,502	26,298	46,225,800
Total Assets…………………………………………………	51,349,017	596,171	51,945,188
Deferred Outflows of Resources:			
Deferred outflows related to pensions………………………	28,014	166	28,180
LIABILITIES			
Current:			
Warrants payable……………………………………………	268,787	-	268,787
Due to Commonwealth of Massachusetts…………………	1,375,325	-	1,375,325
Accrued salaries and benefits………………………………	8,335	798	9,133
Accrued interest expense……………………………………	405,260	-	405,260
Bonds payable………………………………………………	50,000	-	50,000
Compensated absences………………………………………	3,000	-	3,000
Developer deposits……………………………………………	584,742	-	584,742
Total Current Liabilities……………………………………	2,695,449	798	2,696,247
Noncurrent:			
Compensated absences………………………………………	14,479	-	14,479
Bonds payable………………………………………………	12,500,000	-	12,500,000
Other postemployment benefits……………………………	294,611	26,173	320,784
Net pension liability…………………………………………	605,822	3,580	609,402
Total Noncurrent Liabilities………………………………	13,414,912	29,753	13,444,665
Total Liabilities………………………………………………	16,110,361	30,551	16,140,912
NET POSITION			
Net investment in capital assets……………………………	33,649,502	26,298	33,675,800
Restricted for development…………………………………	449,180	-	449,180
Unrestricted…………………………………………………	1,167,988	539,488	1,707,476
Total Net Position……………………………………………	$ 35,266,670	$ 565,786	$ 35,832,456

See notes to basic financial statements.

Statement of Activities

Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Board of Directors:							
Salaries	$ 46,335	$ -	$ -	$ -	$ (46,335)	$ -	$ (46,335)
Expenses	46,385	-	-	-	(46,385)	-	(46,385)
Chief Executive Officer:							
Salaries	88,610	-	-	-	(88,610)	-	(88,610)
Expenses	83,214	-	-	-	(83,214)	-	(83,214)
Insurance	50,019	-	-	-	(50,019)	-	(50,019)
Finance:							
Salaries	122,380	-	-	-	(122,380)	-	(122,380)
Expenses	97,477	-	-	-	(97,477)	-	(97,477)
Solicitor	393,320	-	-	-	(393,320)	-	(393,320)
Information systems expenses	9,896	-	-	-	(9,896)	-	(9,896)
Planning Board:							
Salaries	77,483	-	-	-	(77,483)	-	(77,483)
Expenses	50,628	32,274	-	-	(18,354)	-	(18,354)
Pension, benefits, and insurance	372,945	-	-	-	(372,945)	-	(372,945)
Education	366,000	-	-	-	(366,000)	-	(366,000)
Maintenance of buildings	21,847	-	-	-	(21,847)	-	(21,847)
Police and fire services	365,016	-	-	-	(365,016)	-	(365,016)
Building inspections:							
Salaries	3,983	16,465	-	-	12,482	-	12,482
Department of Public Works:							
Salaries	28,269	-	-	-	(28,269)	-	(28,269)
Expenses	285,607	-	-	-	(285,607)	-	(285,607)
Fuel	829	-	-	-	(829)	-	(829)
East West Parkway - Rockland to Trotter Road	173	-	-	-	(173)	-	(173)
Route 18 improvements	134,266	-	-	134,266	-	-	-
Capital outlay	-	-	-	166,986	166,986	-	166,986
Debt service costs	978,981	-	-	-	(978,981)	-	(978,981)
Unallocated depreciation	1,690,425	-	-	-	(1,690,425)	-	(1,690,425)
Total Governmental Activities	5,314,088	48,739	-	301,252	(4,964,097)	-	(4,964,097)
Business-Type Activities:							
Water/Sewer	318,591	384,108	-	-	-	65,517	65,517
Total Business-Type Activities	318,591	384,108	-	-	-	65,517	65,517
Total Primary Government	$ 5,632,679	$ 432,847	$ -	$ 301,252	(4,964,097)	65,517	(4,898,580)

	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Real estate and personal property taxes	2,536,844	-	2,536,844
Tax liens	1,500	-	1,500
Entitlement fees	77,145	-	77,145
Special assessments	450,000	-	450,000
Investment income	25,890	-	25,890
Other revenue	113,927	-	113,927
Transfers, net	(153,203)	153,203	-
Total General Revenues and Transfers	3,052,103	153,203	3,205,306
Change in net position	(1,911,994)	218,720	(1,693,274)
Net Position:			
Beginning of the year, as revised	37,178,664	347,066	37,525,730
End of the year	$ 35,266,670	$ 565,786	$ 35,832,456

See notes to basic financial statements.

Balance Sheet
Governmental Funds

June 30, 2015

	General Fund	Developer Deposit Fund	Infrastructure Acquisition Fund	East/West Parkway Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 3,474,288	$ -	$ 624,914	$ -	$ 130,847	$ 4,230,049
Restricted cash and cash equivalents	-	584,742	-	-	-	584,742
Accounts receivable:						
Real estate and personal property taxes	5,631	-	-	-	-	5,631
Intergovernmental	-	-	-	39,000	-	39,000
Other	290,093	-	-	-	-	290,093
Total Assets	$ 3,770,012	$ 584,742	$ 624,914	$ 39,000	$ 130,847	$ 5,149,515
LIABILITIES						
Warrants payable	$ 51,586	$ -	$ 175,734	$ 39,000	$ 2,467	$ 268,787
Due to Commonwealth of Massachusetts	1,375,325	-	-	-	-	1,375,325
Accrued salaries and benefits	8,335	-	-	-	-	8,335
Developer deposits	-	584,742	-	-	-	584,742
Total Liabilities	1,435,246	584,742	175,734	39,000	2,467	2,237,189
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	5,631	-	-	-	-	5,631
FUND BALANCES						
Restricted	-	-	449,180	-	128,380	577,560
Assigned	7,461	-	-	-	-	7,461
Unassigned	2,321,674	-	-	-	-	2,321,674
Total Fund Balances	2,329,135	-	449,180	-	128,380	2,906,695
Total liabilities, deferred inflows of resources and fund balances	$ 3,770,012	$ 584,742	$ 624,914	$ 39,000	$ 130,847	$ 5,149,515

Total fund balance above	$ 2,906,695
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	46,199,502
Accounts receivable are not available to pay for current-period expenditures and therefore are not reported in the funds	5,631
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	28,014
Long-term notes payable are not due and payable in the current period and therefore are not reported in the funds	(12,550,000)
Accrued interest is not due and payable in the current period and therefore is not reported in the funds	(405,260)
Other postemployment benefit liability is not due and payable in the current period and therefore is not reported in the funds	(294,611)
Net pension liability is not due and payable in the current period and therefore is not reported in the funds	(605,822)
Long-term compensated absences are not due and payable in the current period and therefore are not reported in the funds	(17,479)
Net position of governmental activities	$ 35,266,670

See notes to basic financial statements.

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Funds

Year Ended June 30, 2015

	General Fund	Multimodal Access Project Fund	Mass Highway Fund	Infrastructure Acquisition Fund	East/West Parkway Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Real estate and personal property taxes	$ 2,536,844	$ -	$ -	$ -	$ -	$ -	$ 2,536,844
Tax liens	1,500	-	-	-	-	-	1,500
Intergovernmental	51,667	25,710	134,266	-	141,102	174	352,919
Entitlement fees	447,200	-	-	-	-	-	447,200
Licenses, permits, and fees	16,465	-	-	-	-	32,274	48,739
Special assessments	450,000	-	-	-	-	-	450,000
Other revenue	56,493	-	-	-	-	5,767	62,260
Investment income	25,874	-	-	16	-	-	25,890
Total Revenues	3,586,043	25,710	134,266	16	141,102	38,215	3,925,352
EXPENDITURES							
Board of Directors:							
Salaries	50,605	-	-	-	-	-	50,605
Expenses	46,385	-	-	-	-	-	46,385
Chief Executive Officer:							
Salaries	96,776	-	-	-	-	-	96,776
Expenses	54,232	-	-	-	-	-	54,232
Insurance	50,019	-	-	-	-	-	50,019
Finance:							
Salaries	155,874	-	-	-	-	-	155,874
Expenses	97,477	-	-	-	-	-	97,477
Solicitor	393,320	-	-	-	-	-	393,320
Information systems expenses	9,896	-	-	-	-	-	9,896
Planning Board:							
Salaries	84,623	-	-	-	-	-	84,623
Expenses	50,628	-	-	-	-	-	50,628
Pension, benefits, and insurance	372,945	-	-	-	-	-	372,945
Education	366,000						366,000
Maintenance of buildings	21,847	-	-	-	-	-	21,847
Police and fire services	365,016	-	-	-	-	-	365,016
Building inspections:							
Salaries	4,350	-	-	-	-	-	4,350
Department of Public Works:							
Salaries	30,874	-	-	-	-	-	30,874
Expenses	276,887	-	-	5,338	-	3,382	285,607
Fuel	829	-	-	-	-	-	829
Health services	-	-	-	-	-	173	173
Route 18 improvements	-	-	134,266	-	-	-	134,266
Capital outlay	-	149,140	-	-	141,102	-	290,242
Debt service costs	978,981	-	-	-	-	-	978,981
Total Expenditures	3,507,564	149,140	134,266	5,338	141,102	3,555	3,940,965
Excess/(deficiency) of revenues over/(under) expenditures	78,479	(123,430)	-	(5,322)	-	34,660	(15,613)
Other Financing Sources:							
Transfers in	-	123,430	-	-	-	-	123,430
Transfers out	(276,633)	-	-	-	-	-	(276,633)
Total Other Financing Sources	(276,633)	123,430	-	-	-	-	(153,203)
Net change in fund balance	(198,154)	-	-	(5,322)	-	34,660	(168,816)
Fund balances at the beginning of the year	2,527,289	-	-	454,502	-	93,720	3,075,511
Fund balances at the end of the year	$ 2,329,135	$ -	$ -	$ 449,180	$ -	$ 128,380	$ 2,906,695

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		$	(168,816)
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.			
Capital outlay	290,242		
Depreciation expense	(1,690,425)		
Net effect of reporting capital assets			(1,400,183)
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 unearned revenue			(370,055)
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.			
Net change in compensated absences accrual	20,343		
Net change in other postemployment benefits accrual	(28,982)		
Net change in deferred outflow/(inflows) of resources related to pensions	28,014		
Net change in net pension liability	7,685		
Net effect of recording long-term liabilities			27,060
Change in net position of governmental activities		$	(1,911,994)

See notes to basic financial statements.

Statement of Net Position
Proprietary Funds

June 30, 2015

		Business-type Activities Enterprise Funds
		Water/Sewer Fund
ASSETS		
Current:		
Cash and cash equivalents	$	564,446
Receivables, net of uncollectibles		5,427
Total Current Assets		569,873
Noncurrent:		
Capital assets, net of accumulated depreciation		26,298
Total Assets	$	596,171
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows or resources related to pensions		166
LIABILITIES		
Current:		
Accrued payroll	$	798
Noncurrent:		
Other postemployment benefits		26,173
Net pension liability		3,580
Total Liabilities		30,551
NET POSITION		
Net investment in capital assets		26,298
Unrestricted		539,488
Total Net Position	$	565,786

See notes to basic financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds

Year Ended June 30, 2015

	Business-type Activities Enterprise Funds
	Water/Sewer Fund
OPERATING REVENUES:	
Charges for services…………	$ 381,705
OPERATING EXPENSES:	
Water and sewer expenses…………	317,605
Depreciation expense…………	986
TOTAL OPERATING EXPENSES…………	318,591
OPERATING INCOME (LOSS)…………	63,114
NONOPERATING REVNUES (EXPENSES):	
Investment Income…………	2,403
TRANSFERS:	
Transfers in…………	153,203
CHANGE IN NET POSITION…………	218,720
NET POSITION AT BEGINNING OF YEAR, AS REVISED…………	347,066
NET POSITION AT END OF YEAR…………	$ 565,786

See notes to basic financial statements.

Statement of Cash Flows
Proprietary Funds

June 30, 2015

	Business-type Activities Enterprise Funds
	Water/Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from customers and users	$ 426,650
Payments to vendors	(314,563)
Payments to employees	(2,289)
NET CASH FROM OPERATING ACTIVITIES	109,798
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfers in	153,203
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	2,403
NET CHANGE IN CASH AND CASH EQUIVALENTS	265,404
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	299,042
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 564,446
RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income (loss)	$ 63,114
Adjustments to reconcile operating income (loss) to net cash from operating activities:	
Depreciation	986
Deferred (outflows)/inflows related to pensions	(166)
Adjustments to reconcile operating income to net cash from operating activities:	
Other receivables	120,691
Warrants payable	(78,655)
Accrued payroll	798
Other postemployment benefit	3,075
Net pension liability	(45)
Total adjustments	46,684
NET CASH FROM OPERATING ACTIVITIES	$ 109,798

See notes to basic financial statements.

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2015

		Agency Funds
ASSETS		
CURRENT:		
Cash and cash equivalents	$	34,337
Prepaid deposits		24,447
TOTAL ASSETS		58,784
LIABILITIES		
Liabilities due depositors	$	58,784

See notes to basic financial statements.

NOTE 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and financial reporting practices for the Southfield Redevelopment Authority (SRA) are prescribed by the Office of the State Auditor in accordance with the Authority's enabling legislation, Chapter 301 of the Acts of 1998, as amended in August 2008. The significant accounting policies are described herein.

Reporting Entity

On August 24, 2014, the Governor of Massachusetts signed into law legislation to promote the sustainable economic development of the former South Weymouth Naval Air Station for the benefit of the Towns of Abington, Rockland, and Weymouth, the NAS South Weymouth Region and the Commonwealth (Chapter 291 of the Acts of 2014, "the Act"). Among other things, the Act reconstituted the South Shore Tri-Town Development Authority ("SSTTDC") as the Southfield Redevelopment Authority.

Beginning in 2015, the SRA was a quasi-municipal entity required to provide municipal services including; public safety, public infrastructure maintenance, storm drain management, education, health, planning, zoning, water, sewer, and general administrative services. With the passing of the legislation the positions of Chief Executive Officer, Chief Financial Officer, Accountant, and the Water/Sewer Superintendent were eliminated.

The Act mandated that the SRA complete the following tasks to comply with the newly enacted legislation:

- Tax Plan
- Bond Indenture Certificate of Trustee
- Redevelopment Plan
- Second Amendment to the Amended and Restated Memorandum of Agreement on Financing for the Parkway
- Parkway Phase Two Financing Agreement
- Amend Zoning By-Laws and Regulations
- Amend Disposition and Development Agreement

In March 2015, the Office of Economic Adjustment of the United States Department of Defense formally recognized the SRA as the Local Development Authority ("LDA") for the purpose of implementing the redevelopment plan for the former NAS South Weymouth, and assuming said responsibility from the South Shore Tri-Town Development Corporation. As such, The SRA satisfied all of its obligations under the Act and all of the Act's provisions are in full force and effect.

The Authority was originally established on August 14, 1998 through its enabling legislation Chapter 301 of the Acts of 1998, as amended in August of 2008 in Chapter 303, Section 36. The purpose of the legislation is to promote the expeditious and orderly conversion and redevelopment of the closed Naval Air Station, located on approximately 1,450 acres in the Towns of Abington, Rockland and Weymouth, for nonmilitary purposes, including but not limited to, commercial, housing, industrial, institutional, educational, governmental, recreational, conservation or manufacturing uses. In order to achieve these objectives the Authority was given full powers and authority to carry out the purposes of this Act. The former Naval Air Station is being developed into a community to be named *"SouthField".*

The Authority is not a City or a Town and its existence is limited by Statute. The Authority is a special purpose government that will cease to exist upon completion of the development, or upon repayment or transfer of any outstanding indebtedness, but in no case will the Authority exist under current legislation beyond December 31, 2053, unless an extension is provided. During the period of existence, it has the ability to exercise most powers of a municipality on behalf of the three local Towns. After the termination of the Authority, the powers and duties assigned to the Authority will revert back to each of the three Towns.

The Authority is required to distribute all remaining tax revenues (excess revenues) to the Towns according to the formula set forth the in the Enabling Legislation after payment of all of its operating, investments and financing obligations, including debt service, reserves and other such payments as may be required by the applicable documentation for the Authority's bonds or other borrowings.

Based on the requirements of GASB Statement No. 39, there are no component units for the Authority to report.

Basis of Presentation

The accompanying financial statements include all the financial transactions of the Authority for the year ended June 30, 2015 and are presented in accordance with Statement No. 34 of the Governmental Accounting Standards Board; *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments.*

Government-Wide Statements

Included in the basic financial statements are two government-wide statements. Neither fiduciary funds nor component units that are fiduciary in nature are included.

1. **Statement of Net Position**: The basic government-wide statement of position is the statement of net position. The statement uses a net position format (i.e., assets + deferred outflows – liabilities – deferred inflows = net position). The statement reports all assets and liabilities related to governmental activities.

2. **Statement of Activities:** The other governmental-wide financial statement is the statement of activities. This is the operating statement. The statement uses a net cost format. The statement first reports the total costs of a government's various functions or programs from all funding sources. The statement then shows how a portion of the cost is financed by charges for services or by related grants and contributions. The difference between these two elements is then reported as the net cost that must be financed through the Authority's own resources (e.g., interest income and non-program-related revenue).

Measurement Focus and Basis of Accounting of the Government-Wide Financial Statements

The statement of net position and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place and are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

In addition to the government-wide statements, financial transactions of the Authority are recorded on a fund perspective in the following funds. The financial transactions of the Authority are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The Authority uses the following fund types:

Major Funds

- General Fund - reflects the financial transactions related to general governmental activities, which are not otherwise accounted for in another fund. Included in the General Fund is the unassigned fund balance, the amount by which unrestricted cash, accounts receivable, and other assets exceed liabilities and reserves.

- Developer Deposit Fund - is a special revenue fund that is used to account for the deposits held by the Authority for entitlement fees paid in advance.

- Multimodal Access Project Fund - is a special revenue fund that is used to design and construct access improvements and intermodal facilities at the former South Weymouth Naval Air Station.

- Mass Highway Fund - is a special revenue fund that is used to account for the grants received for the improvements made to Route 18.

- Infrastructure Acquisition Fund - is a capital project fund that is used to account for the purchase of the infrastructure from the Master Developer.

- East/West Parkway Fund - is a capital project fund that is used to account for the construction of the East/West Parkway.

Nonmajor Funds

- Special revenue funds - are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects.

- Capital projects funds - are used to account for all financial resources that are restricted, committed, or assigned to expenditure for capital outlays.

Proprietary Fund Category

Proprietary funds are those that are accounted for on 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 at the time liabilities are incurred.

Enterprise Funds

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Authority has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The Authority has one Enterprise Fund that is used to account for the Authority's water and sewer activities.

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Authority on a cost- reimbursement basis. Currently, the Authority does not utilize internal service funds.

Fiduciary Funds

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 agency fund is used to account for assets held in a purely custodial capacity and apply the accrual basis of accounting but do not have a measurement focus.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Authority may electively add funds, as major funds, which have specific community focus. The nonmajor funds are combined in a column in the fund financial statements.

Accounting for Revenues

The accounts of the Governmental Fund Category are reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become available and measurable. All revenues are accounted for on the accrual basis within the Government-wide financial statements and Proprietary Fund financial statements. 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.

Real estate and 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.

Accounting for Expenditures/Expenses

The expenditure accounts of the General, Major and Nonmajor Funds are reported on the modified accrual basis of accounting and are recognized in the accounting period in which a fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with current available resources. Disbursements for material and supply inventories are considered expenditures rather than assets at the time of purchase since they are not material. All expenses are accounted for on the accrual basis within the Government-wide financial statements and Proprietary Fund financial statements.

Cash and Cash Equivalents

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. Fair value is based on quoted market price. All of the Authority's investments are currently in government money market accounts. Therefore, the investments of the Authority have been reported as cash and cash equivalents. Additional cash and investment disclosures are presented in these Notes.

Internal Activity Elimination

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables

Receivables consist of all revenues earned at year-end and not yet received, net of an allowance for uncollectible amounts. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. The Authority classifies outstanding personal property taxes three years or more as uncollectible for financial reporting purposes. Outstanding real estate taxes are secured by tax liens, and therefore considered to be fully collectible.

Accounting for Capital Assets

The Authority's policy is to capitalize and depreciate fixed assets over the following estimated service lives on a straight-line basis for any asset with a cost greater than $1,000 and a useful life greater than one-year.

Capital Asset Type	Estimated Useful Life (in years)
Leasehold Improvements……………………	7
Vehicles………………………………………	3-7
Machinery and Equipment………………….	3-7
Infrastructure…………………………………	30

Infrastructure and other capital assets reporting policies will be developed as each type of asset is acquired. The Authority records capital assets at cost or estimates current market value for donated assets. The Authority's policy is to record no depreciation expense for assets transferred to the Developer in the year of transfer. In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial 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 Authority has reported deferred outflows of resources related to pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represent 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 Authority has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in the category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. Long-term obligations consist of bonds payable, accrued compensated absences and other postemployment benefits.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal is reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Other Postemployment Benefits

SRA has five employees currently eligible to receive other postemployment benefits.

Compensated Absences

Employees earn vacation and sick leave (up to a maximum of 75 days) as they provide services. The cost of vacation and sick leave benefits is recorded as an expenditure of the appropriate fund when incurred. Vacation and sick leave accumulate for employees based upon the Authority's personnel policy. The liability for these compensated absences is recorded as long-term obligations in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

- Unrestricted net position - All other net position that do not meet the definition of "restricted" or “net investments in capital assets".

Sometimes the Authority 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 Authority’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance can be classified in the following components:

- Nonspendable fund balance – consists of amounts that cannot be spent because they are either not in spendable form or (b) legally or contractually required to be maintained intact.

- Restricted fund balance – consists of amounts upon which constraints have been placed on their use either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; (b) imposed by law through constitutional provisions or enabling legislation.

- Committed fund balance – consist of amounts which can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors.

- Assigned fund balance – consist of amounts that are constrained by the Authority's intent to be used for a specific purpose. Intent is expressed by either the governing body, or the officials directly responsible for departmental appropriations.

- Unassigned fund balance – represents the residual classification for the general fund. It represents amounts that have not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

The Authority's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds were designated for one purpose at the time of their creation. Therefore, any expenditure made from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results will differ from those estimates.

Total Columns

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

The total column presented 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

Statute requires the SRA to comply with Massachusetts General Laws, Chapter 44, Section 55, which places certain limitations on cash deposits and investments available to the SRA. Authorized deposits include demand deposits, term deposits, and certificates of deposit in trust companies, national banks, savings banks, and certain other financial institutions. Deposits may not exceed certain levels without collateralization of the excess by the financial institution involved. The SRA may also invest in securities issued by or unconditionally guaranteed by the U.S. Government or an agency thereof, and having a maturity from date of purchase of one year or less. The SRA may also invest in repurchase agreements guaranteed by such government securities with maturity dates of not more than ninety days from date of purchase. The SRA may invest in units of the Massachusetts Municipal Depository Trust (MMDT), an external investment pool managed by the Treasurer of the Commonwealth of Massachusetts. Cash deposits are reported at carrying amount, which reasonably approximates fair value. 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 sheets as "cash and cash equivalents".

At June 30, 2015 bank deposits totaled $5,522,281 and had a carrying amount (book value) of $5,413,574. Of the bank balance $1,000,000 was covered by Federal Depository Insurance and $1,311,595 was covered by the Share Insurance Fund. The remaining bank balances of $3,210,686 is government money market accounts held at various banks and are not covered by depository insurance. The difference between deposit amounts and carrying amounts generally represents outstanding checks and deposits in transit.

SRA’s only investments as of June 30, 2015 consisted of government money market accounts which have been classified as cash and cash equivalents. Management has incorporated deposit policies, designed to manage deposit risk, into its recently adopted Investment Policy.

Developer deposits received for entitlement fees paid in advance are reported as restricted cash of the Governmental Activities, Developer Deposit Fund.

NOTE 3 – CASH RESERVE DEPOSITS

In connection with the issuance, on June 30, 2010, of $30,000,000 of Special Obligation Bonds (Commonwealth Contract Assistance) by the Massachusetts Development Finance Agency, the Authority executed an agreement with the Commonwealth of Massachusetts, acting by and through its Executive Office for Administration and

Finance. The proceeds of the bonds will be disbursed by the Trustee to the Authority to pay or reimburse the Authority for a portion of the costs incurred in connection with financing a portion of the Parkway Project. The Authority is not liable for repayment of the Bonds; however, pursuant to the agreement, the Authority is obligated to make certain payments to the Commonwealth in the event that new state tax revenues generated by the redevelopment of the base do not meet certain projected amounts. In connection with the agreement, the Authority was required to deposit up to $500,000 in an interest-bearing, segregated bank account (cash reserves) held by the Commonwealth.

These obligations may be negated if certain milestones are met. In December 2014, the Secretary of Administration and Finance for the Commonwealth of Massachusetts ("Secretary") agreed to amend the MOA to allow for Deficiency Payments attributable to fiscal years 2013 to 2018 to be deferred until the beginning of fiscal year 2019. The Secretary is authorized to extend this deferral to additional fiscal years if the Secretary determines that this deferral is fiscally responsible and serves the public interest.

NOTE 4 – RECEIVABLES

The Authority reports the aggregate amount of receivables in the accompanying Statement of Net Position and Balance Sheet. In addition, governmental funds report, on the Balance Sheet, unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also postpone revenue recognition in connection with resources that have been received, but not yet earned. Unearned revenues, if any, are also reported on the Statement of Net Position.

The Authority includes the following receivables for individual major and nonmajor governmental funds in the aggregate, including applicable allowances for uncollectible amounts:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate and personal property taxes……………	$ 5,631	$ -	$ 5,631
Intergovernmental……………………………………	39,000	-	39,000
Other…………………………………………………	290,093	-	290,093
Total…………………………………………………	$ 334,724	$ -	$ 334,724

At June 30, 2015, receivables for the water and sewer enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Water and sewer fees…………………………………	$ 5,427	$ -	$ 5,427

Governmental funds report unavailable revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. At June 30, 2015, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
Receivable type:			
Real estate and personal property taxes……………	$ 5,631	$ -	$ 5,631

NOTE 5 – CAPITAL ASSETS

Capital assets activity for the year ending June 30, 2015, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land………………………………………………………………	$ 225,300	$ -	$ -	$ 225,300
Capital assets being depreciated:				
Leasehold improvements………………………………………	34,213	-	-	34,213
Machinery and equipment……………………………………	193,476	-	-	193,476
Vehicles……………………………………………………………	24,570	-	-	24,570
Multimodal Access Project - Infrastructure……………………	7,860,952	149,140	-	8,010,092
East West Parkway - Non-Participating Agreement…………	992,640	-	-	992,640
Shea Drive/MGA - Series 2010A Infrastructure Bond……….	11,381,859	-	-	11,381,859
East West Parkway - Rockland to Trotter Road………………	29,819,019	141,102	-	29,960,121
Total capital assets being depreciated……………………	50,306,729	290,242	-	50,596,971
Less accumulated depreciation for:				
Leasehold improvements………………………………………	(23,108)	(4,888)	-	(27,996)
Machinery and equipment……………………………………	(189,606)	(3,870)	-	(193,476)
Vehicles……………………………………………………………	(18,340)	(3,510)	-	(21,850)
Infrastructure……………………………………………………	(2,701,290)	(1,678,157)	-	(4,379,447)
Total accumulated depreciation……………………………	(2,932,344)	(1,690,425)	-	(4,622,769)
Total capital assets being depreciated, net………………………	47,374,385	(1,400,183)	-	45,974,202
Total governmental activities capital assets, net…………………	$ 47,599,685	$ (1,400,183)	$ -	$ 46,199,502

Water and Sewer Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Infrastructure……………………………………………………	$ 29,594	$ -	$ -	$ 29,594
Less accumulated depreciation for:				
Infrastructure……………………………………………………	(2,310)	(986)	-	(3,296)
Total capital assets being depreciated, net………………………	$ 27,284	$ (986)	$ -	$ 26,298

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

Governmental Activities:		
Unallocated depreciation………………………………….	$	1,690,425
Business-Type Activities:		
Water and Sewer………………………………………….	$	986

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	Transfers In:			
Transfers Out:	Multimodal Access Project Fund	Enterprise Funds	Total	
General Fund…………………………..	$ 123,430	$ 153,203	$ 276,633	(1)

(1) Represents budgeted transfers from the General fund to the Multimodal Access Project fund and Enterprise fund.

NOTE 7 – CONVEYANCE OF LAND AND PROPERTY FROM THE NAVY

December 15, 2012 Purchase and Assignment to Developer

On December 15, 2012 the Navy sold 558 acres of land to SRA. The purchase price of the land consisted of a.) an initial payment of $2 million at the closing, b.) a promissory note from SRA to the Navy in the amount of $10 million to be paid in ten annual equal principal installments plus interest based on the ten year Treasury Note rate as of the date of the sale, and c.) participation by the Navy in the Gross Real Estate Proceeds received by SRA or the Developer for land sales or ground leases to any vertical developer through December 31, 2031. The participation rate for the Navy is 5.04% of such Gross Real Estate Proceeds based on the fair market value of the sales or leases.

On the same day of the purchase SRA conveyed the land purchased from the Navy to the Developer. SRA and the Developer executed an EDC Transfer, Assignment and Pass-Through Agreement regarding this transaction. The agreement conveys the land and SRA's responsibilities to the Developer. The Developer paid the $2 million initial payment due at the closing and has assumed the $10 million promissory note due to the Navy as well as all of the other responsibilities of the purchase price. To secure the Developer payments, the Developer has agreed to a decreasing $5 million letter of credit plus has consented to a mortgage on a 24 acre parcel of prime commercial land.

May 15, 2003 Conveyance

On May 15, 2003, the United States of America, acting through the Secretary of the Navy (Navy) conveyed a total of 549 acres of the former South Weymouth Naval Air Station to the Authority. Approximately 324 acres were transferred under an Economic Development Conveyance specifically for the purposes of commercial development by the Developer. The remaining 225 acres were transferred under a Public Benefit Conveyance through the National Park Service under the authority of the Secretary of the Interior, to be used exclusively for a public park or public recreation under the direction of the Authority. The government also transferred ownership of buildings, vehicles and equipment. Management estimated the market value of the property at the date of transfer to be $23,105,352.

On June 23, 2006 SRA transferred 324 acres of land to the Developer in anticipation of the initial phases of development. The land, along with buildings, certain machinery and equipment, and capitalized construction in progress had a net book value at the time of transfer of approximately $23,568,000 after deducting a mortgage due to the developer in the amount of $11,717,000.

NOTE 8 – TEMPORARY BORROWING

Under state law and by authorization of the Board of Directors, the Authority is authorized to borrow on a temporary (short-term) basis to fund the following:

- Current operating costs prior to the collection of revenues through issuance of tax anticipation notes (TANs),
- Capital project costs incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANs),
- Federal and state aided capital projects and other program expenditures prior to receiving reimbursement through issuance of federal and state aid anticipation notes (FANs and SANs).

Temporary loans are general obligations of the Authority and carry maturity dates that are limited by statute. Interest expenditures for temporary borrowings are accounted for in the General Fund. Temporary borrowings are recorded as liabilities in the Special Revenue Funds and the Capital Project Funds.

The Authority did not have any short-term debt activity for the year ended June 30, 2015.

NOTE 9 – LONG-TERM OBLIGATIONS

The following is a summary of changes in long term obligations for the year ended June 30, 2015:

Project	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Infrastructure Development Revenue Bonds…………………………	5.5 - 7.75	$ 12,550,000	$ -	$ -	$ 12,550,000

The following is a summary of changes in long-term obligations for the year ended June 30, 2015, including interest, are as follow:

Year	Principal	Interest	Total
2016……….	$ 50,000	$ 971,656	$ 1,021,656
2017……….	100,000	966,813	1,066,813
2018……….	150,000	958,093	1,108,093
2019……….	200,000	945,500	1,145,500
2020……….	250,000	929,031	1,179,031
2021……….	250,000	909,656	1,159,656
2022……….	250,000	890,281	1,140,281
2023……….	300,000	869,938	1,169,938
2024……….	300,000	846,688	1,146,688
2025……….	350,000	822,469	1,172,469
2026……….	350,000	795,344	1,145,344
2027……….	400,000	767,250	1,167,250
2028……….	425,000	736,250	1,161,250
2029……….	450,000	702,343	1,152,343
2030……….	500,000	666,500	1,166,500
2031……….	525,000	627,750	1,152,750
2032……….	575,000	586,094	1,161,094
2033……….	625,000	540,562	1,165,562
2034……….	675,000	491,156	1,166,156
2035……….	725,000	437,875	1,162,875
2036……….	775,000	380,719	1,155,719
2037……….	825,000	319,688	1,144,688
2038……….	900,000	253,813	1,153,813
2039……….	975,000	183,094	1,158,094
2040……….	1,075,000	105,593	1,180,593
2041……….	550,000	21,312	571,312
Totals……..	$ 12,550,000	$ 16,725,468	$ 29,275,468

The Authority is subject to a dual level general debt limit – the normal debt limit and the double debt limit. Such items are equal to 5% and 10%, respectively of the valuation of taxable property in the Authority as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth. Additionally, there are many categories of general obligation debt that are exempt from the debt limit but are subject to other limitations.

Changes in Long-term Liabilities

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

Governmental Activities:	Beginning Balance 2014	Additions	Reductions	Ending Balance 2015	Due Within One Year
Compensated absences…………………	$ 37,822	$ 11,733	$ (32,076)	$ 17,479	$ 3,000
Other postemployment benefits…………	265,629	35,358	(6,376)	294,611	-
Bonds payable……………………………	12,550,000	-	-	12,550,000	50,000
Net pension liability………………………	611,596	-	(5,774)	605,822	-
Total governmental activities……………	$ 13,465,047	$ 47,091	$ (44,226)	$ 13,467,912	$ 53,000

Business-Type Activities:	Beginning Balance 2014	Additions	Reductions	Ending Balance 2015	Due Within One Year
Other postemployment benefits…………	$ 23,098	$ 3,075	$ -	$ 26,173	$ -
Net pension liability………………………	3,614	-	(34)	3,580	-
Total business-type activities……………	$ 26,712	$ 3,075	$ (34)	$ 29,753	$ -

NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Authority adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as part of the year 2014 reporting. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Authority's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

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.

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 Authority from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the Authority to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

In accordance with Statement No. 54, the stabilization funds have been reported in the General Fund. At year end the balance of the General Stabilization Fund and the Other Postemployment Fund are $1,671 and $292,843, respectively, and are reported as unassigned fund balance within the General Fund.

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

	Governmental Funds			
	General Fund	Infrastructure Acquisition Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Restricted for:				
Infrastructure acquisition fund………………	$ -	$ 449,180	$ -	$ 449,180
Definitive subdivision……………………….	-	-	49,611	49,611
Sale of town owned property……………….	-	-	24,768	24,768
Conservation filing………………………….	-	-	27,208	27,208
Gift account………………………………….	-	-	1,182	1,182
Development plan…………………………….	-	-	23,025	23,025
Insurance reimbursement…………………….	-	-	2,586	2,586
Assigned for carryover encumbrances to:				
Chief executive officer……………………….	423	-	-	423
Finance…………………………………...…….	600	-	-	600
Planning board……………………………….	5,400	-	-	5,400
Maintenance of buildings…………………….	75	-	-	75
Department of public works………………….	963	-	-	963
Unassigned………………………………………..	2,321,674	-	-	2,321,674
Total Fund Balances……………………………….	$ 2,329,135	$ 449,180	$ 128,380	$ 2,906,695

NOTE 11 – PENSION PLAN

Plan Description

The Authority is a member of the Plymouth Country Contributory Retirement System (“PCCRS or System”), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 59 members units. The PCCRS is administered by five board members (Board) on behalf of all current employees and retirees except for current teacher and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan.

Benefits Provided

The System provides 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 System provides for retirement allowance benefits up to a maximum of 80% of a member’s highest three-year average annual rate of regular compensation. For 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.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System 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 PCCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Authority's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2014, was $98,932, 27.19% 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.

Pension Liabilities

At June 30, 2015, the Authority reported a liability of $609,402 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, 2015. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2014, the Authority's proportion was 0.105%, which did not change from its proportion measured at December 31, 2013.

Pension Expense

For the year ended June 30, 2015, the Authority recognized pension expense of $63,022. At June 30, 2015, the Authority reported deferred outflows of resources related to pensions of $28,180, from the net difference between projected and actual investments earnings on pension plan investments. Since the System performs an actuarial valuation biennially, there are no reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

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

Year ended June 30:		
2016	$	7,045
2017		7,045
2018		7,045
2019		7,045
Total	$	28,180

Actuarial Assumptions

The total pension liability in the January 1, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2015
Actuarial cost method	Individual Entry Age Normal Cost Method.
Amortization method	Level percent, open group
Remaining amortization period	17 years
Asset valuation method	Actuarially valued using a five-year smoothing method of gains and losses.
Rate of investment return	8.00%
Inflation rate	3.75%
Value of investments	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC).
Projected salary increases	3.75% per year
Cost of living adjustments	3.0% of the lessor of the pension amount and $13,000 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 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality rates	Pre-retirement and post retirement mortality are represented by the RP-2000 Mortality Table for males and females adjusted to 2015 with Scale AA. Disabled members is represented by the RP-2000 Mortality Table set forward two years for all disabled members.
Family composition	Assumption that 80% of members will be survived by a spouse, females are three years younger than males and males are three years older than females.

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board and pursuant to Massachusetts General Laws and Public Employee Retirement Administration guidelines. 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 investment objective is to fully fund the Plan by generating sufficient long-term inflation adjusted capital appreciation while providing sufficient liquidity to meet short-term withdrawal requirements. The Board desires to balance the goal of higher long-term returns with the goal of minimizing contribution volatility, recognizing these are often competing goals. This requires taking both assets and liabilities into account when setting investment strategy.

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 expenses 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 estimate of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2015 are summarized in the following table:

Asset Class	Portfolio Target Weight	Long-Term Expected Rate of Return
Domestic equity…………………………	33.00%	10.20%
Foreign equity………………………….	16.00%	11.00%
Total fixed income………………………	25.50%	7.90%
Real estate/ real assets…………………	13.00%	9.30%
Private equity……………………………	7.50%	14.60%
Hedge funds…………………………….	4.00%	8.70%
Cash…………………………………….	1.00%	4.00%

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 expenses, was 4.7%. 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 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 Authority's proportionate share of the net pension liability..................	$ 763,615	$ 609,402	$ 477,154

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Authority administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Authority's group health insurance plan, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. The Retiree Health Plan does not issue a publicly available financial report.

At June 30, 2015, the Plan's membership consisted of 3 current active members and 2 separated members entitled to receive future benefits; one of which who began receiving benefits during the year.

Funding Policy – Contribution requirements are negotiated between the Authority and plan members. The required contribution is based on a pay-as-you-go financing requirement. The Authority contributes 75 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 25 percent of their premium costs.

Annual OPEB Cost and Net OPEB Obligation – The Authority's annual other OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC). The Authority has elected to calculate the ARC and related information using the alternative measurement method as permitted by GASB Statement #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Authority's net OPEB obligation are summarized in the following table:

Annual required contribution...	$ 40,891
Interest on net OPEB obligation..	11,549
Adjustment to annual required contribution............................	(14,007)
Annual OPEB cost (expense)..	38,433
Contributions made..	(6,376)
Increase in net OPEB obligation...	32,057
Net OPEB obligation--beginning of year................................	288,727
Net OPEB obligation--end of year..	$ 320,784

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and 2014 was as follows:

Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
6/30/2015	$	38,433	17%	$	320,784
6/30/2014	$	37,562	0%	$	288,727

Actuarial 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 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.

NOTE 13 – RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; injuries to employees and natural disasters. The Authority carries various types of commercial insurance to address these exposures.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

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 the 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.

As described in Note 3, the SRA is contingently liable for any deficiency between the New State Tax Revenue generated by the East/West Parkway project and the total amount of debt service costs for the bond issued to fund the project. In accordance with the Memorandum of Agreement the Authority executed with the Commonwealth of Massachusetts ("Commonwealth"), acting by and through its Executive Office for Administration and Finance, the Authority is required to pay the Commonwealth the deficiency. The due date for the deficiency payment has been deferred until at least the beginning of fiscal year 2019 and may be extended further by the Commonwealth. The Commonwealth certified a deficiency in the amount of $1,375,000 through the period ending June 30, 2013 which has been recorded as a liability in these financial statements. No additional amounts will be certified by the Commonwealth until sometime after fiscal year 2019 and no additional liabilities have been or need to be accrued as liabilities as of June 30, 2015.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2016, which is the date of the financial statements were available to be issued.

NOTE 16 – REVISION OF NET POSITION

The beginning net position of governmental activities and business-type activities has been revised to reflect the implementation of GASB Statement #68. To reflect this change, the Authority has recorded a net pension liability, which has resulted in the June 30, 2014 balance of the governmental activities and business-type activities to be revised by $613,506 and $3,625, respectively. Previous reported governmental activities net position of $37,792,171 has been revised to $37,178,665. Previously reported business-type activities net position of $350,691 has been revised to $347,066.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During year 2015, the following GASB pronouncements were implemented:

- GASB issued Statement #67, *Financial Reporting for Pension Plans;* GASB Statement #68, *Accounting and Financial Reporting for Pension;* and 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 beginning net position to be revised 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 future years:

- 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 Statement 67 and 68.* The provisions of this Statement are effective for 2016 – except those provision 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 pronouncements 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 Authority. It is used to account for the entire Authority's financial resources, except those required to be accounted for in another fund.

Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis

General Fund

Year Ended June 30, 2015

	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance with Final Budget
REVENUES					
Real estate and personal property taxes	$ 822,459	$ 2,525,330	$ 2,513,307	$ -	$ (12,023)
Tax liens	-	1,000	1,500	-	500
Intergovernmental	-	51,667	51,667	-	-
Entitlement fees	43,961	-	447,200	-	447,200
Licenses, permits, and fees	75,750	16,000	16,465	-	465
Special assessments	-	450,000	450,000	-	-
Other revenue	2,500	295,851	56,493	-	(239,358)
Investment income	3,750	15,000	23,168	-	8,168
Total Revenues	948,420	3,354,848	3,559,800	-	204,952
EXPENDITURES					
Board of Directors:					
Salaries	10,000	50,725	50,605	-	120
Expenses	41,000	59,000	46,205	-	12,795
Chief Executive Officer:					
Salaries	64,700	95,257	94,980	-	277
Expenses	59,372	67,400	59,231	423	7,746
Insurance	55,000	55,000	50,019	-	4,981
Reserve fund	17,500	24,008	-	-	24,008
Finance:					
Salaries	85,000	169,705	153,205	-	16,500
Expenses	49,038	111,533	97,477	600	13,456
Solicitor	41,293	410,000	393,320	-	16,680
Information systems expenses	4,662	13,725	9,896	-	3,829
Planning Board:					
Salaries	25,000	82,405	82,404	-	1
Expenses	25,790	150,000	50,628	5,400	93,972
Pension, benefits, and insurance	363,830	400,790	388,285	-	12,505
Maintenance of buildings	34,306	32,100	21,847	75	10,178
Education	125,000	366,000	366,000	-	-
Police and fire services	295,000	575,000	365,016	-	209,984
Building inspections:					
Salaries	15,000	10,000	4,350	-	5,650
Expenses	5,000	-	-	-	-
Department of Public Works:					
Salaries	25,000	30,874	30,874	-	-
Expenses	23,399	299,242	277,016	963	21,263
Fuel	250	700	700	-	-
Health services	250	-	-	-	-
Veterans	1,386	-	-	-	-
Capital outlay	15,005	16,280	-	-	16,280
Debt service interest	500,000	980,000	978,981	-	1,019
Total Expenditures	1,881,780	3,999,744	3,521,039	7,461	471,244
Excess (Deficiency) of Revenues over/(under) Expenditures	(933,360)	(644,896)	38,761	(7,461)	676,196
Other Financing Sources (uses):					
Transfers In	-	497,999	497,999	-	-
Transfers out	(12,504)	(389,071)	(451,633)	-	62,562
Total Other Financing Sources	(12,504)	108,928	46,366	-	62,562
Net Change in Fund Balance	(945,864)	(535,968)	85,127	(7,461)	738,758
Fund Balances at the Beginning of the Year	1,957,828	1,957,828	1,957,828	-	-
Fund Balances at the End of the Year	$ 1,011,964	$ 1,421,860	$ 2,042,955	$ (7,461)	$ 738,758

See notes to required supplementary information.

Pension Plan Schedules

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

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

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

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM

		December 31, 2014
Authority's proportion of the net pension liability (asset)……………….		0.105%
Authority's proportionate share of the net pension liability (asset)……	$	609,402
Authority's covered employee payroll……………………………………	$	363,867
Net pension liability as a percentage of covered-employee payroll…………………………………………………………………….		167.48%
Plan fiduciary net position as a percentage of the total pension liability…………………………………………………….		58.88%

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

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM

		December 31, 2014
Actuarially determined contribution…………………….	$	98,932
Contributions in relation to the actuarially determined contribution………………………………		98,932
Contribution deficiency (excess)…………………	$	-
Covered-employee payroll…………………………….	$	363,867
Contributions as a percentage of covered-employee payroll…………………………………….		27.19%

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

See notes to required supplementary information.

Other Postemployment Benefits
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 presents multiyear trend information for required and actual contributions relating to the plan.

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

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)
4/30/2014	$ -	$ 352,769	$ 352,769	0%	$ 447,751	78.8%

Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2015	$ 40,891	$ 6,376	16%
2014	38,892	-	0%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

YEAR ENDED JUNE 30, 2015

Actuarial Methods:

Valuation date…………………………………………	April 30, 2014
Actuarial cost method…………………………………	Entry age actuarial cost method
Amortization method…………………………………	30 year level funding
Remaining amortization period………………………	30 years as of June 30, 2014

Actuarial Assumptions:

Investment rate of return……………………………	4.00%, pay-as-you-go scenario
Medical/drug cost trend rate………………………	2%, graded to 5% after year 4

Plan Membership:

Current active members……………………………	5

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Authority must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2 1/2 and also constitute that amount which will equal the sum of (a) the aggregate of all annual appropriations for expenditures and transfers; plus (b) provision for the prior year's deficits, if any, less (c) the aggregate of all non-property tax revenue and transfers projected to be received by the Authority, including available surplus funds.

The budgets for all departments and operations of the Authority are prepared under the direction of the Board of Directors. Original and supplemental appropriations are acted upon by vote of the Board of Directors. All general fund and enterprise fund functions are budgeted; the Authority does not have legally adopted annual budgets for its special revenue funds. Budgets for various special revenue funds are utilized to account for specific grant programs and are established in accordance with the requirements of the Commonwealth or other grantor agencies.

B. Budgetary - GAAP Reconciliation

Budgets are prepared on a basis other than accounting principles generally accepted in the United States of America (GAAP). The "actual" results column of the Statements of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis, are presented on a "budget basis" to provide a meaningful comparison with the budget. A reconciliation of the 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…………………….	$	85,127
Perspective difference:		
Activity of the general stabilization fund recorded in the general fund for GAAP……………………………………….		(322,482)
Activity of the OPEB stabilization fund recorded in the general fund for GAAP……………………….		2,189
Basis of accounting differences:		
Net change in recording accrued revenue……………………….		21,835
Net change in recording accrued expenses…………………….		15,177
Net change in fund balance - GAAP basis………………………..	$	(198,154)

NOTE B – PENSION PLAN

Pension Plan Schedules

A. Schedule of the Authority's Proportionate Share of the Net Pension Liability

The Schedule of the Authority'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 Authority's Contributions

Governmental employees 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 Authority may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contribution may be less than the "total appropriation". The pension fund appropriation is allocated to the Authority based on covered payroll.

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

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

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Authority administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the health insurance plan, which covers both active and retired members.

The Authority currently finances its other postemployment benefits on a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarial accrued liability) is 0%. In accordance with Governmental Accounting Standards, the Authority 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 multiyear trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

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 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.

The Schedule of Employer Contributions presents multiyear trend information for required and actual contributions relating to the plan.

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

Report on Internal Control over Financial Reporting and on Compliance

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Board of Directors
Southfield Redevelopment Authority
South Weymouth, Massachusetts

We have audited 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Southfield Redevelopment Authority, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Southfield Redevelopment Authority's basic financial statements, and have issued our report thereon dated March 8, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Southfield Redevelopment Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Southfield Redevelopment Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Southfield Redevelopment Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southfield Redevelopment Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Powers + Sullivan, LLC

March 8, 2016