



# **THE TOWN OF MARSHFIELD, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
JULY 1, 2011 – JUNE 30, 2012**



**On the cover:**

*The 1.65 acre park on Ocean Street was created to improve the local aesthetics as well as some of the environmental issues along the South River. The project was designed to enhance the long term vision of the Town's Open Space committee, which is to create a walkway along the South River from Veterans Park to Dandelion Park.*



*Every resident of Marshfield who left from Marshfield to serve their country for any war or conflict has their name engraved on the Town's Honor Roll at South River Park.*

*Photos: Photos in this report are the courtesy of Elizabeth Bates, Town Assessor/Appraiser*

# **TOWN OF MARSHFIELD, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2012**



**Prepared by:**

**The Fiscal Team  
Town of Marshfield, Massachusetts**





*The Town of Marshfield has purchased property with the Community Preservation Act funding. This beautiful property preserves the aesthetics in perpetuity and provides all resident with an opportunity to walk or hike through some of the nicest wooded areas and see some of the greatest vistas on the South Shore.*

TOWN OF MARSHFIELD, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2012

**TABLE OF CONTENTS**

<b>Introductory Section.....</b>	<b>1</b>
Letter of Transmittal .....	2
Organizational Chart .....	7
Certificate of Achievement for Excellence in Financial Reporting .....	8
Principal Town Officials.....	9
<b>Financial Section .....</b>	<b>11</b>
Independent Auditors' Report .....	13
<i>Management's Discussion and Analysis</i> .....	15
<i>Basic Financial Statements</i> .....	24
Statement of Net Assets.....	25
Statement of Activities .....	26
Governmental Funds – Balance Sheet .....	28
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Assets.....	29
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	31
Proprietary Funds – Statement of Net Assets.....	32
Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Assets .....	33
Proprietary Funds – Statement of Cash Flows .....	34
Fiduciary Funds – Statement of Fiduciary Net Assets .....	35
Fiduciary Funds – Statement of Changes in Fiduciary Net Assets.....	36
Notes to Basic Financial Statements .....	37
<i>Required Supplementary Information</i> .....	64
General Fund Budgetary Comparison Schedule .....	65
General Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	66
Other Postemployment Benefit Plan Schedules .....	69
Other Postemployment Benefit Plan Schedule of Funding Progress and Employer Contributions .....	70
Other Postemployment Benefit Plan Actuarial Methods and Assumptions.....	71
Retirement System Schedules of Funding Progress and Employer Contributions.....	72

Schedule of Funding Progress .....	73
Schedule of Employer Contributions .....	74
Notes to Required Supplementary Information .....	75
Combining Statements.....	78
Nonmajor Governmental Funds.....	79
Nonmajor Governmental Funds – Combining Balance Sheet .....	80
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	82
Agency Fund.....	84
Agency Fund – Statement of Changes in Assets and Liabilities.....	85
<b>Statistical Section.....</b>	<b>87</b>
Net Assets By Component.....	88
Changes in Net Assets .....	89
Fund Balances, Governmental Funds .....	90
Changes in Fund Balances, Governmental Funds .....	91
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates.....	92
Principal Taxpayers .....	93
Property Tax Levies and Collections .....	94
Ratios of Outstanding Debt and General Bonded Debt.....	95
Direct and Overlapping Governmental Activities Debt.....	96
Computation of Legal Debt Margin .....	97
Demographic and Economic Statistics .....	98
Principal Employers .....	99
Full-Time Equivalent Town Employees by Function.....	100
Operating Indicators by Function/Program .....	101
Capital Asset Statistics by Function/Program.....	102



# *Introductory Section*



*Marshfield is known as a family friendly community with some of the best beach locations on the South Eastern coast of Massachusetts. Blue Fish Cove's natural beauty is an attraction not only to residents but to anyone visiting Marshfield.*

# ***Introductory Section***





Nancy Holt  
Treasurer / Collector

## *Town of Marshfield*

Treasurer / Collector

870 Moraine Street

Marshfield, Massachusetts, 02050-3498

Tel: 781-834-5545

Fax: 781-834-6289

### **Letter of Transmittal**

December 7, 2012

To the Honorable Board of Selectmen and the Citizens of the Town of Marshfield:

State law requires the Town of Marshfield to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Marshfield, Massachusetts, for the fiscal year ending June 30, 2012 for your review.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. As management, we assert that this financial report is complete and reliable in all material respects.

The CAFR is designed to be used by the elected and appointed officials of Marshfield in addition to those entities concerned with the Town's management and development including credit rating agencies, bond analysts, investors and financial institutions. The format of the report enables the Town to present complex financial data in a manner that is easier for citizens and taxpayers of the Town of Marshfield to review and understand.

The Town of Marshfield's financial statements have been audited by Powers & Sullivan, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Marshfield for the fiscal year ended June 30, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town of Marshfield's financial statements for the fiscal year ended June 30, 2012 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town of Marshfield's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Town**

The Town of Marshfield was incorporated in 1640 and occupies a land area of approximately 28.35 square miles. It is governed by an open town meeting form of government and is located in southeastern Massachusetts in Plymouth County. The Town of Marshfield is bordered by the Atlantic Ocean on the east, Duxbury on the south and southeast, Pembroke and Norwell on the west, and Scituate on the north. Marshfield is a coastal town located in east central Plymouth County approximately 32 miles south of Boston, 18 miles east of Brockton, 48 miles northeast of Providence, RI, and 225 miles north of New York City. State routes 3, 3A and 139 are the principal highways and roads serving the Town. Chartered flights throughout New England are available at the Marshfield municipal airport. The commuter rail is also in close proximity to Marshfield, giving residents ready access into the City of Boston and other adjacent communities.

Local legislative decisions are made by an open town meeting consisting of all of the registered voters in the Town. Subject to the legislative decisions made by the town meeting, the affairs of the Town are generally administered by the three member Board of Selectmen. According to the U.S. Department of Commerce, Bureau of Census conducted in 2010, the Town's population was 25,184.

Local school affairs are administered by the five member School Committee. Local taxes are assessed by a three member Board of Assessors; all elected for staggered three-year terms on an at large basis. A three member Board of Public Works, similarly elected, oversees the Town's principally self-supporting Sewer, Water, and Solid Waste enterprise funds in addition to the Highway and Cemetery Departments and other general fund functions of the Department of Public Works.

The Town of Marshfield provides general governmental services for the territory within its boundaries, including police and fire protection, public education in grades kindergarten through twelve, water and sewer services, solid waste disposal, a library, streets, parks and recreation.

The Town of Marshfield's commitment to open space, historical preservation and community housing is evidenced by its acceptance of the Community Preservation Act effective for fiscal year 2002 at the maximum 3% surcharge. These funds have been authorized by town meeting for the purchase of over 200 acres of open space preserving and protecting aquifers, habitats, woodlands, marshland and meadows.

## **Factors Affecting Economic Condition**

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

The Town established a planned mixed use district adjacent to an existing industrial park which has led to the establishment of a small subdivision of single family homes with over 55 age restricted units and a supermarket.

A 149 unit assisted living facility opened in the spring of 2010 in addition to the first of five proposed buildings in an adjacent pedestrian friendly shopping area. This zoning change dovetails with the work done by the Downtown Revitalization Committee to improve the aesthetic appeal, access and business opportunities in the downtown area. These endeavors not only strengthen the commercial tax base but also contain commercial development in specific areas to keep the residential nature of the Town intact.

Three restaurants are the Town's newest editions to be added to the economic development noted in our mixed use development area. A brand new Haddad's Ocean Café, a Brant Rock institution opened its doors and added a 150 seat function room. Mamma Mia's did a substantial renovation in an older restaurant in the Green Harbor area and the Cask 'n Flagon, noted by ESPN as one of America's best sports bars opened its doors on Rte. 139 this year.

State Route 139, which is one of the main feeder roads to Marshfield, is currently under construction as part of a widening project funded with nearly \$7,000,000 of state and federal funds. The widening project will improve traffic safety and provide additional turning lanes and signals. Construction is expected to be completed in the spring of 2014. The widening project will stimulate economic development along Route 139 and around the industrial park area. About 200 new jobs are being projected as a result of the Rte. 139 Widening Project in the industrial park area.

The Town continues to manage its financial affairs in a prudent manner. Standard & Poor's confirmed the Town's bond rating to AA with a stable outlook which is reflective of management's incorporation of long range planning tools such as a five year Capital Improvement Program; maintenance of reserve balances despite tight budgets; investing in technology to ensure efficient operations; and maintaining an aggressive debt management strategy for capital improvements and pursuing pay-as-you-go options whenever possible. The Town consistently seeks grant opportunities for operational services as well as capital improvements.

The Town has also enhanced its revenue flexibility by establishing enterprise funds. This has allowed the Town to shift one hundred percent (except for certain amounts of sewer debt where the general fund is responsible for its 40% share) of the operating cost and capital improvements to the users of sewer, water and solid waste services so that no tax support goes towards providing these services. All related debt, except as discussed above, is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

## **Major Initiatives**

The Town of Marshfield voters in a Special Town Meeting November 2011 approved an authorization of \$101,438,839 dollars to build a new Marshfield High School. The project is currently under construction and expected to open in the fall of 2014. The Massachusetts School Building Authority will reimburse the town 55.61% of the eligible projects costs.

The Town obtained a \$5 million dollar allocation of qualified energy conservation bonds from the County of Plymouth and the Commonwealth of Massachusetts' Department of Energy Resources. The bonding provided a net interest rate of 0%. The funds were used to complete energy conservation projects in multiple facilities including 10 new boilers, window replacements at two schools, HVAC upgrades at eight town and school buildings, building envelope improvements and other energy efficiency projects.

South River Park construction was completed along Rte. 139. This 1.6 acre development completed new aesthetic and environmental improvements along the South River. This park also becomes a gateway to downtown Marshfield. South River Park was built with Community Preservation Funds and a federal grant, totaling \$1.5 million dollars. A focal point of this project is a Veterans Honor Roll recognizing all servicemen joining military service from the Town. Ultimately, the vision of the Town's Open Space Committee is to create a

river walk from Veterans Park, the most western point, to Dandelion Park in the east, to improve the environmental qualities of the South River and to enhance all economic development in the same area.

## **Reserves**

Management has adopted reserve policies to address key areas of concern including: Operational Budget Reserve Fund, Stabilization Fund, Property and Liability Insurance reserve, Workers Compensation for Police/Fire Reserve, Postemployment Liability Trust Fund and Town Compensated Absence Reserve.

The Town is rebuilding its Stabilization Fund after having used the fund to support the general fund budget in fiscal years 2003 through 2008. Over the last four fiscal years, the Town has increased the balance in the fund by \$1,674,756. The target for the Stabilization Fund is 5-7% of General Fund Revenue to be achieved by fiscal year 2015. Management is also phasing out the use of one time revenues to fund the operational budget from \$6.7M in FY2004 to \$590,000 in FY2012.

The Property & Liability Reserve will allow the Town to increase deductibles for general liability losses to decrease premium costs in future years. The Town Compensated Absence Reserve insulates the Town from the budgetary impact of unexpected retirements or separations from service of senior employees with those benefits.

## **Internal Controls**

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Town Administrator and the Fiscal Team are responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements. Because the cost of internal controls should not outweigh their benefits, the Town of Marshfield's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement.

## **Budgetary Controls**

The Town Administrator presents a budget to the Board of Selectmen which is then reviewed and with amendments presented to the Advisory Board. The nine member Advisory Board holds public hearings to review all departmental budgets and makes recommendations on the budget to town meeting in April.

The level of budgetary control is established by town meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Advisory Board may approve during the year a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

The school budget is limited to the total amount appropriated by town meeting, but the School Committee retains full power to allocate the funds appropriated.

## **Financial Management**

The Town adopted a policy in fiscal year 2011 to codify the allocation of indirect costs between the three Enterprise funds and the General Fund. A written agreement developed by the Fiscal team, has been approved by the Board of Selectmen and the School Committee to codify the allocation of revenues and fixed costs



between the school and town departments based on existing verbal agreements. A free cash management agreement was adopted April 2012 and debt management policy was adopted May 2102. Finally, additional reserves for uncompensated balances and capital projects are being considered for adoption in FY 2013.

### **Awards and Acknowledgements**

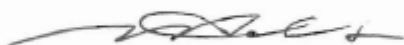
The Government Finance Officers Association (GFOA) has again awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2011. This was the fourth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, the Town had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of our Town Departments. We would like to also express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Board of Selectmen and the Advisory Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

Respectfully submitted,



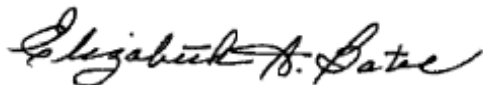
Rocco J. Longo  
Town Administrator



Nancy Holt  
Treasurer/Collector



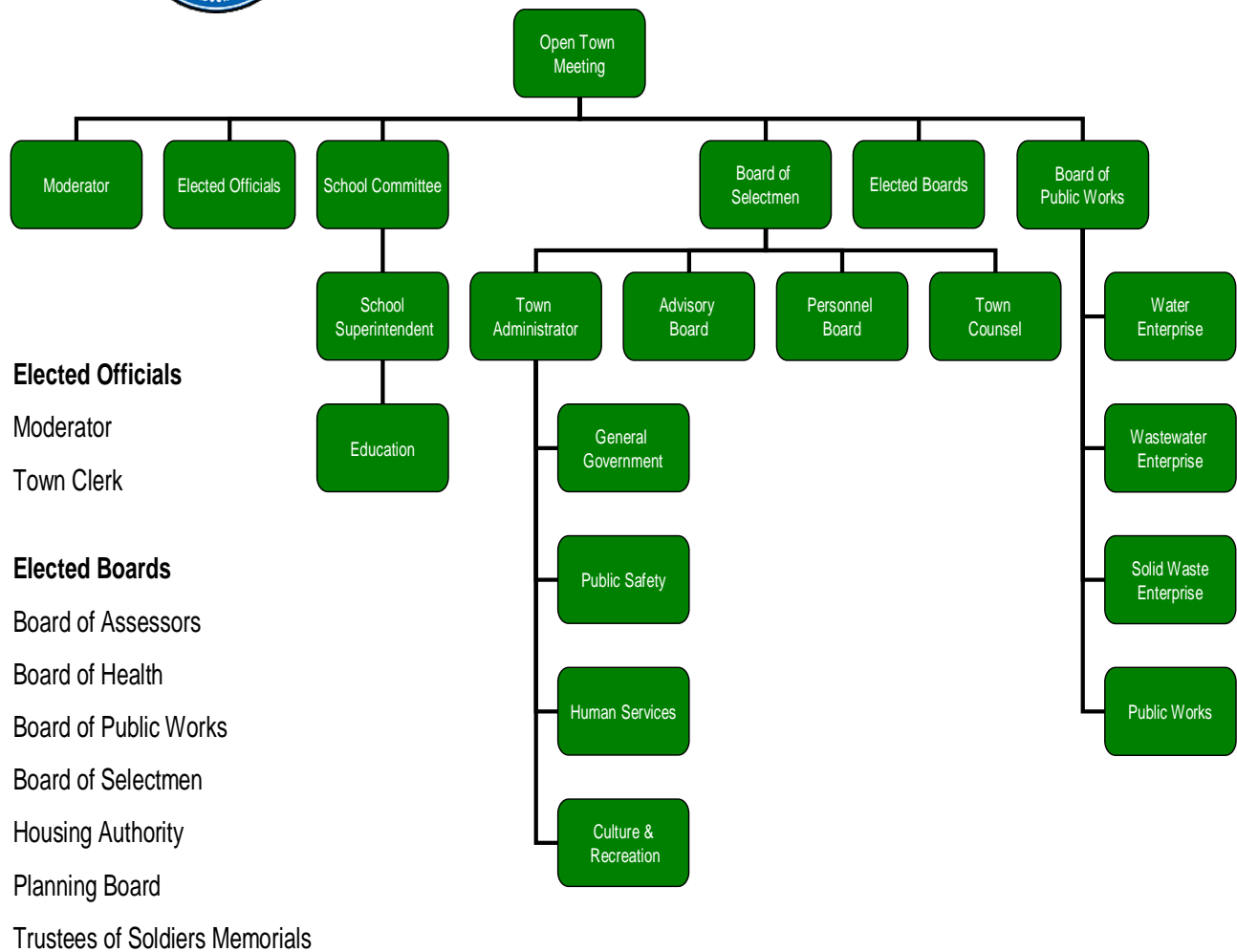
Barbara Costa  
Town Accountant



Elizabeth Bates  
Assessor/Appraiser



# Town of Marshfield



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Marshfield  
Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Danison*

President

*Jeffrey R. Emen*

Executive Director

## Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Matthew J. McDonough, Chairperson	2013
	Stephen G. Robbins, Vice Chairperson	2014
	John E. Hall, Clerk	2015
Moderator Town Clerk	James J. Fitzgerald	2015
	Patricia A. Picco	2015
School Committee	Kate Tracey, Chairperson	2013
	Nancy Currie, Vice Chairperson	2013
	Dennis M. Scollins, Secretary	2015
	Carol Shrand	2014
	Marti Morrison	2015

### Appointed Officials

Town Administrator	Rocco J. Longo
Superintendent of Public Schools	Scott Borstel
Treasurer/Collector	Nancy Holt
Town Accountant	Barbara A. Costa
Assessor/Appraiser	Elizabeth A. Bates
Fire Chief	Kevin C. Robinson
Police Chief	Phil Tavares
DPW Superintendent	Thomas J. Reynolds



This page intentionally left blank.

# *Financial Section*



*This sign was provided by the Town and is an expression of thanks to the Community as well as recognition of the benefits for the Community Preservation Act funds used to acquire such magnificent properties.*

## ***Financial Section***

This page intentionally left blank.





100 Quannapowitt Parkway  
Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

[www.powersandsullivan.com](http://www.powersandsullivan.com)

## Independent Auditors' Report

To the Honorable Board of Selectmen  
Town of Marshfield, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of and for the fiscal year ended June 30, 2012 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Marshfield, Massachusetts' management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 for the Town of Marshfield, Massachusetts, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2012, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and 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 compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Marshfield's financial statements as a whole. The combining statements, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

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 financials 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 introductory section and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the 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.

*Powers + Juliani, LLC*

December 7, 2012

## ***Management's Discussion and Analysis***

## ***Management's Discussion and Analysis***

As management of the Town of Marshfield, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Marshfield for the fiscal year ended June 30, 2012. This is the tenth year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town's financial statements have significant departures from GAAP the independent auditors may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates. The Town has enjoyed an unqualified opinion on its financial statements for many years.

### **Overview of the Financial Statements**

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

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

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

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

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



**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

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

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

*Enterprise funds* are used to report the same functions as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its sewer, water, and solid waste 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 sewer, water, and solid waste activities, all of which are considered major funds of the Town.

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

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Marshfield, assets exceeded liabilities by \$144.7 million at the close of the fiscal year 2012.

Government-wide net assets of \$138.1 million (95%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Marshfield's net assets, \$6 million (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$579,000 (1%), may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Marshfield is able to report positive balances in all three categories of net assets, for the government as a whole, however, the unrestricted net assets of the governmental activities shows a negative balance of \$14 million mainly related to the accrual of other postemployment benefit (OPEB) liabilities.

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

**Governmental activities.** The governmental activities net assets increased by approximately \$609,000 during the current fiscal year as compared to a decrease in net assets of \$2.7 million during the prior fiscal year. The main reason for the increase is the additional MSBA revenue received by the Town in fiscal 2012 for the new high school construction as well as strong revenue collections in real estate and personal property taxes. Overall revenue increased \$3.3 million from the prior year, while expenditures remained consistent. The increase was offset by the annual increase in the OPEB liability.

### Governmental Activities Condensed Statement of Net Assets

	FY2012	FY2011
<b>Assets:</b>		
Current assets.....	\$ 24,118,973	\$ 22,970,131
Noncurrent assets (excluding capital).....	7,748,370	8,430,587
Capital assets, not being depreciated.....	29,803,540	26,595,310
Capital assets, net of accumulated depreciation.....	75,248,867	74,532,671
<b>Total assets.....</b>	<b>136,919,750</b>	<b>132,528,699</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	5,156,152	5,457,499
Noncurrent liabilities (excluding debt).....	21,696,180	18,877,940
Current debt.....	3,979,614	5,235,384
Noncurrent debt.....	25,179,483	22,658,097
<b>Total liabilities.....</b>	<b>56,011,429</b>	<b>52,228,920</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	88,902,106	86,773,388
Restricted.....	6,049,582	4,630,832
Unrestricted.....	(14,043,367)	(11,104,441)
<b>Total net assets.....</b>	<b>\$ 80,908,321</b>	<b>\$ 80,299,779</b>

Noncurrent liabilities include an accrued liability for other postemployment benefits in the amount of \$18.8 million at June 30, 2012, an increase of \$3.3 million from the prior year.

### **Governmental Activities Condensed Statement of Activities**

	FY2012	FY2011
<b>Program revenues:</b>		
Charges for services.....	\$ 4,865,167	\$ 4,558,340
Operating grants and contributions.....	30,468,638	28,180,829
Capital grants and contributions.....	1,277,419	2,205,026
<b>General revenues:</b>		
Real estate, personal property taxes, and tax liens.....	49,273,498	47,625,628
Motor vehicle and other excise taxes.....	3,098,572	3,035,952
Community preservation taxes.....	1,055,074	1,019,934
Penalties and interest on taxes.....	347,002	306,690
Nonrestricted grants and contributions.....	1,938,122	2,075,272
Unrestricted investment income.....	91,398	115,259
Miscellaneous.....	147,724	119,825
<b>Total revenues.....</b>	<b>92,562,614</b>	<b>89,242,755</b>
<b>Expenses:</b>		
General government.....	3,973,477	3,913,502
Public safety.....	14,658,407	14,514,764
Education.....	63,704,682	63,483,086
Public works.....	5,087,136	5,948,666
Health and human services.....	1,237,194	1,221,811
Culture and recreation.....	2,017,701	1,926,877
Community preservation.....	398,581	146,273
Interest.....	876,894	787,632
<b>Total expenses.....</b>	<b>91,954,072</b>	<b>91,942,611</b>
<b>Change in net assets.....</b>	<b>\$ 608,542</b>	<b>\$ (2,699,856)</b>

*Other financial notes related to governmental activities:*

- Charges for services represented 5% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 33% of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their General Fund operating budget.
- Capital grants and contributions accounted for 1% of the governmental activities resources. Most of these resources apply to community preservation state revenue, a federal grant for improvements to the South River Park and funding related to the airport runway project.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 53% of current resources.
- Other taxes and other revenues comprised a total of 7% of the governmental activities resources. These primarily include excise taxes, community preservation taxes and nonrestricted grants.

- Education is by far the largest governmental activity of the Town. Approximately \$33.5 million in taxes and other revenue were needed to cover its Fiscal 2012 operating expenses. A pension contribution of approximately \$9.6 million made by the state on-behalf of Marshfield teachers was recorded as an expense and grant revenue.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$12.1 million and \$4.9 million, respectively, of taxes and other revenue were needed to cover their Fiscal 2012 operating expenses.

**Business-type activities.** Business-type activities decreased the Town's net assets by \$1.1 million compared to a decrease of approximately \$549,000 during the previous fiscal year. The main reason for the change relates to overall revenues decreasing by \$664,000 which are mainly attributable to water rates not increasing and lower usage during the fiscal year. The sewer, water and solid waste enterprise funds experienced decreases in fund balance of approximately \$819,000, \$115,000 and \$157,000 when compared to the prior year.

As shown below, business-type activities assets exceeded liabilities by \$63.8 million at the close of fiscal year 2012. Invested in capital assets, net of related debt was \$49.2 million (77%) while unrestricted net assets were \$14.6 million (23%). These results continue to reflect management's goal of maintaining the systems while only charging users for the cost of operations.

***Business-type Condensed Statement of Net Assets***

	FY2012	FY2011
<b>Assets:</b>		
Current assets.....	\$ 15,615,307	\$ 16,152,394
Noncurrent assets (excluding capital).....	3,314,131	3,645,692
Capital assets, not being depreciated.....	6,541,741	5,910,543
Capital assets, net of accumulated depreciation.....	53,088,148	53,321,461
<b>Total assets.....</b>	<b>78,559,327</b>	<b>79,030,090</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	690,182	831,673
Noncurrent liabilities (excluding debt).....	1,488,113	1,354,022
Current debt.....	1,205,555	1,115,510
Noncurrent debt.....	11,351,408	10,813,962
<b>Total liabilities.....</b>	<b>14,735,258</b>	<b>14,115,167</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	49,201,878	48,218,953
Unrestricted.....	14,622,191	16,695,970
<b>Total net assets.....</b>	<b>\$ 63,824,069</b>	<b>\$ 64,914,923</b>

**Business-type Condensed Statement of Activities**

	FY2012	FY2011
<b>Program revenues:</b>		
Charges for services.....	\$ 8,261,381	\$ 8,757,180
Operating grants and contributions.....	116,903	253,462
Capital grants and contributions.....	17,841	21,461
<b>General Revenues:</b>		
Unrestricted investment income.....	76,560	104,755
<b>Total revenues.....</b>	<b>8,472,685</b>	<b>9,136,858</b>
<b>Expenses:</b>		
Sewer.....	3,494,294	3,514,018
Water.....	3,460,273	3,508,484
Solid waste.....	2,608,972	2,663,547
<b>Total expenses.....</b>	<b>9,563,539</b>	<b>9,686,049</b>
<b>Change in net assets.....</b>	<b>\$ (1,090,854)</b>	<b>\$ (549,191)</b>

**Financial Analysis of the Government's Major Funds**

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$14.5 million, an increase of \$2.1 million from the prior year. The increase mainly relates to additional MSBA revenue received in the current year for the construction of the new high school, strong collections in real estate and personal property tax, capital spending for the new high school and the issuance of long term debt, as well as the timing of expenditures in the General Fund, Community Preservation and nonmajor funds.

*General Fund*

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$5.1 million, while the total fund balance was \$5.4 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 6.3% of total general fund expenditures, while the total fund balance represents 6.6% of that same amount.

Fund balance of the General Fund increased by \$367,000 during fiscal year 2012. This is mainly the result of the timing of expenditures.

### *Community Preservation Major Fund*

The Community Preservation fund had a fund balance at June 30, 2012 of \$2.8 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The fund increased \$639,000 during fiscal year 2012 due to increases in federal revenue and decreases in capital spending.

### *Capital Projects Major Fund*

The Capital Projects fund is used to account for financial resources to be used for the acquisition or construction of major governmental capital facilities. During the fiscal year the Town issued \$6.5 million in long term bonds to fund several construction projects. Approximately \$3.5 million related to high school construction, \$2.2 million relates to a qualified energy conservation bond, \$150,000 relates to sea wall construction and the remaining \$559,000 million relates to various other Town projects. Fund balance increased \$971,000 from the prior year as a result of the issuance of long-term debt and from planned spending on these construction projects.

**Proprietary funds.** The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

### **General Fund Budgetary Highlights**

The original general fund budget appropriations were equal to the final budget due to proportional increases and decreases in many of the budgeted line items.

Total general fund revenues were slightly higher than budgeted amounts mainly as a result of motor vehicle and departmental revenues having stronger collections than estimated. Actual expenditures, including carryovers, were less than budgeted amounts by approximately \$199,000 or less than 1%.

### **Capital Asset and Debt Administration**

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming fiscal year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

Governmental capital assets, net of accumulated depreciation, at year end amounted to approximately \$105.1 million which represented a net increase of \$3.9 million from the prior year. Major current additions included land acquisitions, school administration construction in progress, other building and improvement projects, and infrastructure additions all totaling approximately \$9.5 million. Depreciation of \$5.6 million was recorded in fiscal year 2012.

Enterprise capital assets, net of accumulated depreciation, were valued at \$59.6 million at year end. Current year additions totaled approximately \$2.6 million. Depreciation of \$2.2 million was recorded in fiscal year 2012.

The Town's total long-term debt increased by \$3.2 million during the current year. This was due to the net effect of \$11.3 million of proceeds for various governmental and enterprise projects and \$5 million of scheduled principal payments.



Outstanding long-term debt of the general government, as of June 30, 2012, totaled \$29.2 million, of which, \$16.5 million is related to school projects, \$2.7 million is related to the general government's 40 % share of sewer debt, \$4.4 million is related to sea wall and harbor projects, \$1.9 million is related to qualified energy conservation bonds, leaving a balance of \$3.7 million for infrastructure and other Town projects.

On July 2, 2012, the Town issued \$5 million of long-term debt. The proceeds of this debt were used to retire \$1.9 million governmental BANS outstanding at June 30, 2012. The remaining \$3.1 million of proceeds is allocated for governmental expenditures.

On November 1, 2012, the Town issued \$35.6 million of long-term debt. A portion of the proceeds were used to retire \$3,892,000 and \$1,685,000 of governmental and water enterprise BANS outstanding at June 30, 2012.

The enterprise funds have \$12.6 million in sewer and water debt that is fully supported by the rates and do not rely on a general fund subsidy beyond the Town's bylaw that splits the debt service requirements of certain sewer projects on a ratio of 60% from the sewer fund and 40% from the general fund.

Please refer to footnotes 4, 6, and 7 for further discussion of the major capital asset and debt activity.

### ***Requests for Information***

This financial report is designed to provide a general overview of the Town of Marshfield's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Selectmen, Town Hall, 870 Moraine Street, Marshfield, Massachusetts 02050-3498.

## ***Basic Financial Statements***

**STATEMENT OF NET ASSETS**

JUNE 30, 2012

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 17,339,543	\$ 12,293,595	\$ 29,633,138
Investments.....	182,153	-	182,153
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals.....	1,342,122	-	1,342,122
Tax liens.....	1,158,660	-	1,158,660
Motor vehicle and other excise taxes.....	449,344	-	449,344
User charges.....	-	3,019,526	3,019,526
Departmental and other.....	643,049	-	643,049
Special assessments.....	1,039	239,874	240,913
Intergovernmental.....	2,505,536	62,312	2,567,848
Tax foreclosures.....	497,527	-	497,527
Total Current Assets.....	24,118,973	15,615,307	39,734,280
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	2,519,367	2,519,367
Intergovernmental.....	7,748,370	794,764	8,543,134
Capital assets, non depreciable.....	29,803,540	6,541,741	36,345,281
Capital assets, net of accumulated depreciation.....	75,248,867	53,088,148	128,337,015
Total Noncurrent Assets.....	112,800,777	62,944,020	175,744,797
<b>TOTAL ASSETS.....</b>	<b>136,919,750</b>	<b>78,559,327</b>	<b>215,479,077</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,171,745	342,606	1,514,351
Accrued payroll.....	1,901,108	38,974	1,940,082
Tax refunds payable.....	265,408	-	265,408
Accrued interest.....	117,015	130,559	247,574
Advance collections.....	131,876	-	131,876
Landfill closure.....	-	28,200	28,200
Compensated absences.....	1,569,000	149,843	1,718,843
Bonds payable.....	3,979,614	1,205,555	5,185,169
Total Current Liabilities.....	9,135,766	1,895,737	11,031,503
<b>NONCURRENT:</b>			
Landfill closure.....	-	465,300	465,300
Compensated absences.....	2,934,000	53,000	2,987,000
Other postemployment benefits.....	18,762,180	969,813	19,731,993
Bonds payable.....	25,179,483	11,351,408	36,530,891
Total Noncurrent Liabilities.....	46,875,663	12,839,521	59,715,184
<b>TOTAL LIABILITIES.....</b>	<b>56,011,429</b>	<b>14,735,258</b>	<b>70,746,687</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	88,902,106	49,201,878	138,103,984
Restricted for:			
Permanent funds:			
Expendable.....	1,071,013	-	1,071,013
Nonexpendable.....	1,096,182	-	1,096,182
Grants and gifts.....	790,803	-	790,803
Community preservation.....	3,091,584	-	3,091,584
Unrestricted.....	(14,043,367)	14,622,191	578,824
<b>TOTAL NET ASSETS.....</b>	<b>\$ 80,908,321</b>	<b>\$ 63,824,069</b>	<b>\$ 144,732,390</b>

See notes to basic financial statements.

# STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General government.....	\$ 3,973,477	\$ 477,086	\$ 630,528	\$ 542,961	\$ (2,322,902)
Public safety.....	14,658,407	1,860,575	665,251	-	(12,132,581)
Education.....	63,704,682	1,683,818	28,503,591	-	(33,517,273)
Public works.....	5,087,136	162,441	71,811	-	(4,852,884)
Health and human services.....	1,237,194	67,688	33,745	-	(1,135,761)
Culture and recreation.....	2,017,701	613,559	21,158	-	(1,382,984)
Community preservation.....	398,581	-	-	734,458	335,877
Interest.....	876,894	-	542,554	-	(334,340)
Total Governmental Activities.....	91,954,072	4,865,167	30,468,638	1,277,419	(55,342,848)
Business-Type Activities:					
Sewer.....	3,494,294	2,475,768	116,903	17,841	(883,782)
Water.....	3,460,273	3,337,136	-	-	(123,137)
Solid waste.....	2,608,972	2,448,477	-	-	(160,495)
Total Business-Type Activities.....	9,563,539	8,261,381	116,903	17,841	(1,167,414)
Total Primary Government.....	\$ 101,517,611	\$ 13,126,548	\$ 30,585,541	\$ 1,295,260	\$ (56,510,262)

See notes to basic financial statements.

(Continued)

# STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ (55,342,848)	\$ (1,167,414)	\$ (56,510,262)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	48,663,989	-	48,663,989
Tax liens.....	609,509	-	609,509
Motor vehicle and other excise taxes.....	3,098,572	-	3,098,572
Community preservation tax.....	1,055,074	-	1,055,074
Penalties and interest on taxes.....	347,002	-	347,002
Grants and contributions not restricted to specific programs.....	1,938,122	-	1,938,122
Unrestricted investment income.....	91,398	76,560	167,958
Miscellaneous.....	147,724	-	147,724
Total general revenues.....	55,951,390	76,560	56,027,950
Change in net assets.....	608,542	(1,090,854)	(482,312)
<i>Net Assets:</i>			
Beginning of year.....	80,299,779	64,914,923	145,214,702
End of year.....	\$ 80,908,321	\$ 63,824,069	\$ 144,732,390

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2012

	General	Community Preservation Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 7,584,267	\$ 2,775,582	\$ 2,188,148	\$ 4,791,546	\$ 17,339,543
Investments.....	-	-	-	182,153	182,153
Receivables, net of uncollectibles:					
Real estate, personal property and tax deferrals .....	1,342,122	-	-	-	1,342,122
Tax liens.....	1,158,660	-	-	-	1,158,660
Motor vehicle and other excise taxes.....	449,344	-	-	-	449,344
Departmental and other.....	627,189	15,860	-	-	643,049
Special assessments.....	1,039	-	-	-	1,039
Intergovernmental.....	8,430,588	314,268	672,474	836,576	10,253,906
Tax foreclosures.....	497,527	-	-	-	497,527
Due from other funds.....	-	-	-	1,723	1,723
<b>TOTAL ASSETS.....</b>	<b>\$ 20,090,736</b>	<b>\$ 3,105,710</b>	<b>\$ 2,860,622</b>	<b>\$ 5,811,998</b>	<b>\$ 31,869,066</b>
<b>LIABILITIES</b>					
LIABILITIES:					
Warrants payable.....	\$ 372,485	\$ 10,405	\$ 363,977	\$ 424,878	\$ 1,171,745
Accrued payroll.....	1,838,861	-	2,360	59,887	1,901,108
Tax refunds payable.....	265,408	-	-	-	265,408
Deferred revenues and advance collections.....	12,222,588	330,128	672,474	834,853	14,060,043
Due to other funds.....	-	-	-	1,723	1,723
<b>TOTAL LIABILITIES.....</b>	<b>14,699,342</b>	<b>340,533</b>	<b>1,038,811</b>	<b>1,321,341</b>	<b>17,400,027</b>
FUND BALANCES:					
Nonspendable.....	-	-	-	1,096,182	1,096,182
Restricted.....	-	2,765,177	4,565,157	3,465,403	10,795,737
Committed.....	-	-	-	40,587	40,587
Assigned.....	281,950	-	-	-	281,950
Unassigned.....	5,109,444	-	(2,743,346)	(111,515)	2,254,583
<b>TOTAL FUND BALANCES.....</b>	<b>5,391,394</b>	<b>2,765,177</b>	<b>1,821,811</b>	<b>4,490,657</b>	<b>14,469,039</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 20,090,736</b>	<b>\$ 3,105,710</b>	<b>\$ 2,860,622</b>	<b>\$ 5,811,998</b>	<b>\$ 31,869,066</b>

See notes to basic financial statements.



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

JUNE 30, 2012

Total governmental fund balances.....	\$ 14,469,039
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	105,052,407
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	13,928,167
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(117,015)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable.....	(29,159,097)
Other postemployment benefits.....	(18,762,180)
Compensated absences.....	<u>(4,503,000)</u>
Net effect of reporting long-term liabilities.....	<u>(52,424,277)</u>
Net assets of governmental activities.....	<u>\$ 80,908,321</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	General	Community Preservation Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 48,754,662	\$ -	\$ -	\$ -	\$ 48,754,662
Tax liens.....	497,181	-	-	-	497,181
Motor vehicle and other excise taxes.....	3,134,838	-	-	-	3,134,838
Penalties and interest on taxes.....	343,909	3,093	-	-	347,002
Charges for services.....	1,013,818	-	-	34,732	1,048,550
Intergovernmental.....	26,772,738	420,190	1,157,337	5,477,657	33,827,922
Departmental and other.....	966,595	-	-	2,725,236	3,691,831
Community preservation taxes.....	-	1,060,170	-	-	1,060,170
Contributions.....	-	-	-	238,977	238,977
Investment income.....	35,715	6,327	-	49,356	91,398
<b>TOTAL REVENUES.....</b>	<b>81,519,456</b>	<b>1,489,780</b>	<b>1,157,337</b>	<b>8,525,958</b>	<b>92,692,531</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	2,684,493	-	417,058	941,105	4,042,656
Public safety.....	8,678,087	-	501,266	452,261	9,631,614
Education.....	50,470,090	-	4,303,996	4,858,803	59,632,889
Public works.....	1,677,715	-	1,745,264	849,555	4,272,534
Health and human services.....	862,976	-	-	127,124	990,100
Culture and recreation.....	791,043	-	10,397	701,212	1,502,652
Pension benefits.....	3,736,165	-	-	-	3,736,165
Property and liability insurance.....	579,991	-	-	-	579,991
Employee benefits.....	6,386,222	-	-	-	6,386,222
Community preservation.....	-	850,945	-	-	850,945
State and county charges.....	664,596	-	-	-	664,596
Debt service:					
Principal.....	3,900,384	-	-	-	3,900,384
Interest.....	896,491	-	-	-	896,491
<b>TOTAL EXPENDITURES.....</b>	<b>81,328,253</b>	<b>850,945</b>	<b>6,977,981</b>	<b>7,930,060</b>	<b>97,087,239</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>191,203</b>	<b>638,835</b>	<b>(5,820,644)</b>	<b>595,898</b>	<b>(4,394,708)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of long-term debt.....	-	-	6,501,000	-	6,501,000
Transfers in.....	492,879	-	312,195	333,520	1,138,594
Transfers out.....	(317,195)	-	(21,293)	(800,106)	(1,138,594)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>175,684</b>	<b>-</b>	<b>6,791,902</b>	<b>(466,586)</b>	<b>6,501,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>366,887</b>	<b>638,835</b>	<b>971,258</b>	<b>129,312</b>	<b>2,106,292</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>5,024,507</b>	<b>2,126,342</b>	<b>850,553</b>	<b>4,361,345</b>	<b>12,362,747</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 5,391,394</b>	<b>\$ 2,765,177</b>	<b>\$ 1,821,811</b>	<b>\$ 4,490,657</b>	<b>\$ 14,469,039</b>

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**

FISCAL YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds.....	\$ 2,106,292
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital outlay.....	9,518,420
Depreciation expense.....	<u>(5,593,994)</u>
Net effect of reporting capital assets.....	3,924,426
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>	
	(129,917)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>	
Issuance of long-term debt.....	(6,501,000)
Debt service principal payments.....	<u>3,900,384</u>
Net effect of reporting long-term debt.....	(2,600,616)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
Net change in compensated absences accrual.....	443,000
Net change in accrued interest on long-term debt.....	19,597
Net change in other postemployment benefits accrual.....	<u>(3,154,240)</u>
Net effect of recording long-term liabilities.....	<u>(2,691,643)</u>
Change in net assets of governmental activities.....	\$ <u>608,542</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**

JUNE 30, 2012

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 3,717,872	\$ 6,996,365	\$ 1,579,358	\$ 12,293,595
Receivables, net of allowance for uncollectibles:				
User charges.....	1,084,087	1,046,153	889,286	3,019,526
Special assessments.....	239,874	-	-	239,874
Intergovernmental.....	62,312	-	-	62,312
Total current assets.....	5,104,145	8,042,518	2,468,644	15,615,307
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	794,764	-	-	794,764
Special assessments.....	2,519,367	-	-	2,519,367
Capital assets, nondepreciable.....	129,435	6,320,497	91,809	6,541,741
Capital assets, net of accumulated depreciation.....	26,365,864	25,418,965	1,303,319	53,088,148
Total noncurrent assets.....	29,809,430	31,739,462	1,395,128	62,944,020
<b>TOTAL ASSETS.....</b>	<b>34,913,575</b>	<b>39,781,980</b>	<b>3,863,772</b>	<b>78,559,327</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	63,195	98,609	180,802	342,606
Accrued payroll.....	13,562	16,706	8,706	38,974
Accrued interest.....	68,201	62,358	-	130,559
Landfill closure.....	-	-	28,200	28,200
Compensated absences.....	49,843	86,000	14,000	149,843
Bonds payable.....	487,807	717,748	-	1,205,555
Total current liabilities.....	682,608	981,421	231,708	1,895,737
<b>NONCURRENT:</b>				
Compensated absences.....	-	53,000	-	53,000
Landfill closure.....	-	-	465,300	465,300
Other postemployment benefits.....	309,715	468,082	192,016	969,813
Bonds payable.....	3,938,155	7,413,253	-	11,351,408
Total noncurrent liabilities.....	4,247,870	7,934,335	657,316	12,839,521
<b>TOTAL LIABILITIES.....</b>	<b>4,930,478</b>	<b>8,915,756</b>	<b>889,024</b>	<b>14,735,258</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	23,001,671	24,805,079	1,395,128	49,201,878
Unrestricted.....	6,981,426	6,061,145	1,579,620	14,622,191
<b>TOTAL NET ASSETS.....</b>	<b>\$ 29,983,097</b>	<b>\$ 30,866,224</b>	<b>\$ 2,974,748</b>	<b>\$ 63,824,069</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>OPERATING REVENUES:</b>				
Charges for services .....	\$ 2,475,768	\$ 3,337,136	\$ 2,448,477	\$ 8,261,381
<b>OPERATING EXPENSES:</b>				
Salaries, wages, and fringe benefits.....	945,771	1,209,939	544,701	2,700,411
Maintenance and operations.....	1,167,633	1,109,057	2,003,085	4,279,775
Depreciation.....	1,173,936	928,307	61,186	2,163,429
<b>TOTAL OPERATING EXPENSES .....</b>	<b>3,287,340</b>	<b>3,247,303</b>	<b>2,608,972</b>	<b>9,143,615</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(811,572)</b>	<b>89,833</b>	<b>(160,495)</b>	<b>(882,234)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income.....	65,139	8,300	3,121	76,560
Interest expense.....	(206,954)	(212,970)	-	(419,924)
Intergovernmental.....	116,903	-	-	116,903
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(24,912)</b>	<b>(204,670)</b>	<b>3,121</b>	<b>(226,461)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>(836,484)</b>	<b>(114,837)</b>	<b>(157,374)</b>	<b>(1,108,695)</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>17,841</b>	<b>-</b>	<b>-</b>	<b>17,841</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(818,643)</b>	<b>(114,837)</b>	<b>(157,374)</b>	<b>(1,090,854)</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>30,801,740</b>	<b>30,981,061</b>	<b>3,132,122</b>	<b>64,914,923</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 29,983,097</b>	<b>\$ 30,866,224</b>	<b>\$ 2,974,748</b>	<b>\$ 63,824,069</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users.....	\$ 2,522,606	\$ 3,435,367	\$ 2,510,337	\$ 8,468,310
Payments to vendors.....	(1,229,696)	(1,168,175)	(2,001,642)	(4,399,513)
Payments to employees.....	(907,058)	(1,149,908)	(520,152)	(2,577,118)
NET CASH FROM OPERATING ACTIVITIES.....	385,852	1,117,284	(11,457)	1,491,679
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from the issuance of bonds and notes.....	58,000	1,685,000	-	1,743,000
Capital contributions.....	290,190	-	-	290,190
Acquisition and construction of capital assets.....	(609,885)	(1,891,629)	(59,800)	(2,561,314)
Principal payments on bonds and notes.....	(409,440)	(646,724)	-	(1,056,164)
Interest expense.....	(95,620)	(218,438)	-	(314,058)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(766,755)	(1,071,791)	(59,800)	(1,898,346)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income.....	65,139	8,300	3,121	76,560
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(315,764)	53,793	(68,136)	(330,107)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	4,033,636	6,942,572	1,647,494	12,623,702
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 3,717,872	\$ 6,996,365	\$ 1,579,358	\$ 12,293,595
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (811,572)	\$ 89,833	\$ (160,495)	\$ (882,234)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	1,173,936	928,307	61,186	2,163,429
Changes in assets and liabilities:				
User charges.....	46,838	98,231	61,860	206,929
Warrants payable.....	(62,063)	(59,118)	29,643	(91,538)
Accrued payroll.....	(11,466)	(13,581)	(7,287)	(32,334)
Landfill closure.....	-	-	(28,200)	(28,200)
Compensated absences.....	4,336	(10,000)	(1,000)	(6,664)
Other postemployment benefits.....	45,843	83,612	32,836	162,291
Total adjustments.....	1,197,424	1,027,451	149,038	2,373,913
NET CASH FROM OPERATING ACTIVITIES.....	\$ 385,852	\$ 1,117,284	\$ (11,457)	\$ 1,491,679
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Intergovernmental principal and interest subsidies.....	\$ 179,215	\$ -	\$ -	\$ 179,215

See notes to basic financial statements.



**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET ASSETS**

JUNE 30, 2012

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 202,337	\$ 1,386,200
<b>LIABILITIES</b>		
Liabilities due depositors.....	-	1,386,200
<b>NET ASSETS</b>		
Held in trust for other purposes.....	\$ 202,337	\$ -

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

FISCAL YEAR ENDED JUNE 30, 2012

	Private Purpose Trust Funds
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 2,300
Net investment income:	
Interest.....	<u>1,861</u>
TOTAL ADDITIONS.....	<u>4,161</u>
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>7,960</u>
CHANGE IN NET ASSETS.....	(3,799)
NET ASSETS AT BEGINNING OF YEAR.....	<u>206,136</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 202,337</u>

See notes to basic financial statements.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The Town of Marshfield, Massachusetts, was incorporated in 1640, and has a Town Meeting form of government with administrative authority vested in a three member Board of Selectmen and an appointed Town Administrator. The Town's major operations include police and fire protection, parks, library, recreation, public works, education, and general administrative services. In addition, the Town owns and operates a water system, sewer system and a solid waste transfer station.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. It has been determined that the Town has no component units that require inclusion in these basic financial statements.

**B. Government-Wide and Fund Financial Statements*****Government-Wide Financial Statements***

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

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

***Fund Financial Statements***

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

***Major Fund Criteria***

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

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

- If the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

Fiduciary funds are reported by fund type.

### C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

#### *Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and sewer, water and solid waste enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

#### *Fund Financial Statements*

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

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

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

The following major governmental funds are reported:

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

The *Community Preservation fund* is used to account for funds held for uses restricted by law for community preservation purposes. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

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

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

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

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

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

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

The following major proprietary funds are reported:

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

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

The *Solid Waste enterprise fund* is used to account for the Town's solid waste disposal operations of the public works that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

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

The following fiduciary fund types are reported:

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

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency funds consist of off-duty work details, performance bonds, and fees collected on behalf of other governments. Agency funds apply the accrual basis of accounting but do not have a measurement focus.

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

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

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

#### E. Accounts Receivable

##### *Government-Wide and Fund Financial Statements*

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

***Real Estate, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Real estate and personal property taxes are billed on a quarterly basis. The first two quarters (August 1<sup>st</sup> and November 1<sup>st</sup>) are preliminary tax bills based upon the previous year's total annual tax. The second two quarters (February 1<sup>st</sup> and May 1<sup>st</sup>) are actual tax, reflecting the current year assessment and the current tax rate. Taxes due and unpaid are subject to penalties and interest if they are not paid by the respective due date. The Town has an ultimate right to foreclose on property for which taxes have not been paid. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy and are recorded under the modified accrual basis of accounting.

Real estate tax liens are processed after the tax bills are sent and are recorded as receivables in the fiscal year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectible accounts is not reported.

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

***Motor Vehicle and Other Excise Taxes***

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

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

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

***User Charges***

User fees are levied semi-annually based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. Water, Sewer, and Solid Waste liens are processed in December of every year and included as a lien on the property owner's tax bill. Water, Sewer and Solid Waste charges and liens are recorded as receivables in the fiscal year of the levy.

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



***Departmental and Other***

Departmental and other receivables consist primarily of ambulance charges and veterans benefits and are recorded as receivables in the fiscal year accrued. The allowance of uncollectible accounts is estimated based on historical trends and specific account analysis.

***Special Assessments***

Special assessments consist of sewer construction and particular apportioned street and water line betterments. These receivables are considered to be 100% collectible and therefore do not report an allowance for uncollectible accounts.

***Intergovernmental***

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

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

**F. Inventories*****Government-Wide and Fund Financial Statements***

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

**G. Capital Assets*****Government-Wide and Proprietary Fund Financial Statements***

Capital assets, which include land, land improvements, buildings, machinery and equipment, vehicles and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$25,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land and construction-in-progress) are depreciated on a straight-line basis over the estimated useful life of the assets. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Infrastructure.....	20-50
Buildings and improvements.....	20-40
Improvements other than buildings.....	20-30
Machinery and equipment.....	3-20
Vehicles.....	5
Books, software and other.....	5

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

#### *Governmental Fund Financial Statements*

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

#### H. Interfund Receivables and Payables

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

#### *Government-Wide Financial Statements*

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

#### *Fund Financial Statements*

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

#### I. Interfund Transfers

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

#### *Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

J. Deferred Revenue

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

K. Net Assets and Fund Equity*Government-Wide Financial Statements (Net Assets)*

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

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

Net assets have been “restricted for” the following:

“Permanent funds – expendable” represents the amount of realized and unrealized investments earnings of donor restricted trusts. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds – nonexpendable” represent the endowment portion of donor restricted trusts.

“Gifts and Grants” represents restrictions placed on assets from outside parties.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

*Fund Financial Statements (Fund Balances)*

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

The governmental fund balance classifications are as follows:

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

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

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

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

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure 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.

#### L. Long-term debt

##### *Government-Wide and Proprietary Fund Financial Statements*

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

##### *Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

#### M. Investment Income

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

Investment income from Enterprise Funds is retained in their respective funds.

#### N. Compensated Absences

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

##### *Government-Wide and Proprietary Fund Financial Statements*

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

##### *Governmental Fund Financial Statements*

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability, i.e. unused reimbursable leave still outstanding following an employee's resignation or retirement.

#### O. Use of Estimates

##### *Government-Wide and Fund Financial Statements*

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

#### P. Total Column

##### *Government-Wide Financial Statements*

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

##### *Fund Financial Statements*

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

#### Q. Fund Deficits

An individual fund deficit exists at June 30, 2012 within the nonmajor special revenue fund. This deficit will be funded through available funds and grants during fiscal year 2013.

## **NOTE 2 – CASH AND INVESTMENTS**

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

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

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

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Marshfield's deposits may not be returned to it. The Town's policy limits its exposure to custodial credit risk through diversification and prudent selection of investment instruments, choice of depository, and collateralization of balances where practical.

At fiscal year-end, the carrying amount of deposits totaled \$24,401,967 and the bank balance totaled \$27,072,295. Of the bank balance, \$2,188,517 was covered by Federal Depository Insurance, \$24,007,678 was collateralized and \$876,100 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2012, the Town had the following investments:

	<u>Fair Value</u>
<u>Other Investments</u>	
Domestic Equity Securities.....	\$ 182,153
Money Market Mutual Funds.....	41,743
MMDT.....	<u>6,777,965</u>
Total Investments.....	<u>\$ 7,001,861</u>

MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months. The Town's investment in MMDT is unrated.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's investments, \$182,153 in equity securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

The Town does not have an investment policy for custodial credit risk.

Interest Rate Risk

Interest rate risk exists when there is a possibility that changes in interest rates could adversely affect the fair value of the Town's investments. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town restricts investments to only the following: obligations of the U.S. Government and foreign governments and their agencies or instrumentalities, banks (including certificates of deposit, time deposits, and bankers' acceptances located in the U.S.), short-term debt obligations, and overnight and term repurchase agreements and reverse purchase agreements secured by any of the obligations previously listed. The Treasurer may invest in MMDT.

Concentration of Credit Risk

The Town restricts holdings to no more than 10% of the net assets in securities of any one issuer, except investments in securities of the U.S. Government, its agencies or instrumentalities, or in repurchase agreements collateralized fully by such obligations. No more than 25% may be invested in any one industry except there is no limitation on the percentage that may be invested in the financial services industry. With the exception of U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and MMDT, no more than 10% of the Town's investments shall be invested in a single financial institution.

**NOTE 3 – RECEIVABLES**

At June 30, 2012, receivables for the individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate, personal property and tax deferrals .....	\$ 1,346,283	\$ (4,161)	\$ 1,342,122
Tax liens.....	1,158,660	-	1,158,660
Motor vehicle and other excise taxes.....	508,315	(58,971)	449,344
Departmental and other.....	742,765	(99,716)	643,049
Special assessments.....	1,039	-	1,039
Intergovernmental.....	10,253,906	-	10,253,906
Total.....	<u>\$ 14,010,968</u>	<u>\$ (162,848)</u>	<u>\$ 13,848,120</u>

At June 30, 2012, receivables for the sewer, water, and solid waste enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User charges.....	\$ 3,019,526	\$ -	\$ 3,019,526
Special assessments.....	2,759,241	-	2,759,241
Intergovernmental.....	857,076	-	857,076
Total.....	<u>\$ 6,635,843</u>	<u>\$ -</u>	<u>\$ 6,635,843</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivable and other asset type:</u>			
Real estate and personal property taxes.....	\$ 1,058,241	\$ -	\$ 1,058,241
Tax liens.....	1,158,660	-	1,158,660
Motor vehicle and other excise.....	449,344	-	449,344
Departmental and other.....	627,189	15,860	643,049
Special assessments.....	1,039	-	1,039
Intergovernmental.....	8,430,588	1,821,595	10,252,183
Tax foreclosures.....	497,527	-	497,527
Total.....	<u>\$ 12,222,588</u>	<u>\$ 1,837,455</u>	<u>\$ 14,060,043</u>

Included in the deferred revenues above is approximately \$132,000 of advance collections for 2012 real estate taxes.

#### NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

##### Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 25,566,099	\$ 691,830	\$ -	\$ 26,257,929
Construction in progress.....	1,029,211	3,545,611	(1,029,211)	3,545,611
Total capital assets not being depreciated.....	<u>26,595,310</u>	<u>4,237,441</u>	<u>(1,029,211)</u>	<u>29,803,540</u>
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	358,490	-	-	358,490
Buildings and improvements.....	53,868,250	3,402,787	-	57,271,037
Machinery and equipment.....	13,925,548	397,114	-	14,322,662
Vehicles.....	3,389,595	517,947	(155,598)	3,751,944
Books, software and other.....	3,847,959	425,733	-	4,273,692
Infrastructure.....	56,277,202	1,566,609	-	57,843,812
Total capital assets being depreciated.....	<u>131,667,044</u>	<u>6,310,190</u>	<u>(155,598)</u>	<u>137,821,636</u>
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(329,865)	(60,165)	-	(390,030)
Buildings and improvements.....	(21,867,379)	(2,390,998)	-	(24,258,377)
Machinery and equipment.....	(11,220,734)	(840,164)	-	(12,060,898)
Vehicles.....	(2,332,712)	(497,687)	155,598	(2,674,801)
Books, software and other.....	(3,232,875)	(232,063)	-	(3,464,938)
Infrastructure.....	(18,150,808)	(1,572,917)	-	(19,723,725)
Total accumulated depreciation.....	<u>(57,134,373)</u>	<u>(5,593,994)</u>	<u>155,598</u>	<u>(62,572,769)</u>
Total capital assets being depreciated, net.....	<u>74,532,671</u>	<u>716,196</u>	<u>-</u>	<u>75,248,867</u>
Total governmental activities capital assets, net.....	<u>\$ 101,127,981</u>	<u>\$ 4,953,637</u>	<u>\$ (1,029,211)</u>	<u>\$ 105,052,407</u>



**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 5,850,717	\$ 490	\$ -	\$ 5,851,207
Construction in progress.....	59,826	690,534	(59,826)	690,534
Total capital assets not being depreciated.....	5,910,543	691,024	(59,826)	6,541,741
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	11,571,866	513,343	-	12,085,209
Machinery and equipment.....	5,778,143	22,624	-	5,800,767
Vehicles.....	933,275	74,529	(26,300)	981,504
Infrastructure.....	78,038,495	1,319,620	-	79,358,115
Total capital assets being depreciated.....	96,321,779	1,930,116	(26,300)	98,225,595
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(5,935,426)	(263,331)	-	(6,198,757)
Machinery and equipment.....	(5,094,575)	(149,301)	-	(5,243,876)
Vehicles.....	(798,944)	(120,510)	26,300	(893,154)
Infrastructure.....	(31,171,373)	(1,630,287)	-	(32,801,660)
Total accumulated depreciation.....	(43,000,318)	(2,163,429)	26,300	(45,137,447)
Total capital assets being depreciated, net.....	53,321,461	(233,313)	-	53,088,148
Total business-type activities capital assets, net.....	\$ 59,232,004	\$ 457,711	\$ (59,826)	\$ 59,629,889

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

**Governmental Activities:**

General government.....	\$ 228,346
Public safety.....	666,184
Education.....	2,158,432
Public works.....	2,270,005
Culture and recreation.....	271,027
Total depreciation expense - governmental activities.....	\$ 5,593,994

**Business-Type Activities:**

Sewer.....	\$ 1,173,936
Water.....	928,307
Solid waste.....	61,186
Total depreciation expense - business-type activities.....	\$ 2,163,429

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

Inter-fund receivables and payables between funds at June 30, 2012, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
State Aid Fund	Town General Revolving Fund	\$ <u>1,723</u> (1)

(1) Represents advances between funds to meet temporary cash flow needs.

Interfund transfers for the fiscal year ended June 30, 2012, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	
General Fund.....	\$ -	\$ 287,195	\$ 30,000	\$ 317,195 (1)
Capital Projects.....	21,293	-	-	21,293 (2)
Nonmajor Governmental Funds.....	<u>471,586</u>	<u>25,000</u>	<u>303,520</u>	<u>800,106</u> (2)
Total.....	\$ <u>492,879</u>	\$ <u>312,195</u>	\$ <u>333,520</u>	\$ <u>1,138,594</u>

(1) Represents budgeted transfers from the General Fund to the Capital Projects Fund and to the nonmajor funds for property and liability insurance purposes.

(2) Represents various transfers from nonmajor funds to the General Fund and other transfers from the Wetland Protection Fund, Cemetery Perpetual Care Fund, and Waterway Improvement Fund to the Capital Project Fund.

**NOTE 6 – SHORT-TERM FINANCING**

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

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

Short-term loans are general obligation of the Town and carry maturity dates that are limited by statute. Interest expenditures for short-term borrowings are accounted for in the General Fund and the Enterprise funds, where applicable.

Details related to the Town's short-term debt activity for the fiscal year ended June 30, 2012, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2011	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2012
<b>Governmental funds</b>							
BAN	Municipal Purpose.....	1.00%	12/1/2011	\$ 1,335,000	\$ -	\$ 1,335,000	\$ -
BAN	Municipal Purpose.....	0.80%	6/1/2012	-	1,335,000	1,335,000	-
BAN	Municipal Purpose.....	1.50%	7/2/2012	-	1,900,000	1,900,000	- (1)
BAN	Municipal Purpose.....	0.75%	11/15/2012	-	3,892,000	3,892,000	- (2)
Total governmental funds.....				<u>1,335,000</u>	<u>7,127,000</u>	<u>8,462,000</u>	<u>-</u>
<b>Business-type funds</b>							
BAN	Water Municipal Purpose.....	0.75%	11/15/2012	-	1,685,000	1,685,000	- (2)
Total Short Term Debt.....				<u>\$ 1,335,000</u>	<u>\$ 8,812,000</u>	<u>\$ 10,147,000</u>	<u>\$ -</u>

(1) On July 2, 2012 the Town issued long-term bonds and the proceeds were used to pay-off these BANS at their maturity dates. Since the long-term debt was issued prior to the issuance of the financial statements the Town has recognized bond proceeds and the corresponding debt as long-term as at June 30, 2012.

(2) On November 1, 2012 the Town issued long-term bonds and the proceeds were used to pay off these BANS at their maturity dates. Since the long-term debt was issued prior to the issuance of the financial statements the Town has recognized bond proceeds and the corresponding debt as long-term at June 30, 2012.

**NOTE 7 - LONG-TERM DEBT**

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

The Town's bylaws currently provide for a split between the general fund and the sewer fund for the debt service requirements of certain sewer long-term debt. The general fund and the sewer fund are each responsible for their 40% and 60% share of the debt service, respectively.

Details related to the Town's outstanding general obligation indebtedness at June 30, 2012, and the debt service requirements follow.

### Bonds and Notes Payable Schedule – Governmental Funds

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Bonds 2003.....	2013	\$ 7,209,000	2.35	\$ 990,000	\$ -	\$ 495,000	\$ 495,000
Municipal Purpose Sewer Bonds 2003.....	2013	204,000	2.35	40,000	-	20,000	20,000
Municipal Purpose Bonds 2005.....	2015	2,126,000	3.32	815,000	-	215,000	600,000
Municipal Purpose Sewer Bonds 2005.....	2015	280,000	3.32	112,000	-	28,000	84,000
MWPAT Sewer Bonds 2005.....	2023	3,380,916	0.00	2,400,491	-	180,068	2,220,423
Municipal Purpose Bonds 2007.....	2017	1,494,000	3.70	710,000	-	175,000	535,000
Municipal Purpose Bonds 2009.....	2019	4,196,000	2.00 - 3.00	2,870,000	-	625,000	2,245,000
Municipal Purpose Bonds 2010.....	2015	965,000	2.50 - 3.00	745,000	-	215,000	530,000
Municipal Purpose Refunding Bonds 2010.....	2021	12,351,400	2.50	12,151,650	-	1,323,860	10,827,790
Municipal Purpose Refunding Sewer Bonds 2010.....	2021	943,600	2.50	371,340	-	40,456	330,884
Municipal Purpose Bonds 2011.....	2021	5,353,000	2.00 - 5.00	5,353,000	-	583,000	4,770,000
Municipal Purpose Bonds 2012.....	2019	709,000	2.00	-	709,000	-	709,000
Municipal Purpose Bonds 2012.....	2023	1,900,000	3.03	-	1,900,000	-	1,900,000
Municipal Purpose Bonds 2012.....	2032	3,892,000	2.43	-	3,892,000	-	3,892,000
Total Long Term Debt.....				\$ 26,558,481	\$ 6,501,000	\$ 3,900,384	\$ 29,159,097

### Subsequent Debt Issuance

On July 2, 2012, the Town issued \$5 million of Qualified Energy Conservation bonds at an interest rate of 3.03%, maturing through 2023. The bonds are federally taxable and will receive a cash subsidy from the United States Department of the Treasury in an amount equal to the stated rate. These proceeds were used to retire \$1.9 million of governmental BANS outstanding at June 30, 2012 which have been converted to long-term debt. The new money portion of these bonds will be recorded in fiscal year 2013.

On November 1, 2012, the Town issued \$35.6 million of long-term debt. A portion of the proceeds were used to retire \$3,892,000 and \$1,685,000 of governmental and water enterprise BANS outstanding at June 30, 2012. These amounts have similarly been converted to long-term debt.

Debt service requirements for principal and interest, not including the subsequent issuances, for Governmental bonds payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 3,979,613	\$ 783,345	\$ 4,762,958
2014	3,751,389	895,117	4,646,506
2015	3,493,044	719,312	4,212,356
2016	3,020,334	631,965	3,652,299
2017	2,759,106	547,735	3,306,841
2018 - 2022	9,629,691	1,367,979	10,997,670
2023 - 2027	1,358,320	283,216	1,641,536
2028 - 2032	973,000	100,634	1,073,634
2033	194,600	2,828	197,428
Total	\$ 29,159,097	\$ 5,332,131	\$ 34,491,228

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$571,384 and interest costs for \$379,236. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$2,026,900. The principal subsidies are guaranteed and therefore a \$571,384 intergovernmental receivable and corresponding revenue have been reported in the General Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The fiscal year 2012 principal and interest subsidies totaled \$39,563 and \$77,936, respectively.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. Reimbursement commenced in fiscal 2002 and will be made over 20 years at approximately 67% of eligible costs of the project. During fiscal year 2012, approximately \$1,113,000 of such assistance was received. Approximately \$10,016,000 will be received in future fiscal years. Of this amount, approximately \$2,156,000 represents reimbursement of long-term interest costs, and approximately \$7,859,000 represents reimbursement of approved construction costs. Accordingly, \$7,859,000 intergovernmental receivable and corresponding deferred revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

### Bonds and Notes Payable Schedule – Sewer Enterprise Fund

#### Sewer Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Bonds 2003.....	2013	\$ 306,000	2.35	\$ 60,000	\$ -	\$ 30,000	\$ 30,000
Municipal Purpose Bonds 2005.....	2015	420,000	3.32	168,000	-	42,000	126,000
MWPAT Bonds 2005.....	2023	5,071,373	2.00	3,600,737	-	270,101	3,330,636
Municipal Purpose Refunding Bonds 2010.....	2021	566,160	0.00	557,010	-	60,684	496,326
Municipal Purpose Bonds 2011.....	2021	451,000	2.00 - 5.00	451,000	-	66,000	385,000
Municipal Purpose Bonds 2012.....	2017	58,000	2.00	-	58,000	-	58,000
Total Long Term Debt.....				\$ 4,836,747	\$ 58,000	\$ 468,785	\$ 4,425,962

Debt service requirements for principal and interest for Sewer Enterprise Fund bonds payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 487,807	\$ 189,449	\$ 677,256
2014	456,938	156,470	613,408
2015	464,790	135,231	600,021
2016	427,006	116,348	543,354
2017	412,495	97,139	509,634
2018 - 2022	1,883,947	249,617	2,133,564
2023	292,979	6,988	299,967
Total	\$ 4,425,962	\$ 951,242	\$ 5,377,204

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$857,076 and interest costs for \$568,856. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$3,040,348. The principal subsidies are guaranteed and therefore an \$857,076 intergovernmental receivable and corresponding revenue have been reported in Sewer Enterprise Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been

reported in the accompanying basic financial statements. The fiscal year 2012 principal and interest subsidies totaled \$59,345 and \$116,903, respectively.

### Bonds and Notes Payable Schedule – Water Enterprise Fund

#### Water Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Bonds 2005.....	2015	\$ 340,000	3.32	\$ 130,000	\$ -	\$ 35,000	\$ 95,000
Municipal Purpose Bonds 2007.....	2017	2,131,000	3.70	1,270,000	-	215,000	1,055,000
MWPAT Bonds 2009.....	2024	2,500,000	2.00	2,200,725	-	149,724	2,051,001
Municipal Purpose Bonds 2011.....	2026	3,492,000	2.00 - 5.00	3,492,000	-	247,000	3,245,000
Municipal Purpose Bonds 2012.....	2032	1,685,000	2.43	-	1,685,000	-	1,685,000
Total bonds payable.....				\$ 7,092,725	\$ 1,685,000	\$ 646,724	\$ 8,131,001

Debt service requirements for principal and interest, not including the subsequent issuances, for Water Enterprise Fund bonds payable in future fiscal years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 717,748	\$ 194,929	\$ 912,677
2014	790,084	270,234	1,060,318
2015	788,232	215,811	1,004,043
2016	761,444	190,265	951,709
2017	734,721	165,926	900,647
2018 - 2022	2,415,117	533,268	2,948,385
2023 - 2027	1,418,155	185,504	1,603,659
2028 - 2032	421,250	42,509	463,759
2033	84,250	1,194	85,444
Total	\$ 8,131,001	\$ 1,799,640	\$ 9,930,641

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2012, the Town had the following authorized and unissued debt:

Purpose	Amount
School Food Service Equipment.....	\$ 46,000
Governor Winslow School Modernization.....	1,210,000
Inner Harbor Dredging.....	103,000
Massasoit Avenue Fire Station.....	200,000
Highland Street Water Main Replacement.....	150,000
Pine Street Water Main Replacement.....	600,000
K-5 Mathematics Textbooks.....	400,000
High School Feasibility Study.....	2,520,000
Construction Harbormaster Building.....	1,400,000
Road Reconstruction.....	250,000
Pudding Hill Tank Construction.....	2,000,000
Airport Safety.....	200,000
New High School.....	101,438,839
Protective Fire Equipment.....	35,000
Breathing Apparatus.....	66,000
Police Communications Tower.....	403,000
DPW Bucket Truck.....	140,000
Dribeek Way Bridge Repairs.....	140,000
Seawalls Hurricane Study.....	500,000
Replace DPW Pick Up Trucks #31.....	90,000
Microsoft Office 2010 Upgrades.....	45,000
Workstation & Laptop Replacement.....	29,000
South River Dredging.....	200,000
Harbor Plan.....	26,000
Facility Assessment.....	182,000
Replace Fire Car.....	39,000
Master Plan.....	113,000
Septic Loan Program.....	200,000
Massasoit Fire Plans.....	100,000
WWTF Main Lift Construction.....	1,250,000
WWTF Screenings & Grit Removal.....	4,200,000
Fairgrounds Pump Station & Well.....	250,000
South River Street Water Main.....	1,400,000
Total.....	\$ <u>119,925,839</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2012, the following changes occurred in long-term liabilities:

	Balance June 30, 2011	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2012	Due Within One Year
<b>Governmental Activities:</b>							
Long-Term Bonds and Notes.....	\$ 26,558,481	\$ 6,501,000	\$ (3,900,384)	\$ -	\$ -	\$ 29,159,097	\$ 3,979,613
Other Postemployment Benefits.....	15,607,970	-	-	5,494,566	(2,340,356)	18,762,180	-
Compensated Absences.....	4,946,000	-	-	1,233,000	(1,676,000)	4,503,000	1,569,000
Total Governmental Activities.....	<u>47,112,451</u>	<u>6,501,000</u>	<u>(3,900,384)</u>	<u>6,727,566</u>	<u>(4,016,356)</u>	<u>52,424,277</u>	<u>5,548,613</u>
<b>Business Type Activities:</b>							
Long-Term Bonds and Notes.....	11,929,472	1,743,000	(1,115,509)	-	-	12,556,963	1,205,555
Other Postemployment Benefits.....	807,522	-	-	218,008	(55,717)	969,813	-
Compensated Absences.....	209,507	-	-	149,843	(156,507)	202,843	149,843
Landfill Closure.....	521,700	-	-	-	(28,200)	493,500	28,200
Total Business Type Activities.....	<u>13,468,201</u>	<u>1,743,000</u>	<u>(1,115,509)</u>	<u>367,851</u>	<u>(240,424)</u>	<u>14,223,119</u>	<u>1,383,598</u>
Total.....	<u>\$ 60,580,652</u>	<u>\$ 8,244,000</u>	<u>\$ (5,015,893)</u>	<u>\$ 7,095,417</u>	<u>\$ (4,256,780)</u>	<u>\$ 66,647,396</u>	<u>\$ 6,932,211</u>

Compensated absence and other postemployment liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures, which consist of the general fund and the sewer, water, and solid waste enterprise funds, respectively. Compensated absences are reported in the governmental funds only if they have matured.

**NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as part of its fiscal year 2011 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 Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

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 or the fund. Any change to the purpose of the fund along with any additions to or appropriation from the fund requires a two-thirds vote of the legislative body.

At year end the balance of the General Stabilization Fund is \$2,304,461 and is reported as unassigned fund balance within the General Fund.

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



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

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government for its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

As of June 30, 2012, the governmental fund balances consisted of the following:

	Governmental Funds				
	General	Community Preservation Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances</b>					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 1,096,182	\$ 1,096,182
Restricted for:					
Community preservation fund.....	-	2,765,177	-	-	2,765,177
Capital projects.....	-	-	4,565,157	-	4,565,157
School state and federal grants.....	-	-	-	698,251	698,251
Town state and federal grants.....	-	-	-	163,528	163,528
Town general revolving.....	-	-	-	890,849	890,849
School general revolving.....	-	-	-	295,661	295,661
Other.....	-	-	-	346,101	346,101
Permanent funds.....	-	-	-	1,071,013	1,071,013
Committed to:					
Postemployment benefits.....	-	-	-	40,587	40,587
Assigned to:					
General government.....	35,655	-	-	-	35,655
Public safety.....	123,309	-	-	-	123,309
Education.....	33,092	-	-	-	33,092
Public works.....	50,907	-	-	-	50,907
Human services.....	10,306	-	-	-	10,306
Business insurance.....	11,396	-	-	-	11,396
Unemployment compensation.....	36	-	-	-	36
Employee benefits.....	11,000	-	-	-	11,000
Utilities.....	5,373	-	-	-	5,373
Unclassifieds.....	876	-	-	-	876
Unassigned.....	5,109,444	-	(2,743,346)	(111,515)	2,254,583
<b>Total Fund Balances.....</b>	<b>\$ 5,391,394</b>	<b>\$ 2,765,177</b>	<b>\$ 1,821,811</b>	<b>\$ 4,490,657</b>	<b>\$ 14,469,039</b>

**NOTE 9 – RISK FINANCING**

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. In addition, the Town is self-insured for damages not covered by commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

The Town joined the Plymouth County Health Plan effective July 1, 1998. This health plan subsequently changed from a county administered plan to a joint purchase agreement (the “JPA”) and became known as the Mayflower Municipal Health Group. The purpose of the JPA is for the joint negotiation and purchase of health coverage with insurance carriers. Under these agreements, the insurance claims of the covered employees are paid for by the insurance carrier and are subsequently reimbursed by the JPA. The JPA charges monthly premiums to each governmental unit based upon requirements established through underwriting and actuarial estimates. In addition, the JPA provides full reinsurance coverage for all claim costs in excess of \$250,000 per covered employee.

In the event of the dissolution of the JPA or if the assets of the JPA are insufficient to pay claims which occur, the Town remains liable for its proportionate share. At June 30, 2012, the Mayflower Municipal Health Group has an unaudited ending fund balance of approximately \$21 million.

**NOTE 10 – PENSION PLAN**

*Plan Description* - The Town contributes to the Plymouth County Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled \$9,618,292 for the fiscal year ended June 30, 2012, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures/expenses.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. 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 Plymouth County Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 240, Plymouth, Massachusetts, 02360.

*Funding Policy* - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll on a closed basis. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town contributions to the System for the fiscal years ended June 30, 2012, 2011, and 2010 were \$3,734,965, \$3,767,038, and \$3,297,646 respectively, which equaled its required contribution for each fiscal year.

The schedule of funding progress, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

#### NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Fiscal year 2008 was the initial year the Town implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45). As allowed by GASB 45, the Town established the net Other Postemployment Benefit (OPEB) obligation at zero at the beginning of the transition year and has applied the measurement and recognition requirements of GASB 45 on a prospective basis.

*Plan Description*—The Town maintains a single employer defined benefit healthcare plan. The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the Mayflower Municipal Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, and Delta Dental. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The other postemployment benefit plan does not issue a publicly available financial report.

At June 30, 2012, the Plan's membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	634
Current active members.....	<u>506</u>
Total.....	<u>1,140</u>

*Funding Policy*—Contributions requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute 50% of the cost of benefits provided depending on the plan they choose. For the year ended June 30, 2012, the Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately \$2,396,000 during fiscal year 2012 towards these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

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

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

Annual required contribution.....	\$ 5,593,642
Interest on net OPEB obligation.....	738,696
Adjustments to annual required contribution.....	<u>(619,734)</u>
Annual OPEB cost/expense.....	5,712,604
Contributions made.....	<u>(2,396,073)</u>
Increase/(Decrease) in net OPEB obligation.....	3,316,531
Net OPEB obligation - beginning of year.....	<u>16,415,462</u>
Net OPEB obligation - end of year.....	<u>\$ 19,731,993</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 and the two preceding years is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 5,712,604	42%	\$ 19,731,993
6/30/2011	5,429,874	40%	16,415,462
6/30/2010	5,829,625	23%	13,168,798

*Funded Status and Funding Progress* — the funded status of the Plan as of the most recent actuarial valuation date, June 30, 2011, is as follows:

#### Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Projected Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
6/30/2011	\$ 30,577	\$ 82,246,204	\$ 82,215,627	0.04%	\$ 51,297,584	160.27%

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

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

The following additional information is provided as of the latest actuarial valuation:

Valuation date.....	June 30, 2011
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 3.75%, level % of payroll
Remaining amortization period.....	30 years, open
Asset valuation method.....	Market value
Actuarial Assumptions:	
Investment rate of return.....	4.5%, pay-as-you-go scenario
Inflation rate.....	3.75%
Medical/drug cost trend rate.....	9.0% decreasing by 0.75% for 5 years and by 0.25% for 1 year to an ultimate of 5.0% per year

#### **NOTE 12 – LANDFILL CLOSURE**

State and federal laws and regulations require the Town to construct a final capping system on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town closed and capped its landfill in fiscal 1995. The Town has reflected a \$493,500 post-closure care liability at June 30, 2012 as an obligation of the solid waste enterprise fund. This amount is based upon estimates of what it would cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Its cost was estimated based on semi-annual sampling for the current monitoring network at the site and estimated costs to maintain the integrity of the landfill cap during the post-closure period.

#### **NOTE 13 – COMMITMENTS**

The Town's major capital projects are related to school renovations and expansions, airport safety, library projects, harbor dredging and seawalls, and various governmental equipment replacements as well as the completion of on-going sewer and water projects. The Town has authorized approximately \$9.6 million of new debt for these and other on-going projects.

In November of 2011, the Town voted to authorize \$101.4 million Proposition 2-1/2 debt exclusion to construct a new high school. The Town has been approved by the Massachusetts School Building Authority (MSBA) for reimbursement of 55.61% of the eligible costs associated with these projects, provided the Town complies with all necessary steps set forth by the MSBA. The project is estimated to have a final cost of \$53.6 million.

**NOTE 14 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2012, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2012, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2012.

**NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2012, the following GASB pronouncements were implemented:

- GASB Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future fiscal years:

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statement No. 10 and No. 62*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.

Management is currently assessing the impact that 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 Town. It is used to account for the entire Town's financial resources, except those required to be accounted for in another fund.



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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 49,056,686	\$ 49,056,686	\$ 48,873,066	\$ -	\$ (183,620)
Tax liens.....	-	-	497,181	-	497,181
Motor vehicle and other excise taxes.....	2,875,000	2,875,000	3,134,838	-	259,838
Charges for services.....	960,000	960,000	1,013,818	-	53,818
Penalties and interest on taxes.....	300,000	300,000	343,909	-	43,909
Intergovernmental.....	16,919,273	16,919,273	17,036,947	-	117,674
Departmental and other.....	758,000	758,000	966,595	-	208,595
Investment income.....	150,000	150,000	30,171	-	(119,829)
TOTAL REVENUES.....	71,018,959	71,018,959	71,896,525	-	877,566
<b>EXPENDITURES:</b>					
<b>GENERAL GOVERNMENT</b>					
Moderator.....	92	92	92	-	-
Selectmen:					
Salaries.....	246,724	250,786	241,812	2,000	6,974
Expenditures.....	218,035	244,035	194,945	26,520	22,570
Elected officials.....	3,417	3,417	3,417	-	-
Town COLAS.....	20,000	-	-	-	-
TOTAL.....	488,176	498,238	440,174	28,520	29,544
Facilities Manager					
Salaries.....	100,000	100,000	95,943	-	4,057
Town Accountant:					
Salaries.....	166,820	168,485	168,484	-	1
Expenditures.....	3,939	3,939	3,933	-	6
TOTAL.....	170,759	172,424	172,417	-	7
Assessors:					
Salaries.....	210,442	212,157	212,157	-	-
Expenditures.....	57,250	57,250	57,083	81	86
Elected officials.....	3,687	3,687	3,687	-	-
TOTAL.....	271,379	273,094	272,927	81	86
Treasurer/Collector:					
Salaries.....	338,493	339,556	326,159	-	13,397
Expenditures.....	34,868	34,868	33,505	699	664
Tax title.....	39,998	39,998	20,715	-	19,283
TOTAL.....	413,359	414,422	380,379	699	33,344
Annual Audit:					
Expenditures.....	60,000	60,000	60,000	-	-
Legal:					
Expenditures.....	170,237	190,237	305,205	-	(114,968)
Information Technology:					
Salaries.....	148,475	148,475	148,423	-	52
Expenditures.....	151,918	151,918	144,741	6,355	822
TOTAL.....	300,393	300,393	293,164	6,355	874
Town Clerk:					
Salaries.....	51,732	51,732	48,268	-	3,464
Expenditures.....	4,110	4,110	1,757	-	2,353
Elected officials.....	53,422	53,422	53,422	-	-
TOTAL.....	109,264	109,264	103,447	-	5,817
Elections:					
Expenditures.....	36,149	67,949	65,940	-	2,009
Conservation Commission:					
Salaries.....	98,839	98,839	98,839	-	-
Expenditures.....	8,603	8,604	8,532	-	72
TOTAL.....	107,442	107,443	107,371	-	72
Planning Board:					
Salaries.....	118,186	119,745	119,745	-	-
Expenditures.....	1,898	1,898	1,799	-	99
Elected officials.....	1,120	1,120	1,120	-	-
TOTAL.....	121,204	122,763	122,664	-	99

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Zoning Board of Appeals:					
Salaries.....	27,574	27,574	25,676	-	1,898
Expenditures.....	1,895	1,895	1,070	-	825
TOTAL.....	29,469	29,469	26,746	-	2,723
Reserve Fund.....	100,000	5,271	-	-	5,271
Total General Government.....	2,477,923	2,451,059	2,446,469	35,655	(31,065)
<b>PUBLIC SAFETY</b>					
Police:					
Salaries.....	3,535,629	3,736,494	3,733,461	-	3,033
Expenditures.....	232,247	245,247	244,028	751	468
TOTAL.....	3,767,876	3,981,741	3,977,489	751	3,501
Fire:					
Salaries.....	4,010,389	3,962,655	3,962,655	-	-
Expenditures.....	249,157	421,157	288,146	122,558	10,453
TOTAL.....	4,259,546	4,383,812	4,250,801	122,558	10,453
Building Inspection:					
Salaries.....	236,883	236,899	235,756	-	1,143
Expenditures.....	7,324	7,324	7,324	-	-
TOTAL.....	244,207	244,223	243,080	-	1,143
Sealer of Weights/Measures:					
Expenditures.....	5,000	5,000	5,000	-	-
Animal Control:					
Salaries.....	48,373	48,373	47,333	-	1,040
Expenditures.....	10,064	10,064	10,055	-	9
TOTAL.....	58,437	58,437	57,388	-	1,049
Animal Inspector:					
Salaries.....	1,800	1,800	1,800	-	-
Harbor Master:					
Salaries.....	93,000	93,000	93,000	-	-
Expenditures.....	50,500	50,500	49,528	-	972
TOTAL.....	143,500	143,500	142,528	-	972
Total Public Safety.....	8,480,366	8,818,513	8,678,086	123,309	17,118
<b>EDUCATION</b>					
Public Schools:					
Salaries and Expenditures.....	40,895,505	40,895,505	40,851,798	33,092	10,615
<b>PUBLIC WORKS</b>					
Department of Public Works:					
Salaries.....	1,615,063	1,616,390	1,556,543	-	59,847
Expenditures.....	598,481	641,609	567,986	28,313	45,310
Elected officials.....	2,180	2,180	1,520	-	660
TOTAL.....	2,215,724	2,260,179	2,126,049	28,313	105,817
Snow and Ice:					
Salaries.....	105,000	48,961	39,496	-	9,465
Expenditures.....	295,000	131,039	117,216	22,594	(8,771)
TOTAL.....	400,000	180,000	156,712	22,594	694
Automotive Fuel:					
Expenditures.....	416,225	517,025	505,696	-	11,329
Total Public Works.....	3,031,949	2,957,204	2,788,457	50,907	117,840
<b>HUMAN SERVICES</b>					
Health:					
Salaries.....	183,742	183,742	183,336	-	406
Expenditures.....	24,523	24,523	24,501	-	22
Elected officials.....	1,460	1,460	1,386	-	74
TOTAL.....	209,725	209,725	209,223	-	502
Council on Aging:					
Salaries.....	164,705	166,127	147,008	-	19,119
Expenditures.....	40,351	40,351	40,351	-	-
TOTAL.....	205,056	206,478	187,359	-	19,119

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Veterans:					
Salaries.....	68,258	68,583	66,643	-	1,940
Expenditures.....	406,265	415,265	370,759	10,306	34,200
TOTAL.....	474,523	483,848	437,402	10,306	36,140
Total Human Services.....	889,304	900,051	833,984	10,306	55,761
CULTURE AND RECREATION					
Library:					
Salaries.....	503,771	505,486	505,486	-	-
Expenditures.....	148,310	148,310	147,075	-	1,235
TOTAL.....	652,081	653,796	652,561	-	1,235
Recreation:					
Salaries.....	65,765	65,765	65,765	-	-
Expenditures.....	1,532	1,532	1,458	-	74
TOTAL.....	67,297	67,297	67,223	-	74
Trustees of Soldiers Memorial:					
Expenditures.....	9,580	9,580	9,580	-	-
Historical Commission:					
Expenditures.....	4,530	4,530	2,260	-	2,270
Clam Flats:					
Salaries.....	2,000	2,000	1,094	-	906
Expenditures.....	1,000	1,000	1,000	-	-
TOTAL.....	3,000	3,000	2,094	-	906
Total Culture and Recreation.....	736,488	738,203	733,718	-	4,485
Business insurance.....	760,809	601,809	579,991	11,396	10,422
Unemployment Compensation.....	150,000	150,000	113,732	36	36,232
Retirement.....	3,736,165	3,736,165	3,736,165	-	-
Employee Benefits.....	5,756,876	5,666,876	5,633,991	11,000	21,885
Medicare.....	650,000	650,000	638,499	-	11,501
State and County Assessment.....	674,790	674,790	664,596	-	10,194
Utilities.....	404,168	404,168	389,964	5,373	8,831
Unclassified:					
Salaries.....	1,298	1,000	798	-	202
Expenditures.....	35,302	35,600	33,112	876	1,612
TOTAL.....	36,600	36,600	33,910	876	1,814
Debt Service Principal.....	3,739,820	3,900,384	3,900,384	-	-
Debt Service Interest.....	980,180	819,616	896,491	-	(76,875)
TOTAL EXPENDITURES.....	73,400,943	73,400,943	72,920,235	281,950	198,758
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,381,984)	(2,381,984)	(1,023,710)	(281,950)	1,076,324
OTHER FINANCING SOURCES (USES):					
Transfers in.....	1,718,577	1,718,577	1,718,577	-	-
Transfers out.....	(317,195)	(317,195)	(317,195)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	1,401,382	1,401,382	1,401,382	-	-
NET CHANGE IN FUND BALANCE.....	(980,602)	(980,602)	377,672	(281,950)	1,076,324
BUDGETARY FUND BALANCE, Beginning of year.....	2,500,989	2,500,989	2,500,989	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 1,520,387	\$ 1,520,387	\$ 2,878,661	\$ (281,950)	\$ 1,076,324

See notes to required supplementary information.

(Concluded)

# ***Other Postemployment Benefit Plan Schedules***

The Schedule of Funding Progress compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The Schedule of Employer Contributions compares, over time, the annual required contributions to the actual contribution made.

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

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2011	\$ 30,577	\$ 82,246,204	\$ 82,215,627	0.04%	\$ 51,297,584	160.27%
12/31/2009	20,168	82,656,569	82,636,401	0.02%	50,324,651	164.21%
6/30/2008	-	62,050,000	62,050,000	0.00%	43,781,000	141.73%

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2012	\$ 5,593,642	\$ 2,396,073	42.8%
2011	5,334,440	2,183,210	40.9%
2010	5,752,977	2,160,174	37.5%
2009	6,437,000	1,479,719	23.0%
2008	6,060,000	1,411,481	23.3%

The Town implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008.

See notes to required supplementary information.

**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
**ACTUARIAL METHODS AND ASSUMPTIONS**

---

Actuarial Methods:

Valuation date.....	June 30, 2011
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 3.75%, level % of payroll
Remaining amortization period.....	30 years, open
Asset valuation method.....	Market value
Actuarial Assumptions:	
Investment rate of return.....	4.5%, pay-as-you-go scenario
Inflation rate.....	3.75%
Medical/drug cost trend rate.....	9.0% decreasing by 0.75% for 5 years and by 0.25% for 1 year to an ultimate of 5.0% per year

Plan Membership:

Current retirees, beneficiaries, and dependents.....	634
Current active members.....	<u>506</u>
Total.....	<u><u>1,140</u></u>

See notes to required supplementary information.

# ***Retirement System Schedules of Funding Progress and Employer Contributions***

The Retirement System Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The Retirement System Schedule of Employer Contributions represents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions.

**PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM**  
**SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/11	\$ 666,730,812	\$ 1,187,447,414	\$ 520,716,602	56.1%	\$ 228,289,638	228.1%
01/01/10	673,709,456	1,132,847,379	459,137,923	59.5%	227,507,647	201.8%
01/01/09	579,877,224	1,159,210,636	579,333,412	50.0%	264,541,078	219.0%
01/01/08	683,819,938	1,056,020,215	372,200,277	64.8%	252,682,832	147.3%
01/01/07	606,629,089	987,840,418	381,211,329	61.4%	244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%

The Town's share of the UAAL as of January 1, 2011 is approximately \$41.2 million.

See notes to required supplementary information.



**PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Plan Year Ended December 31,	System Wide			Town of Marshfield		
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions	
2012	\$ 52,815,431	\$ 52,815,431	100%	\$ 3,734,965	7.07%	
2011	46,850,764	46,850,764	100%	3,767,038	8.04%	
2010	42,708,712	42,708,712	100%	3,297,646	7.72%	
2009	41,286,384	41,286,384	100%	3,191,916	7.73%	
2008	38,854,868	38,854,868	100%	3,057,826	7.87%	
2007	34,085,524	34,085,524	100%	2,480,898	7.28%	
2006	30,795,767	30,795,767	100%	2,220,919	7.21%	

The Town's Actual Contributions equaled 100% of its Required Contributions for each year presented.

See notes to required supplementary information.

**NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY****A. Budgetary Information**

Municipal Law requires the adoption of a balanced budget that is approved by the Finance Committee (Committee). The Committee presents an annual budget to the Open Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. The Town, which has full authority to amend and/or reject the budget or any line item, adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires majority vote at a Special Town Meeting.

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

Generally, expenditures may not exceed the legal level of spending (salaries and expenses) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final claims and judgments may exceed the level of spending authorized by majority vote at a Special Town Meeting.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2012 approved budget authorized approximately \$73.7 million in appropriations and other amounts to be raised.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2012, is presented below:

Net change in fund balance, budgetary basis.....	\$ 377,672
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	5,544
<u>Basis of accounting differences:</u>	
Net change in recording revenue accruals.....	(5,502)
Net change in recording tax refunds payable.....	(112,902)
Net change in expenditure accruals.....	102,076
Recognition of revenue for on-behalf payments.....	9,618,292
Recognition of expenditures for on-behalf payments.....	(9,618,292)
Net change in fund balance - GAAP basis.....	\$ <u>366,888</u>

Appropriation Deficits

During fiscal year 2012, the Town reported an appropriation deficit in the general government department legal budget. This deficit will be raised on the Town's future year tax recapitulation sheet.

**NOTE B – PENSION PLAN**

The Town contributes to the Plymouth County Contributory Retirement System ("Retirement System"), a cost-sharing, multiple-employer defined benefit pension plan ("Plan") administered by the Plymouth County Retirement Board. The Retirement System provides retirement, disability, and death benefits to members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the Plan. Plan members are required to contribute to the Retirement System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the Retirement System its share of the system-wide actuarially determined contribution which is apportioned among the employers based on active covered payroll.

The schedule of funding progress, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

The following actuarial methods and assumptions were used in the Retirement System's most recent actuarial valuation:

## Actuarial Methods and Assumptions:

Valuation Date.....	January 1, 2011
Actuarial Cost Method.....	Entry Age Normal Cost Method
Amortization Method.....	Increasing at 4.3% per year
Remaining Amortization Period.....	18 years remaining as of January 1, 2011.
Asset Valuation Method.....	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value is based on a 5 year smoothing of realized and unrealized investment earning greater than or less than the expected return. The result must be within 20% of market value

## Actuarial Assumptions:

Investment rate of return.....	8.25%
Projected salary increases.....	4.00%
Cost of living adjustments.....	3.0% of the lesser of the pension amount and \$13,000 per year.

## Plan Membership:

Retired participants and beneficiaries receiving benefits.....	3,088
Inactive participants.....	2,115
Disabled.....	354
Active participants.....	<u>5,775</u>
Total.....	<u><u>11,332</u></u>

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare for eligible retirees and their spouses through the Town’s health insurance plan, which covers both active and retired members, including teachers.

The Town currently finances its other postemployment benefits (OPEB) on a pay-as-you-go basis. As a result, the funded ratio (actual value of assets expressed as a percentage of the actuarial accrued liability) is virtually 0%. In accordance with Governmental Accounting Standards, the Town has recorded its OPEB cost equal to the actuarial determined annual required contribution (ARC) which includes the normal cost of providing benefits for the year and a component for the amortization of the total unfunded actuarial accrued liability of the plan.

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

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

Projections of benefits for financial reporting purposes are based on the substantive plan and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost 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 Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

## ***Combining Statements***

## Nonmajor Governmental Funds

### ***Special Revenue Funds***

Special revenue funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specified purposes. The Town's special revenue funds are grouped into the following categories:

***School State and Federal Grant Fund*** – This fund accounts for all federal and state grants used for school related projects and activities.

***Town State and Federal Grant Fund*** – This fund is used to account for all federal and state grants used for Town related projects and activities.

***Airport Fund*** – This fund accounts for funds used for improvements, certain maintenance, and capital equipment associated with the Town's municipal airport.

***Town General Revolving Fund*** – This fund accounts for various Town operations such as insurance recoveries, recreation activities and workers compensation.

***School General Revolving Fund*** – This fund accounts for school activity, such as operation of public school lunch program, athletic receipts and tuition costs.

***Chapter 90 Fund*** - This fund accounts for grants received from the State mainly in relation to maintaining the Town's streets and sidewalks.

***Postemployment Benefits*** – This fund is used to account for amounts accumulated for future Town obligations related to postemployment benefits.

***Other Funds*** - These funds account for receipts reserved for appropriation as well as various bequests made by benefactors to the Town for which principal portions of bequests as well as the related earnings can be expended by the Town.

### ***Permanent Funds***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

***Permanent Funds*** – These funds account for all contributions and bequests for which only earnings may be expended to benefit the government.

**NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING BALANCE SHEET

JUNE 30, 2012

	Special Revenue Funds			
	School State & Federal Grants	Town State & Federal Grants	Airport	Town General Revolving
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 816,082	\$ 165,122	\$ 179,547	\$ 916,734
Investments.....	-	-	-	-
Receivables, net of uncollectibles:				
Intergovernmental.....	-	-	13,046	-
Due from other funds.....	-	-	-	1,723
<b>TOTAL ASSETS.....</b>	<b>\$ 816,082</b>	<b>\$ 165,122</b>	<b>\$ 192,593</b>	<b>\$ 918,457</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Warrants payable.....	\$ 80,355	\$ 1,594	\$ 291,062	\$ 25,677
Accrued payroll.....	37,476	-	-	1,931
Deferred revenues.....	-	-	13,046	-
Due to other funds.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>117,831</b>	<b>1,594</b>	<b>304,108</b>	<b>27,608</b>
<b>FUND BALANCES:</b>				
Nonspendable.....	-	-	-	-
Restricted.....	698,251	163,528	-	890,849
Committed.....	-	-	-	-
Unassigned.....	-	-	(111,515)	-
<b>TOTAL FUND BALANCES.....</b>	<b>698,251</b>	<b>163,528</b>	<b>(111,515)</b>	<b>890,849</b>
<b>TOTAL LIABILITIES AND FUND BALANCES....</b>	<b>\$ 816,082</b>	<b>\$ 165,122</b>	<b>\$ 192,593</b>	<b>\$ 918,457</b>

Special Revenue Funds							Total Nonmajor Governmental Funds
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	Permanent Fund		
\$ 305,038	\$ -	\$ 40,587	\$ 377,398	\$ 2,800,508	\$ 1,991,038	\$	4,791,546
-	-	-	-	-	182,153		182,153
-	823,530	-	-	836,576	-		836,576
-	-	-	-	1,723	-		1,723
<u>\$ 305,038</u>	<u>\$ 823,530</u>	<u>\$ 40,587</u>	<u>\$ 377,398</u>	<u>\$ 3,638,807</u>	<u>\$ 2,173,191</u>	<u>\$</u>	<u>5,811,998</u>
\$ 4,091	\$ -	\$ -	\$ 16,103	\$ 418,882	\$ 5,996	\$	424,878
5,286	-	-	15,194	59,887	-		59,887
-	821,807	-	-	834,853	-		834,853
-	1,723	-	-	1,723	-		1,723
<u>9,377</u>	<u>823,530</u>	<u>-</u>	<u>31,297</u>	<u>1,315,345</u>	<u>5,996</u>		<u>1,321,341</u>
-	-	-	-	-	1,096,182		1,096,182
295,661	-	-	346,101	2,394,390	1,071,013		3,465,403
-	-	40,587	-	40,587	-		40,587
-	-	-	-	(111,515)	-		(111,515)
<u>295,661</u>	<u>-</u>	<u>40,587</u>	<u>346,101</u>	<u>2,323,462</u>	<u>2,167,195</u>		<u>4,490,657</u>
<u>\$ 305,038</u>	<u>\$ 823,530</u>	<u>\$ 40,587</u>	<u>\$ 377,398</u>	<u>\$ 3,638,807</u>	<u>\$ 2,173,191</u>	<u>\$</u>	<u>5,811,998</u>



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

FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	School State & Federal Grants	Town State & Federal Grants	Airport	Town General Revolving
<b>REVENUES:</b>				
Charges for services..... \$	- \$	- \$	34,732 \$	-
Intergovernmental.....	3,058,841	383,925	529,915	414,278
Departmental and other.....	-	-	-	608,966
Contributions.....	-	-	-	-
Investment income.....	-	-	-	-
<b>TOTAL REVENUES.....</b>	<b>3,058,841</b>	<b>383,925</b>	<b>564,647</b>	<b>1,023,244</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	4,571	700,478	206,753
Public safety.....	-	204,592	-	228,235
Education.....	2,669,993	-	-	-
Public works.....	-	68,650	-	14,323
Health and human services.....	-	33,644	-	16,780
Culture and recreation.....	-	43,656	-	420,576
<b>TOTAL EXPENDITURES.....</b>	<b>2,669,993</b>	<b>355,113</b>	<b>700,478</b>	<b>886,667</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>388,848</b>	<b>28,812</b>	<b>(135,831)</b>	<b>136,577</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....	-	-	-	303,520
Transfers out.....	-	(56,586)	-	(623,520)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>(56,586)</b>	<b>-</b>	<b>(320,000)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>388,848</b>	<b>(27,774)</b>	<b>(135,831)</b>	<b>(183,423)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>309,403</b>	<b>191,302</b>	<b>24,316</b>	<b>1,074,272</b>
<b>FUND BALANCES AT END OF YEAR..... \$</b>	<b>\$ 698,251</b>	<b>\$ 163,528</b>	<b>\$ (111,515)</b>	<b>\$ 890,849</b>

Special Revenue Funds						
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 34,732	\$ -	\$ 34,732
303,072	662,930	-	124,696	5,477,657	-	5,477,657
1,485,523	-	-	630,747	2,725,236	-	2,725,236
-	-	-	186,107	186,107	52,870	238,977
-	-	297	-	297	49,059	49,356
1,788,595	662,930	297	941,550	8,424,029	101,929	8,525,958
-	-	-	15,616	927,418	13,687	941,105
-	-	-	9,434	442,261	10,000	452,261
1,783,256	-	-	405,554	4,858,803	-	4,858,803
-	662,930	-	103,652	849,555	-	849,555
-	-	-	76,700	127,124	-	127,124
-	-	-	236,980	701,212	-	701,212
1,783,256	662,930	-	847,936	7,906,373	23,687	7,930,060
5,339	-	297	93,614	517,656	78,242	595,898
-	-	10,000	-	313,520	20,000	333,520
-	-	-	(85,000)	(765,106)	(35,000)	(800,106)
-	-	10,000	(85,000)	(451,586)	(15,000)	(466,586)
5,339	-	10,297	8,614	66,070	63,242	129,312
290,322	-	30,290	337,487	2,257,392	2,103,953	4,361,345
\$ 295,661	\$ -	\$ 40,587	\$ 346,101	\$ 2,323,462	\$ 2,167,195	\$ 4,490,657

## **Agency Fund**

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency funds consist of off-duty work details, performance bonds, and fees collected on behalf of other governments.

**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

	Agency Accounts June 30, 2011	Additions	Deletions	Agency Accounts June 30, 2012
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 1,200,407	\$ 22,693,470	\$ (22,507,677)	\$ 1,386,200
<b>LIABILITIES</b>				
Liabilities due depositors.....	\$ 1,200,407	\$ 22,693,470	\$ (22,507,677)	\$ 1,386,200

This page intentionally left blank.

# *Statistical Section*



*The April 2012 Annual Town Meeting approved Community Preservation Act funding to create much needed athletic fields.*

## **Statistical Section**

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

### ***Financial Trends***

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

### ***Revenue Capacity***

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

### ***Debt Capacity***

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

### ***Demographic and Economic Information***

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

### ***Operating Information***

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

SOURCES: Unless otherwise noted, the information in these schedules is derived from the Town's financial reports for the relevant year. The Town implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Net Assets By Component**

**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt.....	\$ 61,156,678	\$ 78,634,176	\$ 78,517,309	\$ 83,996,510	\$ 85,996,195	\$ 71,485,319	\$ 80,444,484	\$ 85,564,870	\$ 86,773,388	\$ 88,902,106
Restricted.....	8,209,690	11,752,859	13,816,642	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582
Unrestricted.....	<u>34,617,929</u>	<u>33,692,756</u>	<u>26,159,516</u>	<u>22,966,926</u>	<u>14,025,892</u>	<u>5,593,969</u>	<u>(5,684,079)</u>	<u>(8,723,517)</u>	<u>(11,104,441)</u>	<u>(14,043,367)</u>
Total governmental activities net assets.....	<u>\$ 103,984,297</u>	<u>\$ 124,079,791</u>	<u>\$ 118,493,467</u>	<u>\$ 123,906,259</u>	<u>\$ 124,014,048</u>	<u>\$ 87,966,239</u>	<u>\$ 84,047,221</u>	<u>\$ 82,999,635</u>	<u>\$ 80,299,779</u>	<u>\$ 80,908,321</u>
Business-type activities										
Invested in capital assets, net of related debt.....	\$ 34,467,245	\$ 22,847,022	\$ 23,209,064	\$ 22,578,281	\$ 24,653,351	\$ 49,444,954	\$ 50,245,420	\$ 49,329,223	\$ 48,218,953	\$ 49,201,878
Unrestricted.....	<u>12,744,684</u>	<u>7,303,270</u>	<u>7,537,305</u>	<u>8,207,945</u>	<u>9,087,958</u>	<u>18,181,012</u>	<u>16,787,324</u>	<u>16,134,891</u>	<u>16,695,970</u>	<u>14,622,191</u>
Total business-type activities net assets.....	<u>\$ 47,211,929</u>	<u>\$ 30,150,292</u>	<u>\$ 30,746,369</u>	<u>\$ 30,786,226</u>	<u>\$ 33,741,309</u>	<u>\$ 67,625,966</u>	<u>\$ 67,032,744</u>	<u>\$ 65,464,114</u>	<u>\$ 64,914,923</u>	<u>\$ 63,824,069</u>
Primary government										
Invested in capital assets, net of related debt.....	\$ 95,623,923	\$ 101,481,198	\$ 101,726,373	\$ 106,574,791	\$ 110,649,546	\$ 120,930,273	\$ 130,689,904	\$ 134,894,093	\$ 134,992,341	\$ 138,103,984
Restricted.....	8,209,690	11,752,859	13,816,642	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582
Unrestricted.....	<u>47,362,613</u>	<u>40,996,026</u>	<u>33,696,821</u>	<u>31,174,871</u>	<u>23,113,850</u>	<u>23,774,981</u>	<u>11,103,245</u>	<u>7,411,374</u>	<u>5,591,529</u>	<u>578,824</u>
Total primary government net assets.....	<u>\$ 151,196,226</u>	<u>\$ 154,230,083</u>	<u>\$ 149,239,836</u>	<u>\$ 154,692,485</u>	<u>\$ 157,755,357</u>	<u>\$ 155,592,205</u>	<u>\$ 151,079,965</u>	<u>\$ 148,463,749</u>	<u>\$ 145,214,702</u>	<u>\$ 144,732,390</u>

Note: For the fiscal years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Activities.



**Changes in Net Assets**

**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 3,226,653	\$ 3,698,908	\$ 3,844,076	\$ 3,842,256	\$ 4,359,161	\$ 4,434,575	\$ 3,965,070	\$ 3,334,481	\$ 3,913,502	\$ 3,973,477
Public safety.....	9,213,156	9,929,103	10,898,431	10,970,904	11,439,519	12,662,170	13,771,086	13,507,314	14,514,764	14,658,407
Education.....	43,713,556	47,110,502	51,709,660	52,053,518	54,276,952	60,078,051	61,604,106	62,158,553	63,483,086	63,704,682
Public works.....	4,247,384	6,259,126	8,826,081	7,863,712	7,789,074	4,789,861	5,128,289	5,274,797	5,948,666	5,087,136
Health and human services.....	655,866	685,878	663,781	893,835	806,865	1,099,074	1,232,271	1,163,764	1,221,811	1,237,194
Culture and recreation.....	1,456,363	1,605,560	1,089,893	1,548,688	1,475,089	1,773,229	1,886,359	2,083,873	1,926,877	2,017,701
Community preservation.....	-	-	-	-	151,858	176,948	262,790	300,969	146,273	398,581
Interest.....	1,581,496	2,021,432	1,888,162	1,675,950	1,821,404	1,288,074	1,260,103	949,620	787,632	876,894
Total governmental activities expenses.....	64,094,474	71,310,309	78,920,084	78,638,863	82,129,922	86,301,782	89,110,074	88,773,371	91,942,611	91,954,072
Business-type activities:										
Sewer.....	2,442,633	-	-	-	-	3,825,132	3,717,598	3,530,589	3,514,018	3,494,294
Water.....	1,780,129	2,991,356	2,637,481	2,928,422	3,045,954	3,323,888	3,645,208	3,512,862	3,508,484	3,460,273
Solid waste.....	3,405,781	3,398,155	3,133,316	3,683,237	3,336,314	3,245,294	3,186,993	2,850,197	2,663,547	2,608,972
Total business-type activity expenses.....	7,628,543	6,389,511	5,770,797	6,611,659	6,382,268	10,394,314	10,549,791	9,893,648	9,686,049	9,563,539
Total primary government expenses.....	\$ 71,723,017	\$ 77,699,820	\$ 84,690,881	\$ 85,250,522	\$ 88,512,190	\$ 96,696,096	\$ 99,659,865	\$ 98,667,019	\$ 101,628,660	\$ 101,517,611
<b>Program Revenues</b>										
Governmental activities:										
Public safety charges for services.....	\$ 851,766	\$ 649,519	\$ 1,513,401	\$ 1,388,709	\$ 1,489,822	\$ 1,662,618	\$ 1,470,734	\$ 1,833,254	\$ 1,636,627	\$ 1,860,575
Education charges for services.....	1,219,910	1,012,834	1,195,364	1,162,379	1,450,676	1,329,265	1,633,614	1,582,987	1,591,792	1,683,818
Public works charges for services.....	24,917	2,604,803	2,172,660	7,828,621	2,504,563	55,965	140,343	120,255	140,202	162,441
Other charges for services.....	1,587,706	1,617,960	887,094	942,452	872,612	1,137,163	1,057,287	1,113,914	1,189,719	1,158,333
Operating grants and contributions.....	18,967,997	21,927,806	20,256,840	20,898,283	23,970,172	25,709,451	27,079,730	27,768,573	28,180,829	30,468,638
Capital grants and contributions.....	2,306,224	1,880,964	454,821	368,465	1,285,273	2,603,013	983,632	2,032,817	2,205,026	1,277,419
Total government activities program revenues.....	24,958,520	29,693,886	26,480,180	32,588,909	31,573,118	32,497,475	32,365,340	34,451,800	34,944,195	36,611,224
Business-type activities:										
Charges for services:										
Sewer.....	2,021,810	-	-	-	-	2,880,162	2,470,233	2,408,283	2,541,836	2,475,768
Water.....	3,040,526	3,419,994	3,249,185	2,509,017	3,444,008	3,187,661	3,376,027	3,065,944	3,702,149	3,337,136
Solid Waste.....	3,073,088	3,299,925	2,975,934	3,817,833	3,771,280	3,738,315	2,904,608	2,526,818	2,513,195	2,448,477
Operating grants and contributions.....	142,422	73,845	141,755	324,666	183,063	190,072	200,659	136,036	253,462	116,903
Capital grants and contributions.....	121,957	-	-	-	-	-	-	39,423	21,461	17,841
Total business-type activities program revenues.....	8,399,803	6,793,764	6,366,874	6,651,516	7,398,351	9,996,210	8,951,527	8,176,504	9,032,103	8,396,125
Total primary government program revenues.....	\$ 33,358,323	\$ 36,487,650	\$ 32,847,054	\$ 39,240,425	\$ 38,971,469	\$ 42,493,685	\$ 41,316,867	\$ 42,628,304	\$ 43,976,298	\$ 45,007,349
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (39,135,954)	\$ (41,616,423)	\$ (52,439,904)	\$ (46,049,954)	\$ (50,556,804)	\$ (53,804,307)	\$ (56,744,734)	\$ (54,321,571)	\$ (56,998,416)	\$ (55,342,848)
Business-type activities.....	771,260	404,253	596,077	39,857	1,016,083	(398,104)	(1,598,264)	(1,717,144)	(653,946)	(1,167,414)
Total primary government net expense.....	\$ (38,364,694)	\$ (41,212,170)	\$ (51,843,827)	\$ (46,010,097)	\$ (49,540,721)	\$ (54,202,411)	\$ (58,342,998)	\$ (56,038,715)	\$ (57,652,362)	\$ (56,510,262)
<b>General Revenues and other Changes in Net Assets</b>										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 33,103,412	\$ 33,992,431	\$ 36,480,385	\$ 37,363,518	\$ 38,754,561	\$ 42,730,586	\$ 44,204,433	\$ 46,009,189	\$ 47,625,628	\$ 49,273,498
Motor vehicle and other excise taxes.....	3,127,020	3,196,830	3,458,124	3,496,136	3,158,003	3,285,913	3,077,468	3,035,945	3,035,952	3,088,572
Community preservation tax.....	-	-	-	830,355	871,114	970,338	945,317	986,430	1,019,934	1,055,074
Penalties and interest on taxes.....	257,550	205,069	255,291	255,015	258,823	295,273	336,323	337,685	306,690	347,002
Court settlements.....	-	-	-	-	-	-	834,229	-	-	-
Grants and contributions not restricted to specific programs.....	3,132,572	5,443,606	5,253,422	4,654,593	5,793,710	3,131,096	2,870,178	2,370,183	2,075,272	1,938,122
Unrestricted investment income.....	616,002	609,612	694,329	1,028,278	1,474,859	820,875	364,352	208,415	115,259	91,398
Miscellaneous.....	227,696	798,479	712,029	331,701	353,523	227,849	215,185	326,138	119,825	147,724
Transfers.....	-	(24,717)	-	-	-	-	(21,769)	-	-	-
Total governmental activities.....	40,464,252	44,221,310	46,853,580	47,959,596	50,664,593	51,461,930	52,825,716	53,273,985	54,298,560	55,951,390
Business-type activities:										
Court settlements.....	-	-	-	-	-	-	480,000	-	-	-
Unrestricted investment income.....	-	-	-	-	-	577,329	503,273	148,514	104,755	76,560
Transfers.....	-	24,717	-	-	-	-	21,769	-	-	-
Total business-type activities.....	-	24,717	-	-	-	577,329	1,005,042	148,514	104,755	76,560
Total primary government.....	\$ 40,464,252	\$ 44,246,027	\$ 46,853,580	\$ 47,959,596	\$ 50,664,593	\$ 52,039,259	\$ 53,830,758	\$ 53,422,499	\$ 54,403,315	\$ 56,027,950
<b>Changes in Net Assets</b>										
Governmental activities.....	\$ 1,328,298	\$ 2,604,887	\$ (5,586,324)	\$ 1,909,642	\$ 107,789	\$ (2,342,377)	\$ (3,919,018)	\$ (1,047,586)	\$ (2,699,856)	\$ 608,542
Business-type activities.....	771,260	428,970	596,077	39,857	1,016,083	179,225	(593,222)	(1,568,630)	(549,191)	(1,090,854)
Total primary government.....	\$ 2,099,558	\$ 3,033,857	\$ (4,990,247)	\$ 1,949,499	\$ 1,123,872	\$ (2,163,152)	\$ (4,512,240)	\$ (2,616,216)	\$ (3,249,047)	\$ (482,312)

Note: For the fiscal years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Activities.

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved.....\$	2,721,313	\$ 3,079,174	\$ 1,735,706	\$ 962,993	\$ 1,102,746	\$ 622,584	\$ 393,885	\$ 663,244	\$ -	\$ -
Unreserved.....	7,363,859	6,100,057	4,920,301	5,639,433	3,685,942	4,658,860	4,385,596	3,688,741	-	-
Assigned.....	-	-	-	-	-	-	-	-	307,888	281,950
Unassigned.....	-	-	-	-	-	-	-	-	4,716,619	5,109,444
Total general fund.....\$	<u>10,085,172</u>	<u>\$ 9,179,231</u>	<u>\$ 6,656,007</u>	<u>\$ 6,602,426</u>	<u>\$ 4,788,688</u>	<u>\$ 5,281,444</u>	<u>\$ 4,779,481</u>	<u>\$ 4,351,985</u>	<u>\$ 5,024,507</u>	<u>\$ 5,391,394</u>
All Other Governmental Funds										
Reserved.....\$	-	\$ 139,509	\$ 95,113	\$ 1,333,578	\$ 1,848,727	\$ 377,466	\$ 463,731	\$ 497,723	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	13,993,734	16,608,548	14,073,000	10,196,721	11,891,488	10,139,920	10,004,469	7,856,675	-	-
Capital projects funds.....	3,318,187	1,364,864	2,540,489	352,910	864,234	(922,300)	1,285,269	(398,021)	-	-
Permanent funds.....	1,109,389	1,027,593	1,054,007	1,080,574	1,193,345	888,128	866,241	872,684	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	1,043,270	1,096,182
Restricted.....	-	-	-	-	-	-	-	-	6,264,680	10,795,737
Committed.....	-	-	-	-	-	-	-	-	30,290	40,587
Unassigned.....	-	-	-	-	-	-	-	-	-	(2,854,861)
Total all other governmental funds....\$	<u>18,421,310</u>	<u>\$ 19,140,514</u>	<u>\$ 17,762,609</u>	<u>\$ 12,963,783</u>	<u>\$ 15,797,794</u>	<u>\$ 10,483,214</u>	<u>\$ 12,619,710</u>	<u>\$ 8,829,061</u>	<u>\$ 7,338,240</u>	<u>\$ 9,077,645</u>

For the fiscal years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Funds.

The Town implemented GASB 54 in fiscal year 2011, fund balances prior to fiscal year 2011 have been reported in the pre-GASB 54 format.

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues:</b>										
Real estate, personal property taxes and tax liens,										
net of tax refunds.....	\$ 33,395,869	\$ 34,599,324	\$ 36,306,867	\$ 37,548,388	\$ 38,256,831	\$ 42,893,443	\$ 43,896,810	\$ 46,231,120	\$ 47,255,875	\$ 49,251,843
Motor vehicle and other excise taxes.....	3,196,541	3,177,685	3,398,151	3,478,381	3,201,171	3,273,198	3,136,448	2,996,478	2,963,732	3,134,838
Penalties and interest on taxes.....	257,550	205,069	255,291	255,015	258,823	295,273	336,323	337,685	306,690	347,002
Charges for services.....	-	3,781,716	4,677,078	5,806,836	5,578,452	823,808	896,372	987,974	1,032,776	1,048,550
Court settlements.....	-	-	-	-	-	-	834,229	-	-	-
Intergovernmental.....	23,954,865	24,777,670	26,611,991	27,224,134	31,264,380	32,768,863	31,388,745	32,374,981	32,526,944	33,827,922
Departmental and other.....	4,137,626	2,370,719	2,199,763	1,615,155	1,699,661	3,441,177	4,031,497	4,014,469	3,450,322	3,691,831
Community preservation taxes.....	-	-	-	830,355	871,114	943,616	948,528	994,940	1,017,700	1,060,170
Contributions.....	-	-	-	-	-	471,577	433,519	474,687	244,974	238,977
Investment income.....	766,274	606,641	692,726	1,028,278	1,417,437	820,875	364,352	208,415	115,259	91,398
<b>Total Revenue.....</b>	<b>65,708,725</b>	<b>69,518,824</b>	<b>74,141,867</b>	<b>77,786,542</b>	<b>82,547,869</b>	<b>85,731,830</b>	<b>86,266,823</b>	<b>88,620,749</b>	<b>88,914,272</b>	<b>92,692,531</b>
<b>Expenditures:</b>										
General government.....	7,394,545	9,188,091	8,176,301	7,819,324	11,181,605	3,685,500	2,589,184	2,609,472	2,487,410	2,322,835
Public safety.....	6,783,812	7,843,581	7,543,894	6,712,207	7,760,428	8,172,255	9,035,006	8,644,135	9,082,725	8,679,772
Education.....	37,970,219	43,336,782	43,117,621	39,981,242	46,470,674	50,762,547	50,303,198	49,860,090	53,138,359	55,787,658
Public works.....	2,673,343	7,836,899	7,463,545	6,169,708	5,811,645	1,893,018	2,778,556	4,015,920	5,012,258	3,007,215
Human and human services.....	2,441,840	2,188,749	675,431	697,459	741,516	877,038	657,156	419,019	506,933	383,654
Culture and recreation.....	1,138,760	1,489,949	1,690,251	1,039,130	1,698,038	1,218,016	1,080,131	766,502	755,207	753,628
Pension benefits.....	n/a	n/a	n/a	n/a	n/a	3,059,026	3,193,116	3,298,846	3,768,238	3,736,165
Property and liability insurance.....	n/a	n/a	n/a	n/a	n/a	916,566	763,597	642,704	565,489	579,991
Employee benefits.....	n/a	n/a	n/a	n/a	n/a	5,088,361	5,256,480	5,542,176	5,973,191	6,386,222
Community preservation.....	n/a	n/a	n/a	n/a	n/a	176,948	2,319,107	3,271,886	1,011,397	470,208
State and county charges.....	531,973	707,303	826,165	721,720	682,912	643,063	593,075	605,335	671,652	664,596
Capital outlay.....	4,998,843	7,701,237	7,018,218	13,720,593	4,464,480	4,616,185	5,237,093	9,221,535	7,410,609	9,518,420
Debt service										
Principal.....	1,950,719	3,469,092	3,607,241	4,012,274	3,852,445	3,856,058	3,756,463	4,083,194	3,935,896	3,900,384
Interest.....	1,548,320	1,895,361	1,805,329	1,765,292	1,770,277	1,363,126	1,244,359	969,564	766,207	896,491
<b>Total Expenditures.....</b>	<b>67,432,374</b>	<b>85,657,044</b>	<b>81,923,996</b>	<b>82,638,949</b>	<b>84,434,020</b>	<b>86,327,707</b>	<b>88,806,521</b>	<b>93,950,378</b>	<b>95,085,571</b>	<b>97,087,239</b>
Excess of revenues over (under) expenditures.....	(1,723,649)	(16,138,220)	(7,782,129)	(4,852,407)	(1,886,151)	(595,877)	(2,539,698)	(5,329,629)	(6,171,299)	(4,394,708)
<b>Other Financing Sources (Uses)</b>										
Premium from issuance of bonds.....	-	11,879	-	-	57,424	-	-	-	-	-
Proceeds from issuance of long-term debt.....	8,079,000	1,230,000	3,881,000	-	2,849,000	-	4,196,000	965,000	5,353,000	6,501,000
Issuance of refunding bonds.....	-	-	-	-	-	-	-	12,728,840	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	1,268,616	-	-
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	-	(13,850,972)	-	-
Transfers in.....	1,867,612	3,382,743	3,365,944	3,759,046	3,014,784	1,348,253	1,046,203	1,704,316	465,650	1,138,594
Transfers out.....	(1,867,612)	(3,407,460)	(3,365,944)	(3,759,046)	(3,014,784)	(1,348,253)	(1,067,972)	(1,704,316)	(465,650)	(1,138,594)
<b>Total other financing sources (uses).....</b>	<b>8,079,000</b>	<b>1,217,162</b>	<b>3,881,000</b>	<b>-</b>	<b>2,906,424</b>	<b>-</b>	<b>4,174,231</b>	<b>1,111,484</b>	<b>5,353,000</b>	<b>6,501,000</b>
<b>Net change in fund balance.....</b>	<b>\$ 6,355,351</b>	<b>\$ (14,921,058)</b>	<b>\$ (3,901,129)</b>	<b>\$ (4,852,407)</b>	<b>\$ 1,020,273</b>	<b>\$ (595,877)</b>	<b>\$ 1,634,533</b>	<b>\$ (4,218,145)</b>	<b>\$ (818,299)</b>	<b>\$ 2,106,292</b>
Debt service as a percentage of noncapital expenditures.....	5.60%	6.88%	7.23%	8.38%	7.03%	6.39%	5.98%	5.96%	5.36%	5.48%

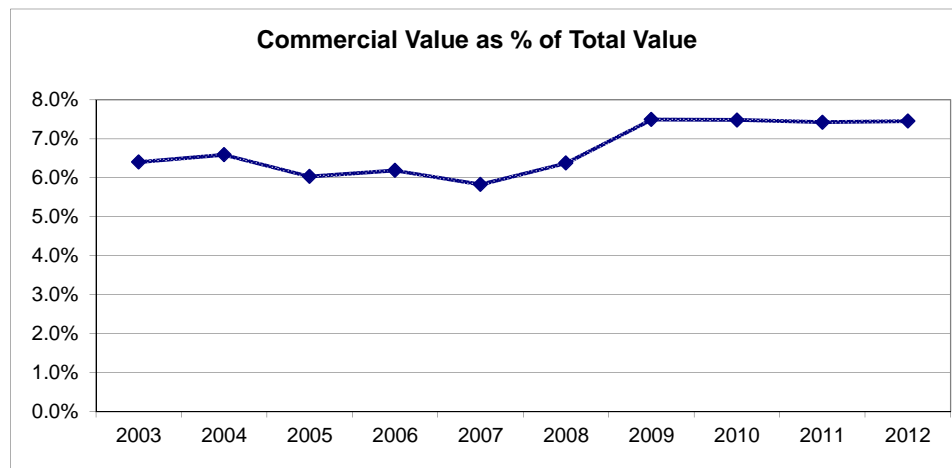
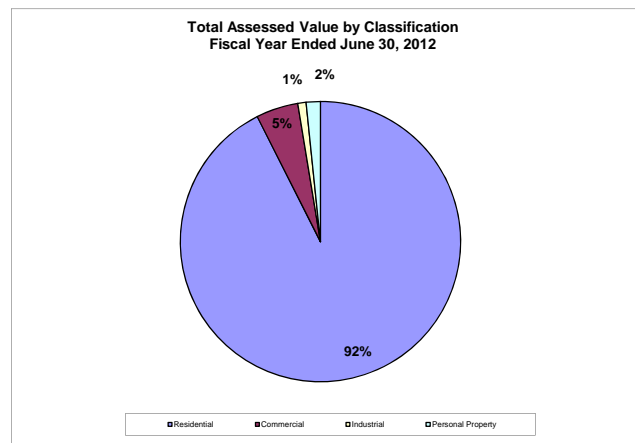
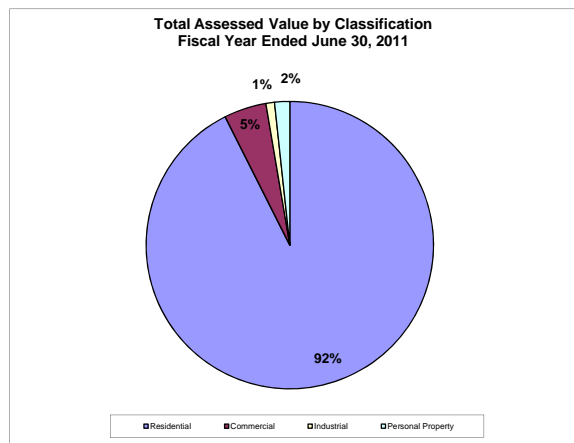
n/a - Information is not available.

For the fiscal years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Funds.

## Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

### Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2003	\$2,730,101,537	\$11.27	\$129,505,663	\$25,164,800	\$32,039,557	\$186,710,020	\$11.27	6.4%	\$ 11.27	\$2,916,811,557
2004	\$3,301,240,417	\$9.71	\$167,899,483	\$29,396,000	\$35,635,943	\$232,931,426	\$9.71	6.6%	\$ 9.71	\$3,534,171,843
2005 (1)	\$3,881,280,251	\$8.65	\$181,680,049	\$30,762,000	\$36,817,458	\$249,259,507	\$8.65	6.0%	\$ 8.65	\$4,130,539,758
2006	\$4,223,128,973	\$8.31	\$206,830,234	\$35,490,300	\$36,381,261	\$278,701,795	\$8.31	6.2%	\$ 8.31	\$4,501,830,768
2007	\$4,507,128,337	\$8.14	\$205,483,115	\$36,562,100	\$36,960,539	\$279,005,754	\$8.14	5.8%	\$ 8.14	\$4,786,134,091
2008 (1)	\$4,586,786,110	\$8.72	\$223,328,575	\$43,622,000	\$45,423,853	\$312,374,428	\$8.72	6.4%	\$ 8.72	\$4,899,160,538
2009	\$4,099,485,652	\$9.99	\$227,507,906	\$42,942,900	\$61,765,017	\$332,215,823	\$9.99	7.5%	\$ 9.99	\$4,431,701,475
2010	\$3,967,268,613	\$10.75	\$215,560,402	\$41,011,300	\$64,264,470	\$320,836,172	\$10.75	7.5%	\$ 10.75	\$4,288,104,785
2011 (1)	\$3,916,336,332	\$11.29	\$201,661,048	\$41,142,600	\$71,346,760	\$314,150,408	\$11.29	7.4%	\$ 11.29	\$4,230,486,740
2012	\$3,892,976,366	\$11.76	\$203,681,840	\$40,844,500	\$69,032,560	\$313,558,900	\$11.76	7.5%	\$ 11.76	\$4,206,535,266



(1) Revaluation year.

Source: Assessor's Department, Town of Marshfield and Official Statements.  
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

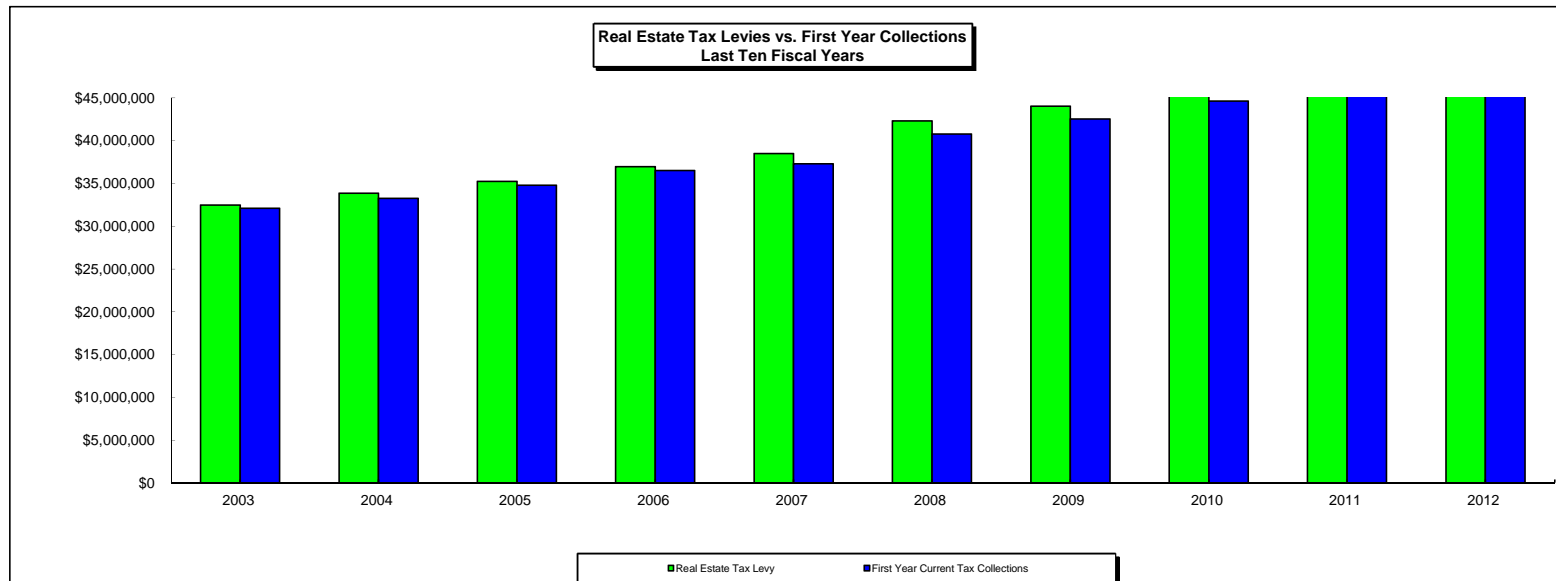
**Principal Taxpayers**  
**Current Year and Nine Years Ago**

Name	Nature of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Winslow Woods, LLC	Assisted Living	\$ 39,031,200	1	0.93%	\$ -	-	-
Verizon	Utility	22,611,500	2	0.54%	7,824,600	5	0.31%
Home Properties of Marshfield, LLP	Apartment Complex	21,734,700	3	0.52%	11,398,800	2	0.46%
Curtlo, LLC	Shopping Plaza	17,845,300	4	0.42%	11,622,200	1	0.47%
Commonwealth Electric/Nstar	Utility	17,608,130	5	0.42%	7,949,413	4	0.30%
Beacon Shore LTD	Apartment Complex	13,756,600	6	0.33%	-	-	-
Columbia Gas of MA	Utility	10,964,290	7	0.26%	5,827,560	6	0.23%
OMDB Realty, LLC	Supermarket	8,694,400	8	0.21%	-	-	-
Mariners Hill Limited	Apartments & Over 55	7,576,800	9	0.18%	5,751,000	7	0.23%
Chestnut Hill	Single Family Subdivision	6,898,900	10	0.16%	-	-	-
Curtlo Realty Trust	Realty	-	-	-	11,386,400	3	0.46%
Marshfield Country Club	Golf Course	-	-	-	4,142,300	8	0.17%
Chelsea Communications	Cablevision	-	-	-	2,943,600	9	0.12%
Marina Harbor	Marina	-	-	-	2,749,700	10	0.11%
<b>Totals</b>		<u>\$ 166,721,820</u>		<u>3.97%</u>	<u>\$ 71,595,573</u>		<u>2.97%</u>
Source: Official Statements, Town of Marshfield							

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Less Abatements &amp; Exemptions</b>	<b>Net Tax Levy</b>	<b>Net as % of Total</b>	<b>First Year Current Tax Collections</b>	<b>Percent of Net Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Net Tax Levy</b>
2003	\$32,872,466	\$406,583	\$32,465,883	98.76%	\$32,076,941	98.80%	\$381,823	\$32,458,764	99.98%
2004	\$34,316,809	\$465,327	\$33,851,482	98.64%	\$33,244,779	98.21%	\$486,837	\$33,731,616	99.65%
2005 (1)	\$35,729,169	\$488,834	\$35,240,335	98.63%	\$34,770,020	98.67%	\$440,720	\$35,210,740	99.92%
2006	\$37,410,214	\$473,121	\$36,937,093	98.74%	\$36,481,022	98.77%	\$422,696	\$36,903,718	99.91%
2007	\$38,959,132	\$477,450	\$38,481,682	98.77%	\$37,286,024	96.89%	\$411,763	\$37,697,787	97.96%
2008 (1)	\$42,720,680	\$421,121	\$42,299,559	99.01%	\$40,756,510	96.35%	\$911,599	\$41,668,109	98.51%
2009	\$44,339,965	\$346,616	\$43,993,349	99.22%	\$42,508,902	96.63%	\$904,223	\$43,413,125	98.68%
2010	\$46,097,126	\$317,162	\$45,779,964	99.31%	\$44,593,567	97.41%	\$834,395	\$45,427,962	99.23%
2011 (1)	\$47,762,195	\$364,736	\$47,397,459	99.24%	\$46,172,819	97.42%	\$796,745	\$46,969,564	99.10%
2012	\$49,468,855	\$260,385	\$49,208,470	99.47%	\$47,948,166	97.44%	\$0	\$47,948,166	97.44%



(1) Revaluation year.

Source: Assessor's Department and Official Statements, Town of Marshfield

# Ratios of Outstanding Debt and General Bonded Debt

## Last Ten Fiscal Years

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities			
				General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value

2003	24,775	\$ 753,144,286	\$ 2,916,811,557	\$37,678,019	\$1,521	5.00%	1.29%
2004	24,817	\$ 784,597,902	\$ 3,534,171,843	\$42,922,453	\$1,730	5.47%	1.21%
2005	24,890	\$ 857,727,346	\$ 4,130,539,758	\$43,212,849	\$1,736	5.04%	1.05%
2006	24,836	\$ 915,777,119	\$ 4,501,830,768	\$39,200,575	\$1,578	4.28%	0.87%
2007	24,576	\$ 961,988,000	\$ 4,786,134,091	\$38,197,130	\$1,554	3.97%	0.80%
2008	24,735	\$ 946,327,000	\$ 4,899,160,538	\$27,906,194	\$1,128	2.95%	0.57%
2009	24,947	\$ 882,087,000	\$ 4,431,701,475	\$28,345,731	\$1,136	3.21%	0.64%
2010	25,184	\$ 958,798,000	\$ 4,288,104,785	\$25,141,377	\$998	2.62%	0.59%
2011	25,185	\$ 923,121,687	\$ 4,230,486,740	\$26,558,481	\$1,055	2.88%	0.63%
2012	25,132	\$ 942,082,000	\$ 4,206,535,266	\$29,159,097	\$1,160	3.10%	0.69%

Fiscal Year	Business-Type Activities	Total Primary Government			
	General Obligation Bonds	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value

2003	\$ 9,358,526	\$47,036,545	\$1,899	6.25%	1.61%
2004	\$ 1,345,000	\$44,267,453	\$1,784	5.64%	1.25%
2005	\$ 980,000	\$44,192,849	\$1,776	5.15%	1.07%
2006	\$ 725,000	\$39,925,575	\$1,608	4.36%	0.89%
2007	\$ 2,701,000	\$40,898,130	\$1,664	4.25%	0.85%
2008	\$ 8,199,291	\$36,105,485	\$1,460	3.82%	0.74%
2009	\$ 9,797,097	\$38,142,828	\$1,529	4.32%	0.86%
2010	\$ 8,872,554	\$34,013,931	\$1,351	3.55%	0.79%
2011	\$ 11,929,472	\$38,487,953	\$1,528	4.17%	0.91%
2012	\$ 12,556,963	\$41,716,060	\$1,660	4.43%	0.99%

Source: Audited Financial Statements, U. S. Census

Note: For the fiscal years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Funds.

# **Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2012**

<u>Town of Marshfield, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Plymouth County.....	\$ 3,300,000	6.29%	\$ 207,570
Town direct debt.....			<u>29,159,097</u>
Total direct and overlapping debt.....			<u>\$ 29,366,667</u>

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

Source: Plymouth County Treasurer

- (1) County expenses, including debt service, are assessed upon the Towns within the County in proportion to their taxable valuation.



**Computation of Legal Debt Margin**

**Last Ten Fiscal Years**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Valuation.....	\$ 2,703,305,500	\$ 3,790,610,200	\$ 3,790,610,200	\$ 4,787,007,000	\$ 4,787,007,000	\$ 5,158,780,200	\$ 5,158,780,200	\$ 4,678,944,800	\$ 4,678,944,800	\$ 4,524,078,200
Debt Limit -5% of Equalized Valuation.....	\$ 135,165,275	\$ 189,530,510	\$ 189,530,510	\$ 239,350,350	\$ 239,350,350	\$ 257,939,010	\$ 257,939,010	\$ 233,947,240	\$ 233,947,240	\$ 226,203,910
Less:										
Outstanding debt applicable to limit.....	\$ 22,206,545	\$ 21,422,452	\$ 22,987,848	\$ 20,250,575	\$ 31,762,252	\$ 27,906,194	\$ 28,345,731	\$ 25,141,377	\$ 26,558,481	\$ 29,159,097
Authorized and unissued debt.....	1,619,420	4,413,920	3,770,920	8,329,420	6,393,420	11,294,000	6,042,000	7,383,000	15,331,000	119,925,839
Legal debt margin.....	\$ 111,339,310	\$ 163,694,138	\$ 162,771,742	\$ 210,770,355	\$ 201,194,678	\$ 218,738,816	\$ 223,551,279	\$ 201,422,863	\$ 192,057,759	\$ 77,118,974
Total debt applicable to the limit as a percentage of the limit.....	17.63%	13.63%	14.12%	11.94%	15.94%	15.20%	13.33%	13.90%	17.91%	65.91%

Source: Treasurer's Department, Town of Marshfield

## Demographic and Economic Statistics

### Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	24,775	\$ 753,144,286	\$ 30,399	37	4,699	4.60%
2004	24,817	\$ 784,597,902	\$ 31,615	37	4,621	3.50%
2005	24,890	\$ 857,727,346	\$ 34,461	37	4,639	3.80%
2006	24,836	\$ 915,777,119	\$ 36,873	37	4,693	4.30%
2007	24,576	\$ 961,988,000	\$ 39,143	37	4,730	4.60%
2008	24,735	\$ 946,327,000	\$ 38,259	37	4,739	6.20%
2009	24,947	\$ 882,087,000	\$ 35,358	37	4,742	7.70%
2010	25,184	\$ 958,798,000	\$ 35,936	37	4,738	7.20%
2011	25,185	\$ 923,121,687	\$ 36,654	37	4,744	6.40%
2012	25,132	\$ 942,082,000	\$ 37,853	40	4,577	6.80%

Source: U. S. Census, Division of Local Services  
Median age is based on most recent census data

**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	Nature of Business	2012			2003		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Marshfield	Municipal Government	1,092	1	7.81%	1,136	1	8.35%
Road to Responsibility	Retail & Service	472	2	3.37%	-	-	-
Roche Brothers	Supermarket	286	3	2.04%	-	-	-
Star Market	Supermarket	163	4	1.17%	140	2	1.03%
Windslow Woods	Assisted Living Facility	106	5	0.76%	-	-	-
Marshfield Country Club	Golf Course	96	6	0.69%	60	8	0.44%
Kirwan Surgical Products LLC	Manufacturer	93	7	0.66%	85	5	0.62%
Marshfield Tavern	Restaurant	76	8	0.54%	-	-	-
Fairview Inn	Restaurant & Inn	70	9	0.50%	70	7	0.51%
Marshall's	Retail	50	10	0.36%	52	10	0.38%
Jamies Grille	Restaurant	-	-	-	137	3	1.01%
Bridgway Inn	Restaurant & Inn	-	-	-	100	4	0.73%
Image Art	Manufacturer	-	-	-	80	6	0.62%
US Post Office	Postal Service	-	-	-	57	9	0.42%
		<u>2,504</u>		<u>17.90%</u>	<u>1,917</u>		<u>14.11%</u>

Employees for the Town of Marshfield includes all classes of employees, not just FTE's.

Source: Massachusetts Workplace Development Agency & the Town's personnel and department records.

## Full-time Equivalent Town Employees by Function

### Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General government.....	45	40	42	42	40	41	39	38	38	34
Police.....	48	48	48	45	48	48	45	45	45	47
Fire.....	55	55	55	55	52	55	55	52	51	54
Education.....	566	565	567	618	639	628	643	640	628	681
Water.....	20	20	20	20	20	21	19	19	19	22
Sewer.....	12	13	14	14	13	14	12	13	13	14
Solid waste.....	6	7	7	7	7	7	7	7	7	7
Public works.....	36	36	36	40	40	40	36	34	34	35
Human services.....	16	16	18	19	18	19	17	17	17	5
Culture and recreation.....	30	30	28	30	30	30	29	28	28	5
Total .....	<u>834</u>	<u>830</u>	<u>835</u>	<u>890</u>	<u>907</u>	<u>903</u>	<u>902</u>	<u>893</u>	<u>880</u>	<u>904</u>

Source: Town personnel records and various Town departments.

**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Population.....	24,775	24,817	24,890	24,836	24,576	24,735	24,947	25,184	25,185	25,132
Registered voters, annual town election.....	11,674	12,403	13,708	14,304	15,367	16,531	17,713	17,867	17,966	18,234
Town Clerk										
Births.....	242	312	309	253	286	255	220	229	216	207
Marriages.....	156	119	107	99	109	98	103	75	114	69
Deaths.....	150	163	166	166	167	174	186	166	214	209
Police										
Accidents covered by an officer.....	457	409	395	386	503	515	380	331	377	859
Citations issued.....	1,899	1,474	1,230	926	1,205	513	1,206	1,140	854	1,338
Arrests.....	378	344	638	765	753	660	790	826	494	413
Larcenies.....	189	232	246	224	208	104	300	547	354	420
Fire										
Rescue assist.....	703	499	368	370	360	387	414	332	340	354
False alarm.....	54	47	43	55	40	32	433	201	229	18
Public assist.....	162	170	240	226	198	240	407	472	604	239
Emergency responses/ambulance.....	1,611	1,748	1,734	1,730	1,951	1,974	2,025	2,072	2,230	2,346
Building Department										
Residential building permits issued.....	810	837	658	814	731	716	858	844	707	708
Non-Residential building permits issued.....	21	26	13	39	33	36	23	48	49	59
Education										
Public school enrollment.....	4,699	4,621	4,639	4,693	4,730	4,739	4,742	4,750	4,713	4,575
Public Works										
Cemetery										
Lots sold.....	150	139	158	94	62	106	61	84	67	64
Interments.....	130	125	120	92	103	78	72	89	89	62
Water										
Service connections.....	9,584	9,718	9,718	9,804	9,826	9,894	9,907	9,912	9,926	9,870
Consumption in billions of gallons.....	1,124	1,167	1,114	887	1,026	1,027	1,069	834	854	956
Daily consumption in millions of gallons.....	3.1	3.3	3.0	2.5	2.8	2.8	2.8	2.3	2.3	2.7
Sewer										
Service connections.....	4,100	4,289	4,456	4,468	4,470	4,479	4,502	4,650	4,650	4,403
Daily average collection (MGD).....	1.29	1.25	1.29	1.33	1.22	1.41	1.43	1.59	1.63	1.54
Highway										
Miles of public road.....	160	170	170	170	170	170	170	170	170	171
Human Services										
Board of Health										
Permits issued.....	991	1,009	994	809	742	669	688	663	696	721
Variances.....	79	61	62	58	44	26	24	21	24	32
Council on Aging										
Home delivered meals.....	9,213	9,445	11,797	12,655	14,995	13,921	13,189	11,375	12,447	10,665
Transportation.....	10,230	10,852	9,902	10,163	10,604	11,325	11,646	11,807	11,442	10,937
Volunteer service hours.....	21,080	33,331	36,631	26,385	23,159	23,441	20,417	30,061	30,242	33,337
Fitness/exercise program participants.....	2,362	2,692	2,934	5,176	5,271	5,166	6,333	7,074	6,696	7,355
Recreation/social event participants.....	5,576	7,692	10,960	10,876	13,810	14,191	14,404	15,355	14,651	15,320
Libraries										
Volumes in collection.....	69,278	70,880	72,507	73,013	76,334	76,202	75,602	80,466	70,166	70,689
Circulation.....	283,000	274,000	268,337	280,448	268,000	273,951	244,362	280,621	260,155	260,155
Program attendance.....	10,417	7,512	8,340	7,273	5,919	6,023	5,726	5,829	8,761	5,379

Source: Various Town Departments

# Capital Asset Statistics by Function/Program

## Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Airport	1	1	1	1	1	1	1	1	1	1
General Government (1)										
Number of buildings.....	2	2	2	2	2	2	3	3	3	3
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Number of vehicles.....	14	14	15	15	15	15	15	16	16	14
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	194	195	198	198	200	200	200	201	201	201
Fire hydrants.....	1,333	1,337	1,375	1,375	1,383	1,388	1,390	1,398	1,399	1,399
Sanitary sewers (miles).....	32	41	41	41	41	41	41	41	41	41
Number of wells.....	16	16	16	16	16	17	17	17	17	17
Number of water storage tanks.....	3	3	3	3	3	4	4	4	4	4
Number of pump stations.....	15	15	15	15	15	16	16	16	16	16
Human Services										
Senior center.....	-	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	-	-	-	-	-	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

(1) the Town purchased land with two buildings which are both vacant pending completion of feasibility studies for long term use.