

**THE TOWN OF MARSHFIELD,
MASSACHUSETTS**

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT**



**FOR THE YEAR
JULY 1, 2014 – JUNE 30, 2015**

On the cover:

Brant Rock



Green Harbor

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

TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2015



Prepared by:

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



On February 8-9, 2013, the Blizzard of 2013 known as Storm Nemo severely impacted the Town of Marshfield. The blizzard caused flooding, prolonged power outages and significant tree damage. The storm also caused damage to infrastructure including compromising one of the Town's jetties and causing a build-up of silt in the channel to the Atlantic Ocean known as the Narrows.

TOWN OF MARSHFIELD, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2015

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Introductory Section



Pictured above is Burkes Beach, one of the many beaches in Marshfield.

Introductory Section



Rocco J. Longo
Town Administrator

Town of Marshfield

Board of Selectmen
870 Moraine Street
Marshfield, Massachusetts 02050
Tel: 781-834-5563 Fax: 781-834-5527

Letter of Transmittal

March 25, 2016

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 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 year ending June 30, 2015 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 year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Marshfield's financial statements for the year ended June 30, 2015 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; noted by the local population as a "community of villages." 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, the purest form of democracy 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 a three member Board of Selectmen, as well as five other elected Boards. According to the U.S. Department of Commerce, Bureau of Census conducted in 2010, the Town's population was 25,531. However, unofficially the Town's summer population increases (estimated) to over 40,000.

Local school affairs are administered by a five member School Committee. Local taxes are assessed by a three member elected 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.

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 year 2002 at the maximum 3% surcharge. These funds have been authorized by Town Meeting for the purchase of over 330 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 Board of Selectmen has adopted Economic Development as a top priority.

An Economic Development Committee was established to create a partnership with the private sector and expand the view of the community and municipal services. As an example the Board approved a study that examined the timing of building permits. The study was conducted by Joe Markarian an Economic Development consultant and a retired Department of Revenue employee. The conclusion of the study removed the myths about processing building permits and had a number of suggestions for improvements. The Economic Development Committee would continue to work on options to maintain sustainability and strengthen the public private partnership. One significant committee finding was the need to reexamine the Town's Charter to consider options to improve the Town's governance and communications internally and externally.

A notable opportunity to share the community resources was the filming of the "Finest Hours" in Brant Rock, the second film shot in Marshfield in recent years; "The Way, Way Back," was filmed in Green Harbor. Both movies created a very positive image on town services and local businesses.

The Town established a Brant Rock Village Overlay District (BRVO) that establishes minimum requirements for new development and redevelopment of existing properties located in the BRVO district. New development and redevelopment within the BRVO district are intended to reduce impacts from actual and projected coastal flooding. In addition the new zone promotes mixed use development; commercial on the first floor and residential on the second floor. The Village of Brant Rock has a historical development pattern that contains both commercial and residential uses within a single building and other geographical areas which are substantially residential. The BRVO district will allow certain Mix-uses within a single building provided such buildings can be designed and constructed in a manner that preserves and respects the New England architecture of Brant Rock Village and reduces damage caused by chronic flooding that is prevalent in the BRVO district.

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

Flood Insurance

Federal Emergency Management Administration had decided to review and update the Town's Flood maps, via Plymouth County Flood maps. As a result, close to 1,400 additional homes would be added into proposed flood zones. The Board of Selectmen decided to appeal the proposed new maps. The Town retained the services of the Woods Hole Group to assist with one appeal and Ranson Associates to assist with a second appeal effort, through a Scientific Review Panel. The appeals were pursued with neighboring communities Scituate and Duxbury. The appeal was pursued by the Selectmen with hope to have corrective action taken throughout the entire community. The Town(s) appeal presented by the Woods Hole Group was successful and over 400 homes were removed from the flood maps in the Town of Marshfield. Maps will eventually be presented to the legislative body for final adoption.

Building Projects

The Town embarked on several building initiatives in 2015 including a new Skate Park, improvements to a multi-purpose recreation site in Brant Rock – Peter Igo Park, a new Harbor Walk and a completed new Massasoit Fire Station that will allow the Fire Department to serve the most densely populated area of Town with paramedic services. The Library Plaza (building) Improvements and a new Maritime Center are being initiated.

Winter of 2015

The “Winter of 2015” was one winter for the record books and had a significant impact on the Town. From January 26, through March 15 snow accumulation was a record 110.6 inches! Two of the blizzards in that period had the 6th and 7th accumulations in history. The Town had 28 days of 20 degree temperature or colder, with no snow melting through that period. For the first time in the Towns history, snow had to be shoveled off several buildings, with drifts on roofs as high as 15 feet, including the brand new Marshfield school. The cost of roof shoveling exceeded a cost of \$400,000. By the quick action of the Town’s Facility Department one roof collapse, at the Martinson Elementary School, was averted. The Town is anticipating that, the declaration of a disaster area would provide some federal assistance to support the snow removal expense. Ultimately the Town expended nearly \$1.8 for snow removal (and budgeted \$400,000) and as a result of legislative change planned to pay the expense off in two fiscal years.

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 years 2003 through 2008. Over the last four years, the Town has increased the balance in the fund to \$2.3 million. The target for the Stabilization Fund is 5-7% of General Fund revenue to be achieved by year 2017. Management phased out the use of one time revenues to fund the operational budget from \$6.7 million in 2004 to zero in the 2015 operating budget.

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 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 2012. Finally, additional reserves for uncompensated balances and capital projects are being considered for adoption in 2017.


Acknowledgements

We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Also an expression of gratitude should be expressed to Team Leader Barbara Costa, Town Accountant who worked through a busy period to compile and finalize this report. Finally, 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.

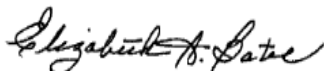
Respectfully submitted,



Rocco J. Longo
Town Administrator



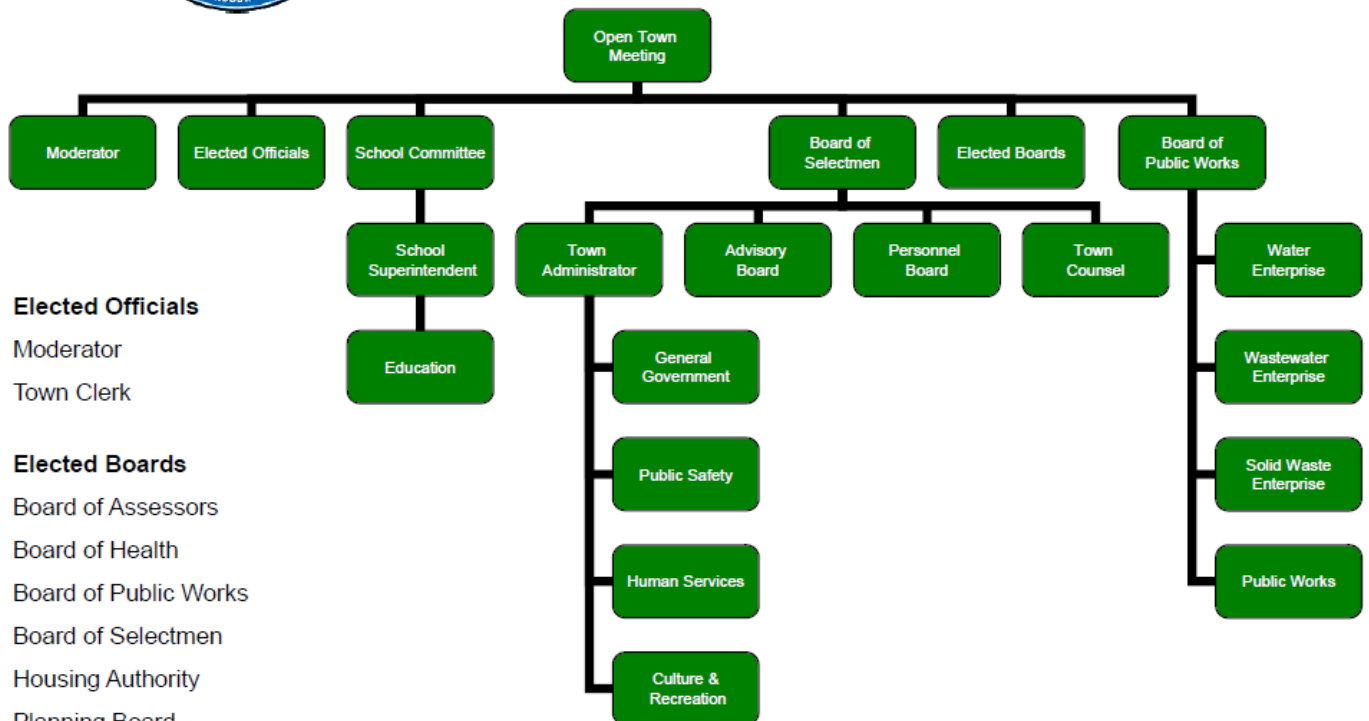
Barbara Costa
Town Accountant



Elizabeth Bates
Assessor/Appraiser



Town of Marshfield





Government Finance Officers Association

**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, 2014

Executive Director/CEO

Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Matthew J. McDonough, Chairperson	2016
	Stephen G. Robbins, Vice Chairperson	2017
	Michael G. Bradley, Clerk	2018
Moderator Town Clerk	James J. Fitzgerald	2017
	Patricia A. Picco	2018
School Committee	Nancy Currie, Chairperson	2016
	Richard Greer, Vice Chairperson	2016
	Sean P. Costello, Secretary	2018
	Kendra Stetson Campbell	2018
	Carol Shrand	2017

Appointed Officials

Town Administrator	Rocco J. Longo
Superintendent of Public Schools	Jeffery W. Granatino
Finance Director	David Leary
Town Accountant	Barbara A. Costa
Assessor/Appraiser	Elizabeth A. Bates
Fire Chief	Kevin C. Robinson
Police Chief	Phil Tavares
DPW Superintendent	Thomas J. Reynolds

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Financial Section



Pictured above is Marshfield Town Hall.

Financial Section

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Marshfield, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2016, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marshfield, Massachusetts' internal control over financial reporting and compliance.

March 25, 2016

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 year ended June 30, 2014. This is the thirteenth 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 unmodified 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 position presents information on all of the Town's assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, health and human services, culture and recreation, 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 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 is reporting four 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 position may serve over time as a useful indicator of a government's financial position. For the Town of Marshfield, assets and deferred outflows exceeded liabilities by \$153.3 million at the close of 2015.

Government-wide net position of \$196 million reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Marshfield's net position, \$7.7 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$50.3 million deficit relating to the cumulative effect of recording \$31.1 million of other postemployment benefit liabilities and \$46.1 million of pension liabilities through June 30, 2015.

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

Governmental activities. The governmental activities net position increased by approximately \$3.5 million during the current year as compared to an increase in net position of \$36.2 million during the prior year. The change relates mainly to lower levels of school and airport construction reimbursements in 2015 as compared to 2014. Overall revenue decreased \$33.2 million from the prior year, while expenses were virtually the same as the prior year.

Governmental Activities Condensed Statement of Net Position

	2015	2014 (As Revised)
Assets:		
Current assets.....	\$ 34,681,350	\$ 40,177,940
Noncurrent assets (excluding capital).....	5,336,968	6,199,837
Capital assets, not being depreciated.....	61,239,933	45,001,014
Capital assets, net of accumulated depreciation.....	163,668,466	164,133,987
Total assets.....	264,926,717	255,512,778
Deferred outflows of resources:		
Deferred outflows related to pensions.....	1,787,726	-
Liabilities:		
Current liabilities (excluding debt).....	19,873,621	14,697,408
Noncurrent liabilities (excluding debt).....	71,028,393	65,434,733
Current debt.....	7,513,411	5,836,802
Noncurrent debt.....	71,155,159	75,869,938
Total liabilities.....	169,570,584	161,838,881
Total Deferred Inflows of Resources.....	-	56,914
Net Position:		
Net investment in capital assets.....	143,838,725	138,566,327
Restricted.....	7,659,915	7,822,625
Unrestricted.....	(54,354,781)	(52,771,969)
Total net position.....	\$ 97,143,859	\$ 93,616,983

Noncurrent liabilities include an accrued liability for other postemployment benefits in the amount of \$29.6 million and for pension liabilities of \$38.7 million at June 30, 2015.

Governmental Activities Condensed Statement of Activities

	2015	2014 (As Revised)
Program revenues:		
Charges for services..... \$	\$ 4,690,088	\$ 4,789,852
Operating grants and contributions.....	25,899,258	30,197,758
Capital grants and contributions.....	7,425,898	37,906,270
General revenues:		
Real estate, personal property taxes, and tax liens.....	57,062,403	55,760,067
Motor vehicle and other excise taxes.....	3,605,718	3,436,419
Community preservation taxes.....	1,244,991	1,195,479
Penalties and interest on taxes.....	420,779	339,978
Nonrestricted grants and contributions.....	2,335,068	2,231,660
Unrestricted investment income.....	100,625	97,802
Miscellaneous.....	73,562	84,992
Total revenues.....	102,858,390	136,040,277
Expenses:		
General government.....	5,287,075	4,483,129
Public safety.....	17,178,837	16,315,383
Education.....	63,678,563	67,956,118
Public works.....	7,368,229	5,815,971
Health and human services.....	1,413,444	1,341,678
Culture and recreation.....	1,851,271	1,805,484
Community preservation.....	217,358	153,016
Interest.....	2,534,687	1,927,587
Total expenses.....	99,529,464	99,798,366
Excess (Deficiency) before transfers.....	3,328,926	36,241,911
Transfers.....	197,950	-
Change in net position.....	3,526,876	36,241,911
Net position - beginning (as revised).....	93,616,983	57,375,072
Net position - ending..... \$	\$ 97,143,859	\$ 93,616,983

The beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #68. To reflect this change, the Town has recorded a net pension liability, which has resulted in the June 30, 2014 balance of the governmental activities to be revised by \$36,860,640. Previously reported net position of \$130,477,623 has been revised to a balance of \$93,616,983.

Other financial notes related to governmental activities:

- Charges for services represented 4% 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 25% 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 7% of the governmental activities resources. Most of these resources apply to MSBA reimbursement for the High School construction project, funding related to the Municipal Airport construction project, State grants for roadways improvements and community preservation State revenue.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 55% of current resources.
- All other taxes and other revenues comprised a total of 9% of the governmental activities resources. These primarily include excise taxes, community preservation taxes and nonrestricted grants and contributions.
- Education is by far the largest governmental activity of the Town. Approximately \$35.3 million in taxes and other revenue were needed to cover its 2015 operating expenses. A pension contribution of approximately \$5.2 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 \$13.6 million and \$6.0 million, respectively, of taxes and other revenue were needed to cover their 2015 operating expenses.

Business-type activities. Business-type activities increased the Town's net position by \$215,000 compared to a decrease of approximately \$579,000 million during the previous year. The Sewer enterprise fund experienced a decrease in net position of approximately \$913,000 while the Water and Solid Waste enterprise funds both experienced increases in net position of \$808,000 and \$320,000, respectively. Charges for services increased 12% when compared to the prior year while expenses for labor, operations, and depreciation remained relatively consistent.

As shown below, business-type activities assets and deferred inflows exceeded liabilities by \$56.1 million at the close of 2015. The net investment in capital assets is \$52.1 million (92%) while unrestricted net position is \$4.0 million (8%). These results continue to reflect management's goal of maintaining the systems while only charging users for the actual cost of operations.

The beginning net position of the business-type activities has been revised to reflect the implementation of GASB Statement #68. To reflect this change, the Town has recorded a net pension liability, which has resulted in the June 30, 2014 balance of the governmental activities to be revised by \$7,094,203. Previously reported net position of \$63,012,432 has been revised to a balance of \$55,918,229.

Business-type Condensed Statement of Net Position

	2015	2014 (As Revised)
Assets:		
Current assets.....	\$ 14,584,278	\$ 13,905,754
Noncurrent assets (excluding capital).....	2,242,297	2,964,269
Capital assets, not being depreciated.....	8,106,876	7,973,020
Capital assets, net of accumulated depreciation.....	59,596,868	60,292,244
Total assets.....	84,530,319	85,135,287
Deferred outflows of resources:		
Deferred outflows related to pensions.....	344,066	-
Liabilities:		
Current liabilities (excluding debt).....	3,395,091	2,782,350
Noncurrent liabilities (excluding debt).....	9,375,422	8,857,232
Current debt.....	1,636,086	1,606,771
Noncurrent debt.....	14,334,621	15,970,705
Total liabilities.....	28,741,220	29,217,058
Net Position:		
Net investment in capital assets.....	52,115,038	52,474,898
Unrestricted.....	4,018,127	3,443,331
Total net position.....	\$ 56,133,165	\$ 55,918,229

Business-type Condensed Statement of Activities

	2015	2014 (As Revised)
Business - Type Activities:		
Program revenues:		
Charges for services.....	\$ 10,422,858	\$ 9,275,064
Operating grants and contributions.....	77,281	87,823
Capital grants and contributions.....	297,160	95,876
General Revenues:		
Unrestricted investment income.....	54,233	58,144
Total revenues.....	10,851,532	9,516,907
Expenses:		
Sewer.....	3,911,778	3,656,216
Water.....	3,859,098	3,798,259
Solid waste.....	2,667,770	2,641,271
Total expenses.....	10,438,646	10,095,746
Transfers.....	(197,950)	-
Change in net position.....	214,936	(578,839)
Net position - beginning (as revised).....	55,918,229	56,497,068
Net position - ending.....	\$ 56,133,165	\$ 55,918,229

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 year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$9.5 million, a decrease of \$9.7 million from the prior year. The decrease mainly relates to expenditures of the High School and Town capital project funds where these activities have been funded temporarily by bond anticipation notes which don't provide a permanent fund source until the long-term bonds are issued.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was \$5.4 million, while the total fund balance was \$9.5 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 6% of total general fund expenditures, while the total fund balance represents 11% of that same amount.

The fund balance of the General Fund increased \$1.9 million during 2015. This change is mainly the result of a \$2.5 million bond premium received along with the issuance of \$28 million of long-term bonds in July of 2015.

Community Preservation Major Fund

The Community Preservation fund is used to account for the acquisition, creation, and preservation of open space, historical resources, and affordable housing. During the year the Town received \$1.7 million in assessments and state grants and had expenditures of \$1.8 million for various capital projects.

High School Capital Projects Major Fund

The High School Capital Projects fund is used to account for financial resources to be used for the construction of the new High School. During the year the Town issued \$274,000 in long-term bonds and \$5 million in BANs to fund the construction projects. The Town spent \$12 million on construction costs and was reimbursed \$4.3 million from the MSBA for high school construction costs. The fund balance decreased \$7 million from the prior year.

Town Capital Projects Major Fund

The Town Capital Projects fund is used to account for financial resources to be used for the acquisition or construction of capital facilities and other capital assets of the governmental funds. During the year the Town issued \$6.8 million in BANs to fund the construction projects and spent \$5.6 million on various construction costs. The fund balance decreased \$4.7 million from the prior year.

Proprietary funds. The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Sewer enterprise fund is used to account for sewage treatment operations. Total revenues amounted to \$3,087,000 as compared to \$2,908,000 in the prior year and total expenses increased by \$347,000 from the prior year. Net position decreased by \$913,000 compared to a decrease of \$749,000 in the prior year.

The Water enterprise fund is used to account for water distribution operations. Total revenues amounted to \$4,732,000 as compared to \$3,838,000 in the prior year and expenses increased by \$125,000 from the prior year. Net position increased by \$808,000 compared to an increase of \$40,000 in the prior year. Revenues increased as a result of increased usage rates and higher volume.

The Solid Waste fund is used to account for the Town's solid waste disposal operations. Total revenues amounted to \$3,032,000 as compared to \$2,771,000 in the prior year and expenses increased by \$249,000. Net position increased by \$320,000 compared to an increase of \$130,000 in the prior year.

General Fund Budgetary Highlights

The final general fund budget appropriations, including transfers, were approximately \$865,000 higher than the original budget primarily due to increases in general government, public safety, public works, employee benefits, and utilities.

Total general fund revenues were slightly higher than budgeted amounts in all major categories. Actual expenditures, including carryovers, were higher than budgeted amounts by approximately \$512,000 or just less than 1%. Expenditures exceeded the appropriations in the public works Snow and Ice line items due to the record snow fall received in February of 2015.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming 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 \$225 million which represented a net increase of \$15.8 million from the prior year. Major current additions included construction in progress for the High School and Airport projects and infrastructure additions. Depreciation expense of \$5.7 million was recorded in year 2015.

Enterprise fund capital assets, net of accumulated depreciation, were valued at \$67.7 million at year end. Current year additions totaled approximately \$1.6 million. Depreciation expense of \$2.2 million was recorded in year 2015.

The Town's total long-term debt decreased by \$4.6 million during the current year. This was due to the net effect of \$2.8 million of proceeds for various governmental and enterprise projects and \$7.4 million of scheduled principal payments.

Outstanding long-term debt of the general government, as of June 30, 2015, totaled \$73.4 million, of which, \$55.2 million is related to school projects, \$1.9 million is related to the general government's 40% share of sewer debt, \$5.8 million is related to sea wall and harbor projects, \$4.5 million is related to qualified energy conservation bonds, leaving a balance of \$6 million for infrastructure and other Town projects.

The enterprise funds have \$15.7 million in sewer, water, and solid waste 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 POSITION

JUNE 30, 2015

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 25,469,332	\$ 9,777,748	\$ 35,247,080
Investments.....	295,081	-	295,081
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals.....	2,451,445	-	2,451,445
Tax liens.....	751,264	-	751,264
Motor vehicle and other excise taxes.....	471,530	-	471,530
User charges.....	-	4,486,921	4,486,921
Departmental and other.....	1,031,514	-	1,031,514
Special assessments.....	-	215,074	215,074
Intergovernmental.....	3,634,391	104,535	3,738,926
Tax foreclosures.....	576,793	-	576,793
Total Current Assets.....	34,681,350	14,584,278	49,265,628
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	5,336,968	570,452	5,907,420
Capital assets, non depreciable.....	61,239,933	8,106,876	69,346,809
Capital assets, net of accumulated depreciation.....	163,668,466	59,596,868	223,265,334
Total Noncurrent Assets.....	230,245,367	69,946,041	300,191,408
TOTAL ASSETS.....	264,926,717	84,530,319	349,457,036
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions.....	1,787,726	344,066	2,131,792
LIABILITIES			
CURRENT:			
Warrants payable.....	2,536,464	284,624	2,821,088
Accrued payroll.....	3,463,299	114,186	3,577,485
Tax refunds payable.....	71,130	-	71,130
Accrued interest.....	450,728	152,081	602,809
Landfill closure.....	-	28,200	28,200
Compensated absences.....	1,589,000	152,000	1,741,000
Notes payable.....	11,763,000	2,664,000	14,427,000
Bonds payable.....	7,513,411	1,636,086	9,149,497
Total Current Liabilities.....	27,387,032	5,031,177	32,418,209
NONCURRENT:			
Landfill closure.....	-	385,050	385,050
Compensated absences.....	2,760,000	22,000	2,782,000
Other postemployment benefits.....	29,608,414	1,527,867	31,136,281
Bonds payable.....	71,155,159	14,334,621	85,489,780
Net pension liability.....	38,659,979	7,440,505	46,100,484
Total Noncurrent Liabilities.....	142,183,552	23,710,043	165,893,595
TOTAL LIABILITIES.....	169,570,584	28,741,220	198,311,804
NET POSITION			
Net investment in capital assets.....	143,838,725	52,115,038	195,953,763
Restricted for:			
Permanent funds:			
Expendable.....	1,078,476	-	1,078,476
Nonexpendable.....	1,242,967	-	1,242,967
Grants and gifts.....	1,008,688	-	1,008,688
Community preservation.....	4,329,784	-	4,329,784
Unrestricted.....	(54,354,781)	4,018,127	(50,336,654)
TOTAL NET POSITION.....	\$ 97,143,859	\$ 56,133,165	\$ 153,277,024

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 5,287,075	\$ 327,354	\$ 1,352,331	\$ 1,809,560	\$ (1,797,830)	
Public safety.....	17,178,837	1,879,054	1,667,540	-	(13,632,243)	
Education.....	63,678,563	1,954,966	22,129,580	4,330,804	(35,263,213)	
Public works.....	7,368,229	164,938	170,222	1,044,733	(5,988,336)	
Health and human services.....	1,413,444	69,421	66,731	-	(1,277,292)	
Culture and recreation.....	1,851,271	294,355	27,074	-	(1,529,842)	
Community preservation.....	217,358	-	-	240,801	23,443	
Interest.....	2,534,687	-	485,780	-	(2,048,907)	
Total Governmental Activities.....	99,529,464	4,690,088	25,899,258	7,425,898	(61,514,220)	
<i>Business-Type Activities:</i>						
Sewer.....	3,911,778	2,665,121	77,281	297,160	(872,216)	
Water.....	3,859,098	4,726,923	-	-	867,825	
Solid waste.....	2,667,770	3,030,814	-	-	363,044	
Total Business-Type Activities.....	10,438,646	10,422,858	77,281	297,160	358,653	
Total Primary Government.....	\$ 109,968,110	\$ 15,112,946	\$ 25,976,539	\$ 7,723,058	\$ (61,155,567)	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (61,514,220)	\$ 358,653	\$ (61,155,567)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	56,910,665	-	56,910,665
Tax liens.....	151,738	-	151,738
Motor vehicle and other excise taxes.....	3,605,718	-	3,605,718
Community preservation tax.....	1,244,991	-	1,244,991
Penalties and interest on taxes.....	420,779	-	420,779
Grants and contributions not restricted to specific programs.....	2,335,068	-	2,335,068
Unrestricted investment income.....	100,625	54,233	154,858
Miscellaneous.....	73,562	-	73,562
<i>Transfers, net</i>	197,950	(197,950)	-
Total general revenues.....	65,041,096	(143,717)	64,897,379
Change in net position.....	3,526,876	214,936	3,741,812
<i>Net position:</i>			
Beginning of year (as revised).....	93,616,983	55,918,229	149,535,212
End of year.....	\$ 97,143,859	\$ 56,133,165	\$ 153,277,024

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2015

	General	Community Preservation Fund	High School Capital Projects	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and cash equivalents.....	\$ 13,207,971	\$ 3,986,013	\$ 1,265,827	\$ 1,896,019	\$ 5,113,502	\$ 25,469,332
Investments.....	-	-	-	-	295,081	295,081
Receivables, net of uncollectibles:						
Real estate, personal property and tax deferrals	2,451,445	-	-	-	-	2,451,445
Tax liens.....	751,264	-	-	-	-	751,264
Motor vehicle and other excise taxes.....	471,530	-	-	-	-	471,530
Departmental and other.....	989,311	42,203	-	-	-	1,031,514
Intergovernmental.....	6,199,837	409,672	870,834	-	1,491,016	8,971,359
Tax foreclosures.....	576,793	-	-	-	-	576,793
Due from other funds.....	-	-	-	-	257,096	257,096
TOTAL ASSETS.....	\$ 24,648,151	\$ 4,437,888	\$ 2,136,661	\$ 1,896,019	\$ 7,156,695	\$ 40,275,414
LIABILITIES:						
Warrants payable.....	\$ 553,011	\$ 107,479	\$ 391,347	\$ 1,037,029	\$ 447,598	\$ 2,536,464
Accrued payroll.....	3,390,980	608	-	4,851	66,860	3,463,299
Tax refunds payable.....	71,130	-	-	-	-	71,130
Due to other funds.....	-	-	-	-	257,096	257,096
Notes payable.....	-	-	5,000,000	6,763,000	-	11,763,000
TOTAL LIABILITIES.....	4,015,121	108,087	5,391,347	7,804,880	771,554	18,090,989
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenues.....	11,178,645	451,875	-	-	1,034,866	12,665,386
FUND BALANCES:						
Nonspendable.....	-	-	-	-	1,242,967	1,242,967
Restricted.....	4,009,469	3,877,926	-	-	4,115,624	12,003,019
Committed.....	-	-	-	-	159,776	159,776
Assigned.....	70,324	-	-	-	-	70,324
Unassigned.....	5,374,592	-	(3,254,686)	(5,908,861)	(168,092)	(3,957,047)
TOTAL FUND BALANCES.....	9,454,385	3,877,926	(3,254,686)	(5,908,861)	5,350,275	9,519,039
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE.....	\$ 24,648,151	\$ 4,437,888	\$ 2,136,661	\$ 1,896,019	\$ 7,156,695	\$ 40,275,414

See notes to basic financial statements.

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

JUNE 30, 2015

Total governmental fund balances.....	\$ 9,519,039
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	224,908,399
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	12,665,386
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows' of resources or (deferred inflows of resources) related to pensions.....	1,787,726
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(450,728)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable.....	(78,668,570)
Net pension liability.....	(38,659,979)
Other postemployment benefits.....	(29,608,414)
Compensated absences.....	(4,349,000)
Net effect of reporting long-term liabilities.....	(151,285,963)
Net position of governmental activities.....	\$ 97,143,859

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	Community Preservation Fund	High School Capital Projects	Town Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 57,001,821	\$ -	\$ -	\$ -	\$ -	\$ 57,001,821
Tax liens.....	117,478	-	-	-	-	117,478
Motor vehicle and other excise taxes.....	3,696,490	-	-	-	-	3,696,490
Penalties and interest on taxes.....	415,101	5,678	-	-	-	420,779
Charges for services.....	1,004,468	-	-	-	16,037	1,020,505
Intergovernmental.....	22,939,569	431,403	4,330,804	556,046	7,399,668	35,657,490
Departmental and other.....	1,350,422	-	-	-	3,383,555	4,733,977
Community preservation taxes.....	-	1,247,438	-	-	-	1,247,438
Contributions.....	-	-	-	-	374,963	374,963
Investment income.....	46,618	15,091	-	133	38,783	100,625
TOTAL REVENUES.....	86,571,967	1,699,610	4,330,804	556,179	11,213,006	104,371,566
EXPENDITURES:						
Current:						
General government.....	3,029,157	-	-	607,363	2,700,836	6,337,356
Public safety.....	10,136,515	-	-	1,746,867	564,300	12,447,682
Education.....	48,861,708	-	11,586,807	-	5,245,909	65,694,424
Public works.....	2,698,662	-	-	3,200,264	1,772,533	7,671,459
Health and human services.....	944,147	-	-	175	167,941	1,112,263
Culture and recreation.....	794,708	-	-	-	422,286	1,216,994
Pension benefits.....	4,754,898	-	-	-	-	4,754,898
Property and liability insurance.....	794,616	-	-	-	-	794,616
Employee benefits.....	6,242,353	-	-	-	-	6,242,353
Community preservation.....	-	1,829,500	-	-	-	1,829,500
State and county charges.....	853,696	-	-	-	-	853,696
Debt service:						
Principal.....	5,508,444	-	-	-	-	5,508,444
Interest.....	2,589,674	-	-	-	-	2,589,674
TOTAL EXPENDITURES.....	87,208,578	1,829,500	11,586,807	5,554,669	10,873,805	117,053,359
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(636,611)	(129,890)	(7,256,003)	(4,998,490)	339,201	(12,681,793)
OTHER FINANCING SOURCES (USES):						
Issuance of long-term debt.....	-	-	274,000	-	-	274,000
Premium from issuance of bonds.....	2,524,633	-	-	-	-	2,524,633
Transfers in.....	155,729	-	-	267,628	75,000	498,357
Transfers out.....	(128,414)	-	-	-	(171,993)	(300,407)
TOTAL OTHER FINANCING SOURCES (USES).....	2,551,948	-	274,000	267,628	(96,993)	2,996,583
NET CHANGE IN FUND BALANCES.....	1,915,337	(129,890)	(6,982,003)	(4,730,862)	242,208	(9,685,210)
FUND BALANCES AT BEGINNING OF YEAR.....	7,539,048	4,007,816	3,727,317	(1,177,999)	5,108,067	19,204,249
FUND BALANCES AT END OF YEAR.....	\$ 9,454,385	\$ 3,877,926	\$ (3,254,686)	\$ (5,908,861)	\$ 5,350,275	\$ 9,519,039

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds.....		\$ (9,685,210)
<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.....	21,450,937	
Depreciation expense.....	<u>(5,677,539)</u>	
Net effect of reporting capital assets.....		15,773,398
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(1,513,176)
<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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of long-term debt.....	(274,000)	
Premium from issuance of long-term bonds.....	(2,524,633)	
Amortization of bond premium.....	328,359	
Debt service principal payments.....	<u>5,508,444</u>	
Net effect of reporting long-term debt.....		3,038,170
<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 accrued interest on long-term debt.....	(273,372)	
Net change in other postemployment benefits accrual.....	(3,804,321)	
Net change in pension liability.....	(1,799,339)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	<u>1,787,726</u>	
Net effect of recording long-term liabilities.....		<u>(4,086,306)</u>
Change in net position of governmental activities.....		<u>\$ 3,526,876</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2015

					Business-type Activities - Enterprise Funds			
					Sewer	Water	Solid Waste	Total
ASSETS								
CURRENT:								
Cash and cash equivalents.....	\$	2,209,135	\$	4,933,301	\$	2,635,312	\$	9,777,748
Receivables, net of allowance for uncollectibles:								
User charges.....		1,464,874		1,876,004		1,146,043		4,486,921
Special assessments.....		215,074		-		-		215,074
Intergovernmental.....		104,535		-		-		104,535
Total current assets.....		3,993,618		6,809,305		3,781,355		14,584,278
NONCURRENT:								
Receivables, net of allowance for uncollectibles:								
Intergovernmental.....		570,452		-		-		570,452
Special assessments.....		1,671,845		-		-		1,671,845
Capital assets, nondepreciable.....		516,100		7,498,967		91,809		8,106,876
Capital assets, net of accumulated depreciation.....		29,837,975		27,846,161		1,912,732		59,596,868
Total noncurrent assets.....		32,596,372		35,345,128		2,004,541		69,946,041
TOTAL ASSETS.....		36,589,990		42,154,433		5,785,896		84,530,319
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows of resources related to pensions.....		129,077		140,027		74,962		344,066
LIABILITIES								
CURRENT:								
Warrants payable.....		237,761		41,022		5,841		284,624
Accrued payroll.....		40,219		45,020		28,947		114,186
Accrued interest.....		87,963		61,877		2,241		152,081
Landfill closure.....		-		-		28,200		28,200
Compensated absences.....		52,000		72,000		28,000		152,000
Notes payable.....		-		1,114,000		1,550,000		2,664,000
Bonds payable.....		657,151		933,935		45,000		1,636,086
Total current liabilities.....		1,075,094		2,267,854		1,688,229		5,031,177
NONCURRENT:								
Compensated absences.....		5,000		6,000		11,000		22,000
Landfill closure.....		-		-		385,050		385,050
Other postemployment benefits.....		467,350		755,592		304,925		1,527,867
Bonds payable.....		7,363,569		6,841,052		130,000		14,334,621
Net pension liability.....		2,791,317		3,028,117		1,621,071		7,440,505
Total noncurrent liabilities.....		10,627,236		10,630,761		2,452,046		23,710,043
TOTAL LIABILITIES.....		11,702,330		12,898,615		4,140,275		28,741,220
NET POSITION								
Net investment in capital assets.....		22,804,367		27,479,700		1,830,971		52,115,038
Unrestricted.....		2,212,370		1,916,145		(110,388)		4,018,127
TOTAL NET POSITION.....	\$	25,016,737	\$	29,395,845	\$	1,720,583	\$	56,133,165

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
OPERATING REVENUES:				
Charges for services	\$ 2,665,121	\$ 4,726,923	\$ 3,030,814	\$ 10,422,858
OPERATING EXPENSES:				
Salaries, wages, and fringe benefits.....	1,091,049	1,291,102	685,377	3,067,528
Maintenance and operations.....	1,348,041	1,417,230	1,862,300	4,627,571
Depreciation.....	1,216,438	871,528	117,852	2,205,818
TOTAL OPERATING EXPENSES	3,655,528	3,579,860	2,665,529	9,900,917
OPERATING INCOME (LOSS).....	(990,407)	1,147,063	365,285	521,941
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	47,634	4,921	1,678	54,233
Interest expense.....	(256,250)	(279,238)	(2,241)	(537,729)
Intergovernmental.....	77,281	-	-	77,281
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(131,335)	(274,317)	(563)	(406,215)
INCOME (LOSS) BEFORE CONTRIBUTIONS	(1,121,742)	872,746	364,722	115,726
CAPITAL CONTRIBUTIONS.....	297,160	-	-	297,160
TRANSFERS:				
Transfers out.....	(88,770)	(64,800)	(44,380)	(197,950)
TOTAL TRANSFERS.....	(88,770)	(64,800)	(44,380)	(197,950)
CHANGE IN NET POSITION.....	(913,352)	807,946	320,342	214,936
NET POSITION AT BEGINNING OF YEAR (AS REVISED).....	25,930,089	28,587,899	1,400,241	55,918,229
NET POSITION AT END OF YEAR.....	\$ 25,016,737	\$ 29,395,845	\$ 1,720,583	\$ 56,133,165

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 2,517,267	\$ 4,173,896	\$ 2,962,466	\$ 9,653,629
Payments to vendors.....	(1,565,741)	(1,436,849)	(2,066,845)	(5,069,435)
Payments to employees.....	(1,014,512)	(1,167,079)	(626,568)	(2,808,159)
NET CASH FROM OPERATING ACTIVITIES.....	(62,986)	1,569,968	269,053	1,776,035
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the issuance of bonds and notes.....	453,405	225,000	750,000	1,428,405
Capital contributions.....	602,240	-	-	602,240
Acquisition and construction of capital assets.....	(540,173)	(829,938)	(274,187)	(1,644,298)
Principal payments on bonds and notes.....	(615,218)	(916,730)	-	(1,531,948)
Interest expense.....	(187,587)	(278,502)	-	(466,089)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(287,333)	(1,800,170)	475,813	(1,611,690)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	47,634	4,921	1,678	54,233
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(391,455)	(290,081)	702,164	20,628
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	2,600,590	5,223,382	1,933,148	9,757,120
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 2,209,135	\$ 4,933,301	\$ 2,635,312	\$ 9,777,748
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (990,407)	\$ 1,147,063	\$ 365,285	\$ 521,941
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	1,216,438	871,528	117,852	2,205,818
Deferred (outflows)/inflows related to pensions.....	(129,077)	(140,027)	(74,962)	(344,066)
Changes in assets and liabilities:				
User charges.....	(147,854)	(553,027)	(68,348)	(769,229)
Warrants payable.....	(217,700)	(19,619)	(180,695)	(418,014)
Accrued payroll.....	23,407	21,269	15,719	60,395
Landfill closure.....	-	-	(23,850)	(23,850)
Net pension liability.....	129,916	140,937	75,449	346,302
Total adjustments.....	927,421	422,905	(96,232)	1,254,094
NET CASH FROM OPERATING ACTIVITIES.....	\$ (62,986)	\$ 1,569,968	\$ 269,053	\$ 1,776,035
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Intergovernmental principal and interest subsidies.....	\$ 152,102	\$ -	\$ -	\$ 152,102
Intergovernmental receivable for debt issuance.....	26,444	-	-	26,444

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents.....	\$ 216,893	\$ 2,230,326
LIABILITIES		
Liabilities due depositors.....	-	2,230,326
NET POSITION		
Held in trust for other purposes.....	\$ 216,893	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2015

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 2,130
Net investment income:	
Interest.....	<u>25,604</u>
TOTAL ADDITIONS.....	<u>27,734</u>
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>4,943</u>
CHANGE IN NET POSITION.....	22,791
NET POSITION AT BEGINNING OF YEAR.....	<u>194,102</u>
NET POSITION AT END OF YEAR.....	<u>\$ 216,893</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 position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units.

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

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

Taxes and other items 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 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 received in accordance with the Community Preservation Act (the CPA). Funds are received under the CPA through a surcharge of up to 3% of the real property tax levy and matching state grants. The funds are spent for the acquisition, creation, and preservation of open space, historical resources, and affordable housing.

The *High School Capital Project fund* is used to account for financial resources to expand and upgrade the High School.

The *Town 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 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 1st 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 1st and November 1st) are preliminary tax bills based upon the previous year's total annual tax. The second two quarters (February 1st and May 1st) 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 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 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 year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

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

The allowance for 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 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 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>
Buildings and improvements.....	20-40
Improvements other than buildings.....	20-30
Machinery and equipment.....	3-20
Vehicles.....	5
Books, software and other.....	5
Infrastructure.....	20-50

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

Governmental Fund Financial Statements

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

H. 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 position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has recorded advance tax collections as deferred inflows of resources in the government-wide statement of net position.

Governmental Fund Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represent 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, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to government-wide (full accrual) financial statements.

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

Net position 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 position has 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 allows 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.

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by adoption of Town Meeting warrant article, 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.

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plymouth County Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

O. 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.

P. 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.

Q. Use of Estimates*Government-Wide and Fund Financial Statements*

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

R. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

S. Individual Fund Deficits

Fund deficits exist at June 30, 2015 within the capital projects and other nonmajor funds. These deficits will be funded with bond proceeds in future years.

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 year-end, the carrying amount of deposits totaled \$23,060,272 and the bank balance totaled \$24,972,075. Of the bank balance, \$2,177,177 was covered by Federal Depository Insurance, \$4,424,039 was covered by Share

Insurance Fund (SIF), \$3,472,188 was covered by Deposit Insurance Fund (DIF), \$5,232,953 was collateralized and \$9,665,718 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

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

Investment Type	Maturity		
	Fair Value	Under 1 Year	Rating
<u>Debt Securities</u>			
Repurchase Agreement.....	\$ 13,820,000	\$ <u>13,820,000</u>	AA+
<u>Other Investments</u>			
Domestic Equity Securities.....	257,103		
Equity Mutual Funds.....	20,810		
Fixed Income Mutual Funds.....	17,168		
Money Market Mutual Funds.....	<u>814,027</u>		
Total Investments.....	\$ <u>14,929,108</u>		

MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 2 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. The Town has custodial credit risk exposure equal to \$13,820,000 in debt securities and \$277,913 in equity securities 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 investment 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, 2015, 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	\$ 2,470,486	\$ (19,041)	\$ 2,451,445
Tax liens.....	751,264	-	751,264
Motor vehicle and other excise taxes.....	642,698	(171,168)	471,530
Departmental and other.....	1,163,633	(132,119)	1,031,514
Intergovernmental.....	8,971,359	-	8,971,359
Total.....	<u>\$ 13,999,440</u>	<u>\$ (322,328)</u>	<u>\$ 13,677,112</u>

At June 30, 2015, 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.....	\$ 4,486,921	\$ -	\$ 4,486,921
Special assessments.....	1,886,919	-	1,886,919
Intergovernmental.....	674,987	-	674,987
Total.....	<u>\$ 7,048,827</u>	<u>\$ -</u>	<u>\$ 7,048,827</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivable and other asset type:</u>			
Real estate and personal property taxes.....	\$ 2,409,242	\$ -	\$ 2,409,242
Tax liens.....	751,264	-	751,264
Motor vehicle and other excise.....	471,530	-	471,530
Departmental and other.....	1,031,514	-	1,031,514
Intergovernmental.....	5,938,302	1,486,741	7,425,043
Tax foreclosures.....	576,793	-	576,793
Total.....	<u>\$ 11,178,645</u>	<u>\$ 1,486,741</u>	<u>\$ 12,665,386</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 27,778,749	\$ -	\$ -	\$ 27,778,749
Construction in progress.....	17,222,265	16,238,919	-	33,461,184
Total capital assets not being depreciated.....	45,001,014	16,238,919	-	61,239,933
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	358,490	1,449,213	-	1,807,703
Buildings and improvements.....	154,367,764	254,895	-	154,622,659
Machinery and equipment.....	14,958,072	318,872	-	15,276,944
Vehicles.....	4,622,348	795,984	356,880	5,775,212
Books, software and other.....	5,063,973	341,080	-	5,405,053
Infrastructure.....	58,914,990	2,051,974	-	60,966,964
Total capital assets being depreciated.....	238,285,637	5,212,018	356,880	243,854,535
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(358,490)	(1,022)	-	(359,512)
Buildings and improvements.....	(29,891,933)	(2,861,713)	-	(32,753,646)
Machinery and equipment.....	(12,814,229)	(421,357)	-	(13,235,586)
Vehicles.....	(3,320,485)	(354,915)	(356,880)	(4,032,280)
Books, software and other.....	(3,742,121)	(152,653)	-	(3,894,774)
Infrastructure.....	(24,024,392)	(1,885,879)	-	(25,910,271)
Total accumulated depreciation.....	(74,151,650)	(5,677,539)	(356,880)	(80,186,069)
Total capital assets being depreciated, net.....	164,133,987	(465,521)	-	163,668,466
Total governmental activities capital assets, net.....	\$ 209,135,001	\$ 15,773,398	\$ -	\$ 224,908,399

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 7,477,270	\$ -	\$ -	\$ 7,477,270
Construction in progress.....	495,750	133,856	-	629,606
Total capital assets not being depreciated.....	7,973,020	133,856	-	8,106,876
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	15,928,983	35,771	-	15,964,754
Machinery and equipment.....	6,545,615	341,709	216,657	7,103,981
Vehicles.....	1,538,592	36,924	-	1,575,516
Infrastructure.....	86,188,281	1,096,038	-	87,284,319
Total capital assets being depreciated.....	110,201,471	1,510,442	216,657	111,928,570
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(8,663,502)	(438,748)	-	(9,102,250)
Machinery and equipment.....	(5,253,556)	(176,046)	(216,657)	(5,646,259)
Vehicles.....	(1,020,084)	(118,865)	-	(1,138,949)
Infrastructure.....	(34,972,085)	(1,472,159)	-	(36,444,244)
Total accumulated depreciation.....	(49,909,227)	(2,205,818)	(216,657)	(52,331,702)
Total capital assets being depreciated, net.....	60,292,244	(695,376)	-	59,596,868
Total business-type activities capital assets, net.....	\$ 68,265,264	\$ (561,520)	\$ -	\$ 67,703,744

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

Governmental Activities:

General government.....	\$ 231,756
Public safety.....	676,133
Education.....	2,190,668
Public works.....	2,303,907
Culture and recreation.....	275,075
Total depreciation expense - governmental activities.....	\$ 5,677,539

Business-Type Activities:

Sewer.....	\$ 1,216,438
Water.....	871,528
Solid waste.....	117,852
Total depreciation expense - business-type activities.....	\$ 2,205,818

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund receivables and payables between funds at June 30, 2015, are summarized as follows:

Receivable Fund	Payable Fund	Amount
Town General Revolving Fund	Airport Fund	\$ 6,244 (1)
Town General Revolving Fund	Chapter 90 Fund	250,852 (1)
Total.....		<u>\$ 257,096</u>

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

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

Transfers Out:	Transfers In:			
	General Fund	Town Capital Projects	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 128,414	\$ -	\$ 128,414 (1)
Nonmajor Governmental Funds.....	155,729	-	16,264	171,993 (2)
Water Enterprise Fund.....	-	64,800	-	64,800 (3)
Sewer Enterprise Fund.....	-	30,034	58,736	88,770 (3)
Solid Waste Enterprise Fund.....	-	44,380	-	44,380 (3)
Total.....	<u>\$ 155,729</u>	<u>\$ 267,628</u>	<u>\$ 75,000</u>	<u>\$ 498,357</u>

(1) Represents budgeted transfers from the general fund to the Town capital projects fund.

(2) Represents budgeted transfers into the general fund from nonmajor governmental funds and the expendable trust funds, and transfers between various nonmajor funds.

(3) Represents budgeted transfers from the enterprise funds to Town capital project funds and to the OPEB special revenue 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 obligations 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 year ended June 30, 2015, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
Governmental funds							
BAN	Municipal Purpose.....	1.00%	7/29/2015	\$ -	\$ 7,629,000	\$ -	\$ 7,629,000
BAN	Municipal Purpose.....	0.50%	7/29/2015	-	700,000	-	700,000
BAN	Municipal Purpose.....	0.50%	7/29/2015	-	1,400,000	-	1,400,000
BAN	Municipal Purpose.....	0.50%	7/29/2015	-	50,000	-	50,000
BAN	Municipal Purpose.....	0.50%	7/29/2015	-	500,000	-	500,000
BAN	Municipal Purpose.....	0.50%	7/29/2015	-	25,000	-	25,000
BAN	Municipal Purpose.....	1.00%	7/29/2015	1,254,000	400,000	195,000	1,459,000
Total governmental funds.....				1,254,000	10,704,000	195,000	11,763,000
Business-type funds							
BAN	Water BAN.....	1.00%	7/29/2015	889,000	225,000	-	1,114,000
BAN	Solid Waste BAN.....	1.00%	7/29/2015	800,000	-	-	800,000
BAN	Solid Waste BAN.....	0.50%	7/29/2015	-	750,000	-	750,000
Total business-type funds.....				1,689,000	975,000	-	2,664,000
Total Short-Term Debt.....				\$ 2,943,000	\$ 11,679,000	\$ 195,000	\$ 14,427,000

On July 29, 2015, the Town rolled \$14,052,000 of BANS outstanding into a \$14.4 BAN with an interest rate of 2% due on July 29, 2016. The remaining \$375,000 was paid down.

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 (issuances prior to FY06) 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, 2015, and the debt service requirements follow.

Bonds Payable Schedule – Governmental Funds

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds 2005.....	2015	\$ 2,126,000	3.32	\$ 185,000	\$ -	\$ 185,000	\$ -
Municipal Purpose Sewer Bonds 2005.....	2015	280,000	3.32	28,000	-	28,000	-
MCWT Sewer Bonds 2005.....	2023	3,380,916	0.00	1,842,764	-	197,294	1,645,470
Municipal Purpose Bonds 2007.....	2017	1,494,000	3.70	275,000	-	115,000	160,000
Municipal Purpose Bonds 2009.....	2019	4,196,000	2.00 - 3.00	1,320,000	-	345,000	975,000
Municipal Purpose Bonds 2010.....	2015	965,000	2.50 - 3.00	120,000	-	120,000	-
Municipal Purpose Refunding Bonds 2010.....	2021	12,351,400	2.50	8,291,550	-	1,240,250	7,051,300
Municipal Purpose Refunding Sewer Bonds 2010.....	2021	943,600	2.50	253,380	-	37,900	215,480
Municipal Purpose Bonds 2011.....	2021	5,353,000	2.00 - 5.00	3,274,444	-	718,889	2,555,555
Municipal Purpose Bonds 2012.....	2019	709,000	2.00-3.03	430,556	-	121,111	309,445
Municipal Purpose Bonds 2012.....	2032	3,892,000	2.43	3,601,337	-	289,066	3,312,271
Qualified Energy Conservation Bonds 2013.....	2023	5,000,000	3.03	4,500,000	-	500,000	4,000,000
Municipal Purpose Bonds 2013.....	2033	28,790,000	2.43	27,208,663	-	1,570,934	25,637,729
MCWT Bonds 2013.....	2018	200,000	0.00	200,000	-	40,000	160,000
Municipal Purpose Bonds 2014.....	2035	27,106,000	3.00 - 5.00	27,106,000	274,000	-	27,380,000
Total governmental bonds payable.....				78,636,694	274,000	5,508,444	73,402,250
Unamortized bond premium.....				3,070,046	2,524,633	328,359	5,266,320
Total Long Term Debt.....				\$ 81,706,740	\$ 2,798,633	\$ 5,836,803	\$ 78,668,570

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

Year	Principal	Interest	Total
2016	6,900,734	2,174,487	9,075,221
2017	6,554,506	1,995,094	8,549,600
2018	6,155,729	1,806,513	7,962,242
2019	5,856,655	1,608,853	7,465,508
2020	5,209,570	1,401,772	6,611,342
2021 - 2025	18,135,056	4,580,006	22,715,062
2026 - 2030	14,265,000	2,030,074	16,295,074
2031 - 2035	10,325,000	461,476	10,786,476
Total	\$ 73,402,250	\$ 17,784,181	\$ 91,186,431

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$432,361 and interest costs for \$195,987. Thus, net MCWT loan repayments, including interest, are scheduled to be \$1,520,039. The principal subsidies are guaranteed and therefore a \$432,361 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 year 2015 principal and interest subsidies totaled \$49,881 and \$51,520, 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 2002 and will be made over 20 years at approximately 67% of eligible costs of the project. During 2015, approximately \$1,113,000 of such assistance was received. Approximately \$6,677,000 will be received in future years. Of this amount, approximately \$910,000 represents

reimbursement of long-term interest costs, and approximately \$5,767,000 represents reimbursement of approved construction costs. Accordingly, \$5,767,000 intergovernmental receivable and corresponding unavailable 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.

The Commonwealth has modified the method for funding new projects in the school building assistance program. Under the new program, the assistance is paid to support the State's share of construction costs as they are incurred, therefore eliminating the need for the Town to fund the State's share through long-term debt. The Marshfield High School project is being partially funded by this program. The Town received \$5,327,948 of reimbursements in 2015 and submitted an additional request of \$870,834 for reimbursement of construction costs incurred through June 30, 2015. Accordingly, the Town has recorded an intergovernmental receivable totaling \$870,834 as of June 30, 2015.

Bonds Payable Schedule – Sewer Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds 2005.....	2015	\$ 420,000	3.32	\$ 380,070	\$ -	\$ 56,850	\$ 323,220
MCWT Bonds 2005.....	2023	5,071,373	2.00	2,764,147	-	295,940	2,468,207
Municipal Purpose Refunding Bonds 2010.....	2021	566,160	0.00	42,000	-	42,000	-
Municipal Purpose Bonds 2011.....	2021	451,000	2.00 - 5.00	265,000	-	60,000	205,000
Municipal Purpose Bonds 2012.....	2017	58,000	2.00	30,000	-	10,000	20,000
MCWT Bonds 2013.....	2033	5,450,000	2.00	5,229,542	-	225,249	5,004,293
Total Long Term Debt.....				\$ 8,710,759	\$ -	\$ 690,039	\$ 8,020,720

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

Year	Principal	Interest	Total
2016	657,151	216,434	873,585
2017	647,642	192,622	840,264
2018	651,036	173,374	824,410
2019	654,592	157,381	811,973
2020	671,274	125,536	796,810
2021 - 2025	2,274,818	386,001	2,660,819
2026 - 2030	1,490,131	188,096	1,678,227
2031 - 2035	974,076	39,243	1,013,319
Total	\$ 8,020,720	\$ 1,718,508	\$ 9,739,228

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$648,543 and interest costs for \$293,982. Thus, net MCWT loan repayments, including interest, are scheduled to be \$1,929,358. The principal subsidies are guaranteed and therefore a \$648,543 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 year 2015 principal and interest subsidies totaled \$74,821 and \$77,281, respectively.

Bonds Payable Schedule – Water Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds 2005.....	2015	\$ 340,000	3.32	\$ 30,000	\$ -	\$ 30,000	\$ -
Municipal Purpose Bonds 2007.....	2017	2,131,000	3.70	630,000	-	210,000	420,000
MCWT Bonds 2009.....	2024	2,500,000	2.00	1,742,419	-	158,982	1,583,437
Municipal Purpose Bonds 2011.....	2026	3,492,000	2.00 - 5.00	2,620,000	-	305,000	2,315,000
Municipal Purpose Bonds 2012.....	2033	1,685,000	2.43	1,600,750	-	84,250	1,516,500
Municipal Purpose Bonds 2013.....	2033	1,280,000	2.43	1,179,250	-	95,750	1,083,500
Municipal Purpose Bonds 2014.....	2038	616,000	3.00 - 5.00	616,000	-	-	616,000
Total water bonds payable.....				8,418,419	-	883,982	7,534,437
Unamortized bond premium.....				273,298		32,748	240,550
Total bonds payable.....				\$ 8,691,717	\$ -	\$ 916,730	\$ 7,774,987

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

Year	Principal	Interest	Total
2016	903,194	244,690	1,147,884
2017	875,471	216,764	1,092,235
2018	668,813	187,671	856,484
2019	657,224	165,579	822,803
2020	590,703	143,575	734,278
2021 - 2025	2,479,032	425,907	2,904,939
2026 - 2030	885,000	123,115	1,008,115
2031 - 2035	475,000	21,639	496,639
Total	\$ 7,534,437	\$ 1,787,710	\$ 9,322,147

Bonds Payable Schedule – Solid Waste Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
Municipal Purpose Bonds 2014.....	2019	\$ 175,000	3.00 - 5.00	\$ 175,000	\$ -	\$ -	\$ 175,000

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

Year	Principal	Interest	Total
2016	\$ 45,000	\$ 4,481	\$ 49,481
2017	45,000	3,356	48,356
2018	45,000	2,231	47,231
2019	40,000	1,050	41,050
Total	\$ 175,000	\$ 11,118	\$ 186,118

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2015, the Town had the following authorized and unissued debt:

Purpose	Amount
Highland Street Water Main Replacement.....	\$ 15,000
Pine Street Water Main Replacement.....	520,000
High School Feasibility Study.....	1,402,000
Construction Harbormaster Building.....	700,000
Pudding Hill Tank Construction.....	475,000
New High School.....	47,438,839
Replace DPW Pick Up Trucks #31 & #68.....	10,000
Capital Assessment Planning.....	182,000
South River St. Water Main.....	175,000
Seawalls & Riprap.....	70,000
Emergency Repairs - Nemo.....	784,764
Fairgrounds Pump Station & Water Main.....	650,000
Replace Car C-3.....	170
Mechanical Refurbish.....	800
Laptops/WK Stations (Police).....	500
AED's.....	200
21st Century Technology.....	177,000
Liberty Plaza Renovation.....	2,250,000
WW Outfall Inspect/Repairs.....	650,000
Water Meter Replacement.....	100,000
Water Main Upgrades.....	120,000
Foster Ave Seawalls.....	1,973,000
Total.....	\$ <u>57,694,273</u>

Changes in Long-term Liabilities

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

	Balance June 30, 2014	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Balance June 30, 2015	Due Within One Year
Governmental Activities:							
Long-Term Bonds.....	\$ 78,636,694	\$ 274,000	\$ (5,508,444)	\$ -	\$ -	\$ 73,402,250	\$ 6,900,734
Unamortized Bond Premium.....	3,070,046	2,524,633	(328,359)	-	-	5,266,320	612,677
Other Postemployment Benefits.....	25,804,093	-	-	5,940,251	(2,135,930)	29,608,414	-
Compensated Absences.....	4,352,000	-	-	1,579,000	(1,582,000)	4,349,000	1,589,000
Net Pension Liability.....	36,860,640	-	-	1,799,339	-	38,659,979	-
Total Governmental Activities.....	148,723,473	2,798,633	(5,836,803)	9,318,590	(3,717,930)	151,285,963	9,102,411
Business Type Activities:							
Long-Term Bonds.....	17,304,178	-	(1,574,021)	-	-	15,730,157	1,560,345
Unamortized Bond Premium.....	273,298	-	(32,748)	-	-	240,550	30,741
Other Postemployment Benefits.....	1,332,129	-	-	248,304	(52,566)	1,527,867	-
Compensated Absences.....	173,000	-	-	152,000	(151,000)	174,000	152,000
Landfill Closure.....	437,100	-	-	-	(23,850)	413,250	28,200
Net Pension Liability.....	7,094,203	-	-	346,302	-	7,440,505	-
Total Business Type Activities.....	26,613,908	-	(1,606,769)	746,606	(227,416)	25,526,329	1,771,286
Total.....	\$ 175,337,381	\$ 2,798,633	\$ (7,443,572)	\$ 10,065,196	\$ (3,945,346)	\$ 176,812,292	\$ 10,873,697

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.

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 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 of 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 \$2,279,946 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, 2015, the governmental fund balances consisted of the following:

	Governmental Funds					Total Governmental Funds
	General	Community Preservation Fund	High School Capital Projects	Town Capital Projects	Nonmajor Governmental Funds	
Fund Balances						
Nonspendable:						
Permanent fund principal..... \$	- \$	- \$	- \$	- \$	1,242,967	\$ 1,242,967
Restricted for:						
Community preservation fund.....	-	3,877,926	-	-	-	3,877,926
School state and federal grants.....	-	-	-	-	233,684	233,684
Town state and federal grants.....	-	-	-	-	795,891	795,891
Town general revolving.....	-	-	-	-	810,434	810,434
School general revolving.....	-	-	-	-	399,066	399,066
Other.....	-	-	-	-	798,073	798,073
Permanent funds.....	-	-	-	-	1,078,476	1,078,476
Debt exclusion.....	4,009,469	-	-	-	-	4,009,469
Committed to:						
Postemployment benefits.....	-	-	-	-	159,776	159,776
Assigned for carryover encumbrances:						
General government.....	13,605	-	-	-	-	13,605
Public safety.....	1,212	-	-	-	-	1,212
Education.....	36,095	-	-	-	-	36,095
Public works.....	2,974	-	-	-	-	2,974
Human services.....	8,020	-	-	-	-	8,020
Culture and recreation.....	225	-	-	-	-	225
Utilities.....	7,541	-	-	-	-	7,541
Unclassified.....	652	-	-	-	-	652
Unassigned.....	5,374,592	-	(3,254,686)	(5,908,861)	(168,092)	(3,957,047)
Total Fund Balances..... \$	<u>9,454,385</u>	<u>\$ 3,877,926</u>	<u>\$ (3,254,686)</u>	<u>\$ (5,908,861)</u>	<u>\$ 5,350,275</u>	<u>\$ 9,519,039</u>

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. The amount of claim settlements has not exceeded insurance coverage in any of the previous three 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, 2015 (based on the most recent audited information available), the Mayflower Municipal Health Group had an ending net position of approximately \$27.5 million which appears sufficient to support its on-going claim liabilities.

NOTE 10 – PENSION PLAN

Plan Descriptions

The Town is a member of the Plymouth County Contributory Retirement System (PCCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 59 member units. The PCCRS is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.pcr-ma.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$5,191,306 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$74,722,138 as of the measurement date.

Benefits Provided

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

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

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

There were no changes of benefit terms that affected the total pension liability at December 31, 2014.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the PCCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2014 and totaled \$4,847,897, 23.26% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2015, the Town reported a liability of \$46,100,484 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2014, the Town's proportion was 7.909%, which did not change from its proportion measured at December 31, 2013.

Pension Expense

For the year ended June 30, 2015, the Town recognized pension expense of \$4,767,547. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$2,131,792, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial valuation bi-annually, there are no reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

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

Year ended June 30:

2016.....	\$	532,948
2017.....		532,948
2018.....		532,948
2019.....		<u>532,948</u>
Total.....	\$	<u><u>2,131,792</u></u>

Actuarial Assumptions

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

Valuation date.....	January 1, 2015
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Amortization method.....	Level percent, open group
Remaining amortization period.....	17 years
Asset valuation method.....	Actuarially valued using a five-year smoothing method of gains and losses.
Investment rate of return/Discount rate....	8.00%
Inflation rate.....	3.75%
Value of investments.....	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC).
Projected salary increases.....	3.75% per year
Cost of living adjustments.....	3.0% of the lessor of the pension amount and \$13,000 per year
Rates of retirement.....	Varies based upon age for general employees, police and fire employees
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).

Mortality rates.....	Pre-retirement and post retirement mortality are represented by the RP-2000 Mortality Table for males and females adjusted to 2015 with Scale AA. Disabled members is represented by the RP-2000 Mortality Table set forward two years for all disabled members.
Family composition.....	Assumption that 80% of members will be survived by a spouse, females are three years younger than males and males are three years older than females.

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board and pursuant to Massachusetts General Laws and Public Employee Retirement Administration guidelines. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The investment objective is to fully fund the Plan by generating sufficient long-term inflation adjusted capital appreciation while providing sufficient liquidity to meet short-term withdrawal requirements. The Board desires to balance the goal of higher long-term returns with the goal of minimizing contribution volatility, recognizing these are often competing goals. This requires taking both assets and liabilities into account when setting investment strategy.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2015 are summarized in the following table:

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

Rate of return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease (7.00%)	Current Discount (8.00%)	1% Increase (9.00%)
The Town's proportionate share of the net pension liability..... \$	57,752,248 \$	46,100,484 \$	36,097,137

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 and Harvard Pilgrim Health Care. 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, 2015, the Plan's membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	393
Current active members.....	866
Total.....	<u>1,259</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, 2015, 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 \$2,188,000 during year 2015 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.....	\$ 5,180,593
Interest on net OPEB obligation.....	1,085,449
Adjustments to annual required contribution.....	<u>(77,487)</u>
Annual OPEB cost/expense.....	6,188,555
Contributions made.....	<u>(2,188,496)</u>
Increase/(Decrease) in net OPEB obligation.....	4,000,059
Net OPEB obligation - beginning of year.....	<u>27,136,222</u>
Net OPEB obligation - end of year.....	<u><u>\$ 31,136,281</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year 2015 and the two preceding years is as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 6,188,555	35%	\$ 31,136,281
6/30/2014	5,878,599	36%	27,136,222
6/30/2013	5,581,182	35%	23,353,309

Funded Status and Funding Progress — the funded status of the Plan as of the most recent actuarial valuation date and the two prior years, is as follows:

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)
7/1/2012	\$ -	\$ 72,909,973	\$ 72,869,091	0.00%	\$ 53,243,257	136.94%
6/30/2011	-	82,246,204	82,246,204	0.00%	51,297,584	160.33%
12/31/2009	-	82,656,569	82,636,401	0.00%	50,324,651	164.25%

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.....	7/1/2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 3.75%, level % of payroll
Remaining amortization period.....	26 years at July 1, 2012, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	4.0%, pay-as-you-go scenario
Inflation rate.....	2.5%
Annual compensation increases.....	3.0%
Medical/drug cost trend rate.....	6.0% decreasing by 1% for 1 year to an ultimate of 5% 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 1995. The Town has reflected a \$413,250 post-closure care liability at June 30, 2015 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

During year 2015, the Town authorized \$8.1 million in new debt for capital projects. This authorization includes \$2 million for a Seawalls, \$2.3 million for Liberty Plaza renovations, \$700,000 for construction on the Harbormasters building, and \$3.1 million for various construction projects such as seawall construction, water main repairs, road construction and bridge repairs.

The Town is in the final stages of constructing a new high school. The Town voted to authorize \$48.8 million for the project and has been approved by the Massachusetts School building Authority (MSBA) for reimbursement of 55.61% of the eligible costs associated with these projects. The project is estimated to have a final cost of \$53.6 million. During 2015 the Town spent approximately \$11.1 million and received \$5.3 million in reimbursements.

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, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2015, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2015.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2016, which is the date the financial statements were available to be issued.

NOTE 16 – REVISION OF NET POSITION

Beginning net position of governmental activities, business-type activities and each applicable enterprise fund has been revised to reflect the implementation of GASB Statements #68 and #71. The revised balances are summarized in the following table:

	06/30/2014 Previously Reported Balances	Implementation of GASBs #68, & #71	06/30/2014 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 130,477,623	\$ (36,860,640)	\$ 93,616,983
Business-type activities.....	63,012,432	(7,094,203)	55,918,229
Total.....	<u>\$ 193,490,055</u>	<u>\$ (43,954,843)</u>	<u>\$ 149,535,212</u>
Business-type Activities - Enterprise Funds			
Sewer.....	28,591,490	(2,661,401)	25,930,089
Water.....	31,475,079	(2,887,180)	28,587,899
Solid waste.....	2,945,863	(1,545,622)	1,400,241
Total.....	<u>\$ 63,012,432</u>	<u>\$ (7,094,203)</u>	<u>\$ 55,918,229</u>

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2015, the following GASB pronouncements were implemented:

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

The following GASB pronouncements will be implemented in future years:

- The GASB issued Statement #72, *Fair Value Measurement and Application*, which is required to be implemented in 2016.
- The GASB issued Statement #73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of this Statement are effective for 2016—except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statement 68, which are effective for 2017.
- The GASB issued Statement #74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in 2017.
- The GASB issued Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in 2018.
- The GASB issued Statement #76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in 2016.
- The GASB issued Statement #77, *Tax Abatement Disclosures*, which is required to be implemented in 2017.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 56,971,730	\$ 56,971,730	\$ 57,541,151	\$ -	\$ 569,421
Tax liens.....	-	-	117,478	-	117,478
Motor vehicle and other excise taxes.....	3,300,500	3,300,500	3,696,490	-	395,990
Charges for services.....	1,025,000	1,025,000	1,004,468	-	(20,532)
Penalties and interest on taxes.....	325,000	325,000	415,101	-	90,101
Payments in lieu of taxes.....	32,000	-	-	-	-
Intergovernmental.....	17,636,377	17,636,377	17,646,862	-	10,485
Departmental and other.....	1,057,500	1,057,500	1,350,422	-	292,922
Investment income.....	40,000	40,000	40,594	-	594
TOTAL REVENUES.....	80,388,107	80,356,107	81,812,566	-	1,456,459
EXPENDITURES:					
GENERAL GOVERNMENT					
Moderator.....	92	92	92	-	-
Selectmen:					
Salaries.....	263,890	259,687	257,076	-	2,611
Expenditures.....	219,182	257,673	251,222	6,439	12
Elected officials.....	3,417	3,417	3,417	-	-
TOTAL.....	486,489	520,777	511,715	6,439	2,623
Facilities Manager					
Salaries.....	318,000	358,000	352,421	-	5,579
Town Accountant:					
Salaries.....	180,478	177,076	176,918	-	158
Expenditures.....	5,300	5,300	4,190	9	1,101
TOTAL.....	185,778	182,376	181,108	9	1,259
Assessors:					
Salaries.....	223,840	225,644	225,644	-	-
Expenditures.....	69,750	69,750	69,746	-	4
Elected officials.....	3,687	3,687	3,687	-	-
TOTAL.....	297,277	299,081	299,077	-	4
Treasurer/Collector:					
Salaries.....	366,748	354,111	345,432	-	8,679
Expenditures.....	50,094	69,231	63,222	6,009	-
Tax title.....	-	10,000	1,351	-	8,649
TOTAL.....	416,842	433,342	410,005	6,009	17,328
Annual Audit:					
Expenditures.....	55,000	55,000	55,000	-	-
Legal:					
Expenditures.....	165,000	217,425	217,425	-	-
Information Technology:					
Salaries.....	157,416	157,416	155,280	-	2,136
Expenditures.....	170,065	162,640	156,073	-	6,567
TOTAL.....	327,481	320,056	311,353	-	8,703
Town Clerk:					
Salaries.....	53,221	52,921	52,529	-	392
Expenditures.....	4,110	4,410	4,195	-	215
Elected officials.....	55,580	55,580	55,580	-	-
TOTAL.....	112,911	112,911	112,304	-	607
Elections:					
Expenditures.....	60,496	55,399	49,869	200	5,330
Conservation Commission:					
Salaries.....	113,448	114,702	114,702	-	-
Expenditures.....	12,768	12,768	5,976	876	5,916
TOTAL.....	126,216	127,470	120,678	876	5,916
Planning Board:					
Salaries.....	125,801	125,801	122,665	-	3,136
Expenditures.....	2,298	2,298	2,271	-	27
Elected officials.....	1,120	1,120	920	-	200
TOTAL.....	129,219	129,219	125,856	-	3,363

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Zoning Board of Appeals:					
Salaries.....	28,645	28,645	28,598	-	47
Expenditures.....	1,880	1,880	741	72	1,067
TOTAL.....	30,525	30,525	29,339	72	1,114
Reserve Fund.....	100,000	-	-	-	-
Total General Government.....	2,811,326	2,841,673	2,776,242	13,605	51,826
PUBLIC SAFETY					
Police:					
Salaries.....	4,211,579	4,411,579	4,401,919	-	9,660
Expenditures.....	315,557	312,238	310,851	1,112	275
TOTAL.....	4,527,136	4,723,817	4,712,770	1,112	9,935
Fire:					
Salaries.....	4,450,446	4,684,669	4,684,669	-	-
Expenditures.....	264,717	260,864	260,864	-	-
TOTAL.....	4,715,163	4,945,533	4,945,533	-	-
Building Inspection:					
Salaries.....	251,390	251,390	249,517	-	1,873
Expenditures.....	7,384	7,384	6,381	100	903
TOTAL.....	258,774	258,774	255,898	100	2,776
Sealer of Weights/Measures:					
Expenditures.....	5,000	5,000	5,000	-	-
Animal Control:					
Salaries.....	64,199	64,199	62,647	-	1,552
Expenditures.....	10,105	10,105	10,105	-	-
TOTAL.....	74,304	74,304	72,752	-	1,552
Animal Inspector:					
Salaries.....	1,800	1,800	1,800	-	-
Harbor Master:					
Salaries.....	93,000	93,000	92,999	-	1
Expenditures.....	50,500	50,500	49,763	-	737
TOTAL.....	143,500	143,500	142,762	-	738
Total Public Safety.....	9,725,677	10,152,728	10,136,515	1,212	15,001
EDUCATION					
Public Schools:					
Salaries and Expenditures.....	43,727,954	43,727,954	43,670,402	36,095	21,457
PUBLIC WORKS					
Department of Public Works:					
Salaries.....	1,667,165	1,777,147	1,777,147	-	-
Expenditures.....	589,080	565,258	548,339	2,974	13,945
Elected officials.....	2,180	2,180	2,180	-	-
TOTAL.....	2,258,425	2,344,585	2,327,666	2,974	13,945
Snow and Ice:					
Salaries.....	105,000	180,000	305,533	-	(125,533)
Expenditures.....	295,000	420,288	997,882	-	(577,594)
TOTAL.....	400,000	600,288	1,303,415	-	(703,127)
Automotive Fuel:					
Expenditures.....	450,300	394,640	393,055	-	1,585
Total Public Works.....	3,108,725	3,339,513	4,024,136	2,974	(687,597)
HUMAN SERVICES					
Health:					
Salaries.....	198,494	198,494	197,457	-	1,037
Expenditures.....	24,663	24,663	24,649	-	14
Elected officials.....	1,460	1,460	1,460	-	-
TOTAL.....	224,617	224,617	223,566	-	1,051
Council on Aging:					
Salaries.....	189,824	189,824	189,803	-	21
Expenditures.....	24,828	24,828	24,828	-	-
TOTAL.....	214,652	214,652	214,631	-	21

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Veterans:					
Salaries.....	94,304	96,032	96,032	-	-
Expenditures.....	395,441	390,381	371,268	8,020	11,093
TOTAL.....	489,745	486,413	467,300	8,020	11,093
Total Human Services.....	929,014	925,682	905,497	8,020	12,165
CULTURE AND RECREATION					
Library:					
Salaries.....	552,438	560,173	559,460	-	713
Expenditures.....	138,263	160,728	158,817	225	1,686
TOTAL.....	690,701	720,901	718,277	225	2,399
Trustees of Soldiers Memorial:					
Salaries.....	7,150	7,150	7,150	-	-
Expenditures.....	4,850	4,850	4,850	-	-
TOTAL.....	12,000	12,000	12,000	-	-
Historical Commission:					
Expenditures.....	3,780	3,780	2,465	-	1,315
Clam Flats:					
Salaries.....	2,000	2,000	-	-	2,000
Expenditures.....	1,000	1,000	989	-	11
TOTAL.....	3,000	3,000	989	-	2,011
Total Culture and Recreation.....	709,481	739,681	726,581	225	5,725
Business insurance.....	690,856	794,765	794,616	-	149
Unemployment Compensation.....	111,479	94,234	51,067	-	43,167
Retirement.....	4,753,698	4,754,898	4,754,898	-	-
Employee Benefits.....	5,502,329	5,468,039	5,468,039	-	-
Medicare.....	706,225	724,917	723,247	-	1,670
State and County Assessment.....	876,300	876,300	853,696	-	22,604
Utilities.....	386,038	386,038	378,497	7,541	-
Unclassified:					
Salaries.....	1,000	1,000	957	-	43
Expenditures.....	31,500	31,500	28,949	652	1,899
TOTAL.....	32,500	32,500	29,906	652	1,942
Debt Service Principal.....	5,413,563	5,413,563	5,413,563	-	-
Debt Service Interest.....	2,580,204	2,583,154	2,583,154	-	-
TOTAL EXPENDITURES.....	82,065,369	82,855,639	83,290,056	70,324	(511,891)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,677,262)	(2,499,532)	(1,477,490)	(70,324)	951,718
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	2,524,633	-	(2,524,633)
Transfers in.....	1,559,178	1,559,178	1,559,178	-	-
Transfers out.....	(53,414)	(128,414)	(128,414)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	1,505,764	1,430,764	3,955,397	-	(2,524,633)
NET CHANGE IN FUND BALANCE.....	(171,498)	(1,068,768)	2,477,907	(70,324)	3,476,351
BUDGETARY FUND BALANCE, Beginning of year.....	4,228,811	4,228,811	4,228,811	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 4,057,313	\$ 3,160,043	\$ 6,706,718	\$ (70,324)	\$ 3,476,351

See notes to required supplementary information.

(Concluded)

Pension Plan Schedules

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

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

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

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

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

	December 31, 2014
Town's proportion of the net pension liability (asset).....	7.909%
Town's proportionate share of the net pension liability (asset)..... \$	46,100,484
Town's covered employee payroll..... \$	20,842,080
Net pension liability as a percentage of covered-employee payroll.....	221.19%
Plan fiduciary net position as a percentage of the total pension liability.....	58.88%

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

See notes to required supplementary information.

SCHEDULE OF CONTRIBUTIONS
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM

	December 31, 2014
Actuarially determined contribution.....	\$ 4,847,897
Contributions in relation to the actuarially determined contribution.....	(4,847,897)
Contribution deficiency (excess).....	\$ -
Covered-employee payroll.....	\$ 20,842,080
Contributions as a percentage of covered- employee payroll.....	23.26%

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

See notes to required supplementary information.

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

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2015.....	\$ 74,722,138	\$ 5,191,306	61.64%

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

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

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

The Schedule of Employer Contributions compares, over time, the annual required contributions to the actual 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)
7/1/2012	\$ -	\$ 72,909,973	\$ 72,909,973	0.00%	\$ 53,243,257	136.94%
6/30/2011	-	82,246,204	82,246,204	0.00%	51,297,584	160.33%
12/31/2009	-	82,656,569	82,636,401	0.00%	50,324,651	164.25%
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
2015	\$ 5,180,593	\$ 2,188,496	42.2%
2014	4,869,389	1,959,866	40.2%
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.....	7/1/2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 3.75%, level % of payroll
Remaining amortization period.....	26 years at July 1, 2012, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	4.0%, pay-as-you-go scenario
Inflation rate.....	2.5%
Annual compensation increases.....	3.0%
Medical/drug cost trend rate.....	6.0% decreasing by 1% for 1 year to an ultimate of 5% per year.

Plan Membership:

Current retirees, beneficiaries, and dependents.....	393
Current active members.....	<u>866</u>
Total.....	<u><u>1,259</u></u>

See notes to required supplementary information.

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

Municipal Law requires the adoption of a balanced budget that is approved 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 year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries 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 year 2015 approved budget authorized approximately \$82.1 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 year ended June 30, 2015, is presented below:

Net change in fund balance, budgetary basis.....	\$ 2,477,907
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	6,024
<u>Basis of accounting differences:</u>	
Net change in recording revenue accruals.....	(500,680)
Net change in recording tax refunds payable.....	(38,650)
Net change in expenditure accruals.....	(29,264)
Recognition of revenue for on-behalf payments.....	5,191,306
Recognition of expenditures for on-behalf payments.....	(5,191,306)
Net change in fund balance - GAAP basis.....	\$ <u>1,915,337</u>

NOTE B – PENSION PLAN***Pension Plan Schedules*****A. Schedule of the Town's Proportionate Share of the Net Pension Liability**

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

B. Schedule of Town's Contributions

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

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

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

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

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“the 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 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 and Individual Fund 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 is used to account 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, 2015

	Special Revenue Funds			
	School State & Federal Grants	Town State & Federal Grants	Airport	Town General Revolving
ASSETS:				
Cash and cash equivalents.....	\$ 298,152	\$ 797,909	\$ -	\$ 587,702
Receivables, net of uncollectibles:				
Intergovernmental.....	-	-	55,673	-
Due from other funds.....	-	-	-	257,096
TOTAL ASSETS.....	\$ 298,152	\$ 797,909	\$ 55,673	\$ 844,798
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Warrants payable.....	\$ 18,990	\$ 1,599	\$ 161,848	\$ 33,568
Accrued payroll.....	45,478	419	-	796
Due to other funds.....	-	-	6,244	-
TOTAL LIABILITIES.....	64,468	2,018	168,092	34,364
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue.....	-	-	55,673	-
FUND BALANCES:				
Nonspendable.....	-	-	-	-
Restricted.....	233,684	795,891	-	810,434
Committed.....	-	-	-	-
Unassigned.....	-	-	(168,092)	-
TOTAL FUND BALANCES.....	233,684	795,891	(168,092)	810,434
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 298,152	\$ 797,909	\$ -	\$ 844,798

Special Revenue Funds							Total Nonmajor Governmental Funds
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	Permanent Funds		
\$ 404,631	\$ -	\$ 159,776	\$ 838,970	\$ 3,087,140	\$ 2,026,362	\$	5,113,502
-	1,435,343	-	-	1,491,016	-		1,491,016
-	-	-	-	257,096	-		257,096
<u>\$ 404,631</u>	<u>\$ 1,435,343</u>	<u>\$ 159,776</u>	<u>\$ 838,970</u>	<u>\$ 4,835,252</u>	<u>\$ 2,321,443</u>	<u>\$</u>	<u>7,156,695</u>
\$ 3,243	\$ 205,298	\$ -	\$ 23,052	\$ 447,598	\$ -	\$	447,598
2,322	-	-	17,845	66,860	-		66,860
-	250,852	-	-	257,096	-		257,096
<u>5,565</u>	<u>456,150</u>	<u>-</u>	<u>40,897</u>	<u>771,554</u>	<u>-</u>		<u>771,554</u>
-	979,193	-	-	1,034,866	-		1,034,866
-	-	-	-	-	1,242,967		1,242,967
399,066	-	-	798,073	3,037,148	1,078,476		4,115,624
-	-	159,776	-	159,776	-		159,776
-	-	-	-	(168,092)	-		(168,092)
<u>399,066</u>	<u>-</u>	<u>159,776</u>	<u>798,073</u>	<u>3,028,832</u>	<u>2,321,443</u>		<u>5,350,275</u>
<u>\$ 404,631</u>	<u>\$ 1,435,343</u>	<u>\$ 159,776</u>	<u>\$ 838,970</u>	<u>\$ 4,835,252</u>	<u>\$ 2,321,443</u>	<u>\$</u>	<u>7,156,695</u>

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

YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			
	School State & Federal Grants	Town State & Federal Grants	Airport	Town General Revolving
REVENUES:				
Charges for services.....	\$ -	\$ -	\$ 16,037	\$ -
Intergovernmental.....	2,278,939	1,322,434	1,867,940	471,480
Departmental and other.....	-	-	-	928,826
Contributions.....	-	-	-	-
Investment income.....	-	-	-	-
TOTAL REVENUES.....	2,278,939	1,322,434	1,883,977	1,400,306
EXPENDITURES:				
Current:				
General government.....	-	29,492	2,052,069	613,015
Public safety.....	-	95,815	-	441,122
Education.....	2,839,481	-	-	-
Public works.....	-	522,097	-	-
Health and human services.....	-	42,918	-	16,593
Culture and recreation.....	-	1,730	-	-
TOTAL EXPENDITURES.....	2,839,481	692,052	2,052,069	1,070,730
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(560,542)	630,382	(168,092)	329,576
OTHER FINANCING SOURCES (USES):				
Transfers in.....	-	-	-	-
Transfers out.....	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-
NET CHANGE IN FUND BALANCES (Deficits).....	(560,542)	630,382	(168,092)	329,576
FUND BALANCES AT BEGINNING OF YEAR.....	794,226	165,509	-	480,858
FUND BALANCES AT END OF YEAR.....	\$ 233,684	\$ 795,891	\$ (168,092)	\$ 810,434

Special Revenue Funds						
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 16,037	\$ -	\$ 16,037
284,127	1,064,455	-	110,293	7,399,668	-	7,399,668
1,481,892	-	-	972,837	3,383,555	-	3,383,555
-	-	-	342,432	342,432	32,531	374,963
-	-	172	-	172	38,611	38,783
1,766,019	1,064,455	172	1,425,562	11,141,864	71,142	11,213,006
-	-	-	5,225	2,699,801	1,035	2,700,836
-	-	-	20,112	557,049	7,251	564,300
1,824,584	-	-	581,844	5,245,909	-	5,245,909
-	1,064,455	-	185,981	1,772,533	-	1,772,533
-	-	-	108,430	167,941	-	167,941
-	-	-	420,556	422,286	-	422,286
1,824,584	1,064,455	-	1,322,148	10,865,519	8,286	10,873,805
(58,565)	-	172	103,414	276,345	62,856	339,201
-	-	75,000	-	75,000	-	75,000
-	-	-	(121,393)	(121,393)	(50,600)	(171,993)
-	-	75,000	(121,393)	(46,393)	(50,600)	(96,993)
(58,565)	-	75,172	(17,979)	229,952	12,256	242,208
457,631	-	84,604	816,052	2,798,880	2,309,187	5,108,067
\$ 399,066	\$ -	\$ 159,776	\$ 798,073	\$ 3,028,832	\$ 2,321,443	\$ 5,350,275

Agency Fund

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's agency fund is used to account for payroll withholdings, 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 YEAR ENDED JUNE 30, 2015

	Agency Accounts June 30, 2014	Additions	Deletions	Agency Accounts June 30, 2015
ASSETS				
Cash and cash equivalents.....	\$ 1,561,706	\$ 19,125,374	\$ (18,456,754)	\$ 2,230,326
LIABILITIES				
Liabilities due depositors.....	\$ 1,561,706	\$ 19,125,374	\$ (18,456,754)	\$ 2,230,326

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Statistical Section



Pictured above is the Brant Rock Union Chapel in Marshfield.

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 Position By Component

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014 (1)	2015
Governmental activities										
Net investment in capital assets.....	\$ 83,996,510	\$ 85,996,195	\$ 71,485,319	\$ 80,444,484	\$ 85,564,870	\$ 86,773,388	\$ 88,902,106	\$ 100,821,726	\$ 138,566,327	\$ 143,838,725
Restricted.....	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582	6,846,578	7,822,625	7,659,915
Unrestricted.....	22,966,926	14,025,892	5,593,969	(5,684,079)	(8,723,517)	(11,104,441)	(14,043,367)	(13,432,592)	(15,911,329)	(54,354,781)
Total governmental activities net position.....	\$ 123,906,259	\$ 124,014,048	\$ 87,966,239	\$ 84,047,221	\$ 82,999,635	\$ 80,299,779	\$ 80,908,321	\$ 94,235,712	\$ 130,477,623	\$ 97,143,859
Business-type activities										
Net investment in capital assets.....	\$ 22,578,281	\$ 24,653,351	\$ 49,444,954	\$ 50,245,420	\$ 49,329,223	\$ 48,218,953	\$ 49,201,878	\$ 50,833,175	\$ 52,474,898	\$ 52,115,038
Unrestricted.....	8,207,945	9,087,958	18,181,012	16,787,324	16,134,891	16,695,970	14,622,191	12,758,096	10,537,534	4,018,127
Total business-type activities net position.....	\$ 30,786,226	\$ 33,741,309	\$ 67,625,966	\$ 67,032,744	\$ 65,464,114	\$ 64,914,923	\$ 63,824,069	\$ 63,591,271	\$ 63,012,432	\$ 56,133,165
Primary government										
Net investment in capital assets.....	\$ 106,574,791	\$ 110,649,546	\$ 120,930,273	\$ 130,689,904	\$ 134,894,093	\$ 134,992,341	\$ 138,103,984	\$ 151,654,901	\$ 191,041,225	\$ 195,953,763
Restricted.....	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582	6,846,578	7,822,625	7,659,915
Unrestricted.....	31,174,871	23,113,850	23,774,981	11,103,245	7,411,374	5,591,529	578,824	(674,496)	(5,373,795)	(50,336,654)
Total primary government net position.....	\$ 154,692,485	\$ 157,755,357	\$ 155,592,205	\$ 151,079,965	\$ 148,463,749	\$ 145,214,702	\$ 144,732,390	\$ 157,826,983	\$ 193,490,055	\$ 153,277,024

Note: For the years 2006 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Activities.

(1) The 2014 unrestricted net position for governmental and business-type activities has been revised due to the implementation of GASB Statement #68.

Changes in Net Position

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government.....	\$ 3,842,256	\$ 4,359,161	\$ 4,434,575	\$ 3,965,070	\$ 3,334,481	\$ 3,913,502	\$ 3,973,477	\$ 4,920,094	\$ 4,483,129	\$ 5,287,075
Public safety.....	10,970,904	11,439,519	12,662,170	13,771,066	13,507,314	14,514,764	14,658,407	15,526,807	16,315,383	17,178,837
Education.....	52,053,518	54,276,952	60,078,051	61,604,106	62,158,553	63,483,086	63,704,682	65,277,828	67,956,118	63,678,563
Public works.....	7,663,712	7,799,074	4,789,661	5,128,289	5,274,797	5,948,666	5,087,136	5,856,808	5,815,971	7,368,229
Health and human services.....	883,835	806,865	1,099,074	1,232,271	1,163,764	1,221,811	1,237,194	1,210,350	1,341,678	1,413,444
Culture and recreation.....	1,548,688	1,475,089	1,773,229	1,886,359	2,083,873	1,926,877	2,017,701	1,995,595	1,805,484	1,851,271
Community preservation.....	-	151,858	176,948	262,790	300,969	146,273	398,581	623,138	153,016	217,358
Interest.....	1,675,950	1,821,404	1,288,074	1,260,103	949,620	787,632	876,894	965,928	1,927,587	2,534,687
Total governmental activities expenses.....	78,638,863	82,129,922	86,301,782	89,110,074	88,773,371	91,942,611	91,954,072	96,376,548	99,798,366	99,529,464
Business-type activities:										
Sewer.....	-	-	3,825,132	3,717,598	3,530,589	3,514,018	3,494,294	3,627,666	3,656,216	3,911,778
Water.....	2,928,422	3,045,954	3,323,888	3,645,200	3,512,862	3,508,484	3,460,273	3,639,881	3,798,259	3,859,098
Solid waste.....	3,683,237	3,336,314	3,245,294	3,186,993	2,850,197	2,663,547	2,608,972	2,816,781	2,641,271	2,667,770
Total business-type activity expenses.....	6,611,659	6,382,268	10,394,314	10,549,791	9,893,648	9,686,049	9,563,539	10,084,328	10,095,746	10,438,646
Total primary government expenses.....	\$ 85,250,522	\$ 88,512,190	\$ 96,696,096	\$ 99,659,865	\$ 98,667,019	\$ 101,628,660	\$ 101,517,611	\$ 106,460,876	\$ 109,894,112	\$ 109,968,110
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety charges for services.....	\$ 1,388,709	\$ 1,489,822	\$ 1,662,618	\$ 1,470,734	\$ 1,833,254	\$ 1,636,627	\$ 1,860,575	\$ 1,937,559	\$ 1,931,218	\$ 1,879,054
Education charges for services.....	1,162,379	1,450,676	1,329,265	1,633,614	1,582,987	1,591,792	1,683,818	1,455,140	1,797,061	1,954,966
Public works charges for services.....	7,828,621	2,504,563	55,965	140,343	120,255	140,202	162,441	171,624	192,255	164,938
Other charges for services.....	942,452	872,612	1,137,163	1,057,287	1,113,914	1,189,719	1,158,333	1,263,264	869,318	691,130
Operating grants and contributions.....	20,898,283	23,970,172	25,709,451	27,079,730	27,768,573	28,180,829	30,468,638	28,854,321	30,197,758	25,899,258
Capital grants and contributions.....	368,465	1,285,273	2,603,013	983,632	2,032,817	2,205,026	1,277,419	20,149,784	37,906,270	7,425,898
Total government activities program revenues.....	32,588,909	31,573,118	32,497,475	32,365,340	34,451,800	34,944,195	36,611,224	53,831,692	72,893,880	38,015,244
Business-type activities:										
Charges for services:										
Sewer.....	-	-	2,880,162	2,470,233	2,408,283	2,541,836	2,475,768	2,544,816	2,672,368	2,665,121
Water.....	2,509,017	3,444,008	3,187,661	3,376,027	3,065,944	3,702,149	3,337,136	3,579,496	3,833,555	4,726,923
Solid Waste.....	3,817,833	3,771,280	3,738,315	2,904,608	2,526,818	2,513,195	2,448,477	2,617,061	2,769,141	3,030,814
Operating grants and contributions.....	324,666	183,063	190,072	200,659	136,036	253,462	116,903	109,770	87,823	77,281
Capital grants and contributions.....	-	-	-	-	39,423	21,461	17,841	61,918	95,876	297,160
Total business-type activities program revenues.....	6,651,516	7,398,351	9,996,210	8,951,527	8,176,504	9,032,103	8,396,125	8,913,061	9,458,763	10,797,299
Total primary government program revenues.....	\$ 39,240,425	\$ 38,971,469	\$ 42,493,685	\$ 41,316,867	\$ 42,628,304	\$ 43,976,298	\$ 45,007,349	\$ 62,744,753	\$ 82,352,643	\$ 48,812,543
Net (Expense)/Revenue										
Governmental activities.....	\$ (46,049,954)	\$ (50,556,804)	\$ (53,804,307)	\$ (56,744,734)	\$ (54,321,571)	\$ (56,998,416)	\$ (55,342,848)	\$ (42,544,856)	\$ (26,904,486)	\$ (61,514,220)
Business-type activities.....	39,857	1,016,083	(398,104)	(1,598,264)	(1,717,144)	(653,946)	(1,167,414)	(1,171,267)	(636,983)	358,653
Total primary government net expense.....	\$ (46,010,097)	\$ (49,540,721)	\$ (54,202,411)	\$ (58,342,998)	\$ (56,038,715)	\$ (57,652,362)	\$ (56,510,262)	\$ (43,716,123)	\$ (27,541,469)	\$ (61,155,567)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens,										
net of tax refunds payable.....	\$ 37,363,518	\$ 38,754,561	\$ 42,730,586	\$ 44,204,433	\$ 46,009,189	\$ 47,625,628	\$ 49,273,498	\$ 50,687,398	\$ 55,760,067	\$ 57,062,403
Motor vehicle and other excise taxes.....	3,496,136	3,158,003	3,285,913	3,077,468	3,035,945	3,035,952	3,098,572	3,383,172	3,436,419	3,605,718
Community preservation tax.....	830,355	871,114	970,338	945,317	986,430	1,019,934	1,055,074	1,088,776	1,195,479	1,244,991
Penalties and interest on taxes.....	255,015	258,823	295,273	336,323	337,685	306,690	347,002	365,170	339,978	420,779
Court settlements.....	-	-	-	834,229	-	-	-	-	-	-
Grants and contributions not restricted to										
specific programs.....	4,654,593	5,793,710	3,131,096	2,870,178	2,370,183	2,075,272	1,938,122	2,202,627	2,231,660	2,335,068
Unrestricted investment income.....	1,028,278	1,474,859	820,875	364,352	208,415	115,259	91,398	97,302	97,802	100,625
Miscellaneous.....	331,701	353,523	227,849	215,185	326,138	119,825	147,724	37,112	84,992	73,562
Transfers.....	-	-	-	(21,769)	-	-	-	125,000	197,950	197,950
Total governmental activities.....	47,959,596	50,664,593	51,461,930	52,825,716	53,273,985	54,298,560	55,951,390	57,986,557	63,344,347	65,041,096
Business-type activities:										
Court settlements.....	-	-	-	480,000	-	-	-	-	-	-
Unrestricted investment income.....	-	-	577,329	503,273	148,514	104,755	76,560	62,671	58,144	54,233
Transfers.....	-	-	-	21,769	-	-	-	(125,000)	(197,950)	(197,950)
Total business-type activities.....	-	-	577,329	1,005,042	148,514	104,755	76,560	(62,329)	(139,806)	(143,717)
Total primary government.....	\$ 47,959,596	\$ 50,664,593	\$ 52,039,259	\$ 53,830,758	\$ 53,422,499	\$ 54,403,315	\$ 56,027,950	\$ 57,924,228	\$ 63,204,541	\$ 64,897,379
Changes in Net Position										
Governmental activities.....	\$ 1,909,642	\$ 107,789	\$ (2,342,377)	\$ (3,919,018)	\$ (1,047,586)	\$ (2,699,856)	\$ 608,542	\$ 15,441,701	\$ 36,439,861	\$ 3,526,876
Business-type activities.....	39,857	1,016,083	179,225	(593,222)	(1,568,630)	(549,191)	(1,090,854)	(1,233,596)	(776,789)	214,936
Total primary government.....	\$ 1,949,499	\$ 1,123,872	\$ (2,163,152)	\$ (4,512,240)	\$ (2,616,216)	\$ (3,249,047)	\$ (482,312)	\$ 14,208,105	\$ 35,663,072	\$ 3,741,812

Note: For the years 2006 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 Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved..... \$	962,993	\$ 1,102,746	\$ 622,584	\$ 393,885	\$ 663,244	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	5,639,433	3,685,942	4,658,860	4,385,596	3,688,741	-	-	-	-	-
Restricted.....	-	-	-	-	-	-	-	3,279,293	2,811,178	4,009,469
Assigned.....	-	-	-	-	-	307,888	281,950	163,687	182,589	70,324
Unassigned.....	-	-	-	-	-	4,716,619	5,109,444	4,614,690	4,545,281	5,374,592
Total general fund..... \$	6,602,426	\$ 4,788,688	\$ 5,281,444	\$ 4,779,481	\$ 4,351,985	\$ 5,024,507	\$ 5,391,394	\$ 8,057,670	\$ 7,539,048	\$ 9,454,385
All Other Governmental Funds										
Reserved..... \$	1,333,578	\$ 1,848,727	\$ 377,466	\$ 463,731	\$ 497,723	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	10,196,721	11,891,488	10,139,920	10,004,469	7,856,675	-	-	-	-	-
Capital projects funds.....	352,910	864,234	(922,300)	1,285,269	(398,021)	-	-	-	-	-
Permanent funds.....	1,080,574	1,193,345	888,128	866,241	872,684	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	1,043,270	1,096,182	1,150,207	1,220,989	1,242,967
Restricted.....	-	-	-	-	-	6,264,680	10,795,737	10,654,986	11,537,607	7,993,550
Committed.....	-	-	-	-	-	30,290	40,587	63,209	84,604	159,776
Unassigned.....	-	-	-	-	-	-	(2,854,861)	(1,408,944)	(1,177,999)	(9,331,639)
Total all other governmental funds... \$	12,963,783	\$ 15,797,794	\$ 10,483,214	\$ 12,619,710	\$ 8,829,061	\$ 7,338,240	\$ 9,077,645	\$ 10,459,458	\$ 11,665,201	\$ 64,654

For the years 2006 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 2011, fund balances prior to 2011 have been reported in the pre-GASB 54 format.

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 37,548,388	\$ 38,256,831	\$ 42,893,443	\$ 43,896,810	\$ 46,231,120	\$ 47,255,875	\$ 49,251,843	\$ 50,519,928	\$ 54,938,928	\$ 57,119,299
Motor vehicle and other excise taxes.....	3,478,381	3,201,171	3,273,198	3,136,448	2,996,478	2,963,732	3,134,838	3,241,603	3,465,032	3,696,490
Penalties and interest on taxes.....	255,015	258,823	295,273	336,323	337,685	306,690	347,002	365,170	339,978	420,779
Charges for services.....	5,806,836	5,578,452	823,808	896,372	987,974	1,032,776	1,048,550	1,028,991	1,094,268	1,020,505
Court settlements.....	-	-	-	834,229	-	-	-	-	-	-
Intergovernmental.....	27,224,134	31,264,380	32,768,863	31,388,745	32,374,981	32,526,944	33,827,922	51,339,663	70,836,092	35,657,490
Departmental and other.....	1,615,155	1,699,661	3,441,177	4,031,497	4,014,469	3,450,322	3,691,831	3,590,240	3,559,685	4,733,977
Community preservation taxes.....	830,355	871,114	943,616	948,528	994,940	1,017,700	1,060,170	1,088,591	1,163,170	1,247,438
Contributions.....	-	-	471,577	433,519	474,687	244,974	238,977	382,749	333,939	374,963
Investment income.....	1,028,278	1,417,437	820,875	364,352	208,415	115,259	91,398	97,302	97,802	100,625
Total Revenue.....	77,786,542	82,547,869	85,731,830	86,266,823	88,620,749	88,914,272	92,692,531	111,654,237	135,828,894	104,371,566
Expenditures:										
General government.....	7,819,324	11,181,605	3,685,500	2,589,184	2,609,472	2,487,410	2,322,835	3,577,490	3,126,640	3,929,987
Public safety.....	6,712,207	7,760,428	8,172,255	9,035,006	8,644,135	9,082,725	8,679,772	9,587,168	9,954,302	10,574,177
Education.....	39,981,242	46,470,674	50,762,547	50,303,198	49,860,090	53,138,359	55,787,658	57,022,941	58,064,519	54,041,317
Public works.....	6,169,708	5,811,645	1,893,018	2,778,556	4,015,920	5,012,258	3,007,215	2,474,937	2,093,027	3,766,645
Human and human services.....	697,459	741,516	877,038	657,156	419,019	506,933	383,654	481,056	1,053,258	1,112,263
Culture and recreation.....	1,039,130	1,698,038	1,218,016	1,080,131	766,502	755,207	753,628	888,466	1,160,706	1,216,994
Pension benefits.....	n/a	n/a	3,059,026	3,193,116	3,298,846	3,768,238	3,736,165	4,285,250	4,458,347	4,754,898
Property and liability insurance.....	n/a	n/a	916,566	763,597	642,704	565,489	579,991	677,091	658,703	794,616
Employee benefits.....	n/a	n/a	5,088,361	5,256,480	5,542,176	5,973,191	6,386,222	5,611,488	6,304,113	6,242,353
Community preservation.....	n/a	n/a	176,948	2,319,107	3,271,886	1,011,397	470,208	1,230,198	153,016	217,358
State and county charges.....	721,720	682,912	643,063	593,075	605,335	671,652	664,596	735,255	819,016	853,696
Capital outlay.....	13,720,593	4,464,480	4,616,185	5,237,093	9,221,535	7,410,609	9,518,420	52,009,404	66,160,999	21,450,937
Debt service										
Principal.....	4,012,274	3,852,445	3,856,058	3,756,463	4,083,194	3,935,896	3,900,384	3,979,614	5,738,789	5,508,444
Interest.....	1,765,292	1,770,277	1,363,126	1,244,359	969,564	766,207	896,491	837,153	2,502,338	2,589,674
Total Expenditures.....	82,638,949	84,434,020	86,327,707	88,806,521	93,950,378	95,085,571	97,087,239	143,397,511	162,247,773	117,053,359
Excess of revenues over (under) expenditures.....	(4,852,407)	(1,886,151)	(595,877)	(2,539,698)	(5,329,629)	(6,171,299)	(4,394,708)	(31,743,274)	(26,418,879)	(12,681,793)
Other Financing Sources (Uses)										
Issuance of long-term debt.....	-	-	-	-	-	-	-	-	-	-
Premium from issuance of bonds.....	-	57,424	-	-	-	-	-	-	-	-
Proceeds from issuance of long-term debt.....	-	2,849,000	-	4,196,000	965,000	5,353,000	6,501,000	32,090,000	27,106,000	274,000
Issuance of refunding bonds.....	-	-	-	-	12,728,840	-	-	-	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	1,268,616	-	-	3,576,363	-	2,524,633
Payment to refunded bond escrow agent.....	-	-	-	-	(13,850,972)	-	-	-	-	-
Sale of capital assets.....	-	-	-	-	-	-	-	-	-	-
Transfers in.....	3,759,046	3,014,784	1,348,253	1,046,203	1,704,316	465,650	1,138,594	2,108,257	1,150,268	498,357
Transfers out.....	(3,759,046)	(3,014,784)	(1,348,253)	(1,067,972)	(1,704,316)	(465,650)	(1,138,594)	(1,983,257)	(1,150,268)	(300,407)
Total other financing sources (uses).....	-	2,906,424	-	4,174,231	1,111,484	5,353,000	6,501,000	35,791,363	27,106,000	2,996,583
Net change in fund balance.....	\$ (4,852,407)	\$ 1,020,273	\$ (595,877)	\$ 1,634,533	\$ (4,218,145)	\$ (818,299)	\$ 2,106,292	\$ 4,048,089	\$ 687,121	\$ (9,685,210)
Debt service as a percentage of noncapital expenditures.....	8.38%	7.03%	6.39%	5.98%	5.96%	5.36%	5.48%	5.27%	8.58%	8.47%

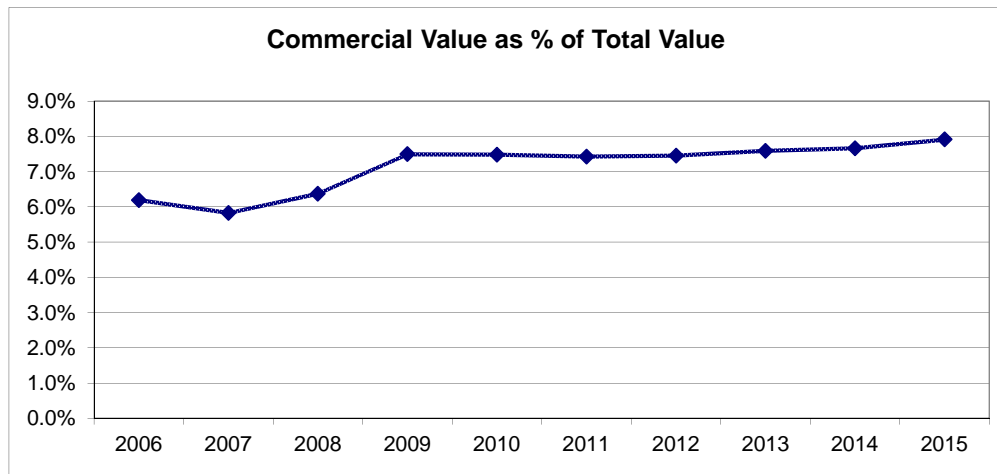
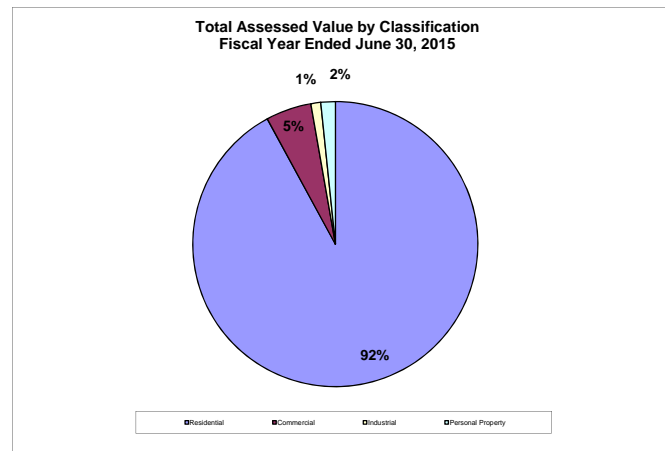
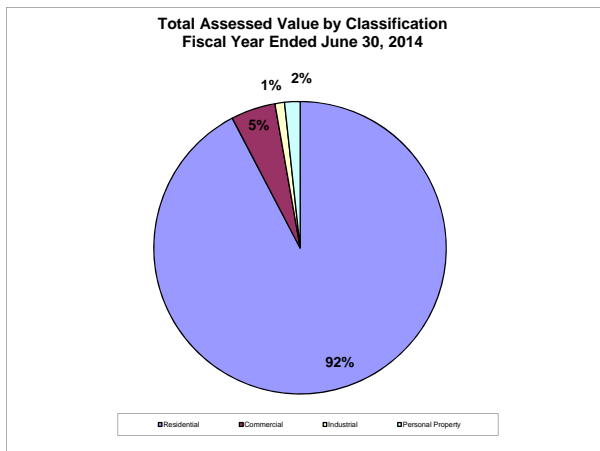
n/a - Information is not available.

For the years 2006 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 Years

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
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
2013	\$3,866,211,027	\$12.21	\$206,162,921	\$40,878,000	\$70,559,500	\$317,600,421	\$12.21	7.6%	\$ 12.21	\$4,183,811,448
2014	\$3,861,371,126	\$13.29	\$205,393,300	\$44,716,614	\$70,326,699	\$320,436,613	\$13.29	7.7%	\$ 13.29	\$4,181,807,739
2015	\$3,977,151,911	\$13.29	\$223,566,744	\$47,060,900	\$71,090,968	\$341,718,612	\$13.29	7.9%	\$ 13.29	\$4,318,870,523



(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 year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

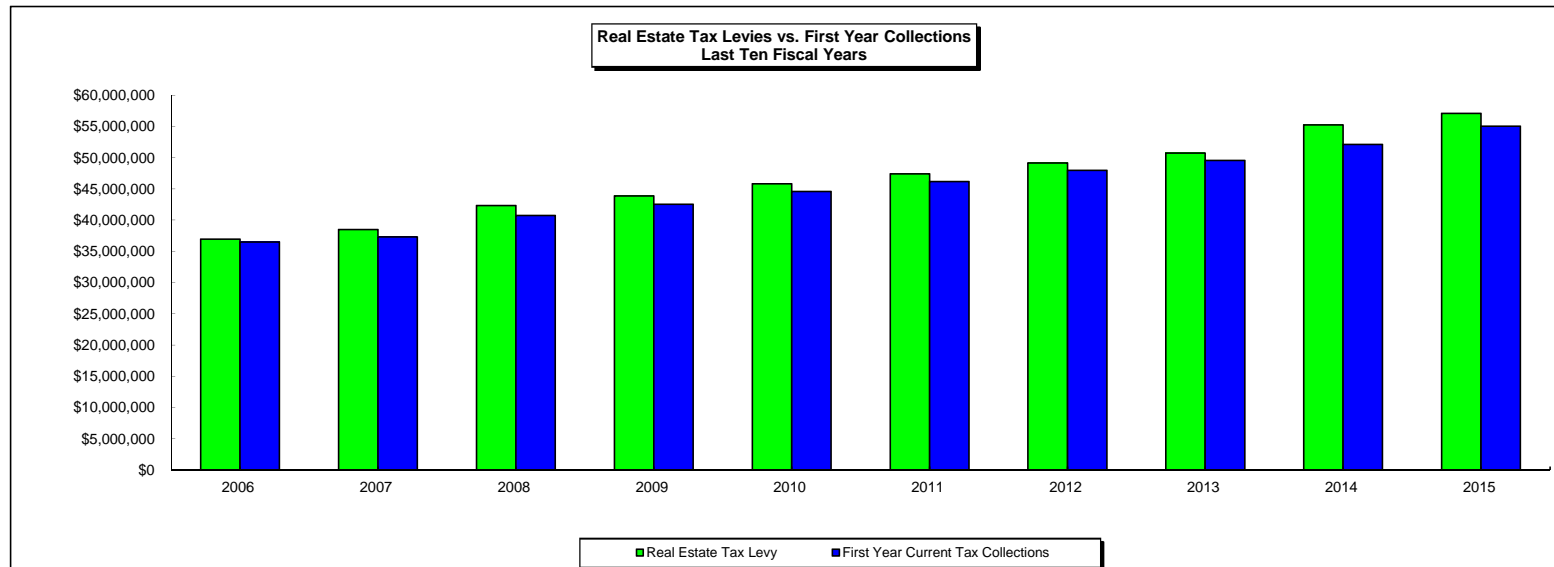
Principal Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Shi Marshfield LLC (form WW LLC)	Assisted Living	\$ 44,256,500	1	1.02%			
Home Properties of Marshfield, LLP	Apartment Complex	24,738,300	2	0.57%	\$ 27,728,700	1	6.15%
NSTAR	Utility	21,751,460	3	0.50%	9,178,351	3	2.04%
Verizon	Utility	15,245,800	5	0.35%	7,548,500	5	1.67%
Curtlo, LLC	Shopping Plaza	18,366,800	4	0.43%	17,851,100	2	3.96%
Beacon Shore LTD	Apartment Complex 55+	13,547,800	7	0.31%			
Columbia Gas of MA	Utility	14,791,130	6	0.34%	6,597,890	6	1.46%
OMDB Realty, LLC	Shopping Plaza	9,089,100	8	0.21%			
Mariners Hill Limited	Apartments & Over 55	8,023,500	9	0.19%	8,540,400	4	1.89%
VRT	Commercial Property	7,400,300	10	0.17%	5,983,500	7	1.33%
83 Enterprise Drive LLC	Office Building				4,251,000	8	0.12%
K & E Realty Trust	Single Family Residence				3,682,100	9	0.10%
Del Berrada	Single Family Residence				3,594,300	10	0.10%
Totals		<u>\$ 177,210,690</u>		<u>4.09%</u>	<u>\$ 94,955,841</u>		<u>18.82%</u>
Source: Official Statements, Town of Marshfield							

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2005	\$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	\$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	\$501,293	\$43,838,672	98.87%	\$42,508,902	96.97%	\$854,586	\$43,363,488	98.92%
2010	\$46,097,126	\$317,162	\$45,779,964	99.31%	\$44,593,567	97.41%	\$835,398	\$45,428,965	99.23%
2011	\$47,762,195	\$364,736	\$47,397,459	99.24%	\$46,172,819	97.42%	\$797,326	\$46,970,145	99.10%
2012	\$49,475,863	\$347,777	\$49,128,086	99.30%	\$47,948,166	97.60%	\$807,255	\$48,755,421	99.24%
2013	\$51,084,810	\$371,796	\$50,713,014	99.27%	\$49,546,242	97.70%	\$663,969	\$50,210,211	99.01%
2014	\$55,576,225	\$361,748	\$55,214,477	99.35%	\$52,080,161	94.32%	\$367,502	\$52,447,663	94.99%
2015	\$57,397,789	\$337,927	\$57,059,862	99.41%	\$54,994,597	96.38%	\$0	\$54,994,597	96.38%



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

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities			
				General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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	\$ 1,020,714,000	\$ 4,230,486,740	\$26,558,481	\$1,055	2.60%	0.63%
2012	25,132	\$ 1,054,397,562	\$ 4,206,535,266	\$29,159,097	\$1,160	2.77%	0.69%
2013	24,378	\$ 1,094,464,669	\$ 4,183,811,448	\$60,845,846	\$2,496	5.56%	1.45%
2014	25,436	\$ 1,136,054,327	\$ 4,181,807,739	\$81,706,740	\$3,212	7.19%	1.95%
2015	25,509	\$ 1,179,224,391	\$ 4,318,870,523	\$78,668,570	\$3,084	6.67%	1.82%

Year	Business-Type Activities	Total Primary Government			
	General Obligation Bonds	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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	3.77%	0.91%
2012	\$ 12,556,963	\$41,716,060	\$1,660	3.96%	0.99%
2013	\$ 18,405,068	\$79,250,914	\$3,251	7.24%	1.89%
2014	\$ 17,577,476	\$99,284,216	\$3,903	8.74%	2.37%
2015	\$ 15,970,707	\$94,639,277	\$3,710	8.03%	2.19%

Source: Audited Financial Statements, U. S. Census

Note: For the years 2006 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, 2015

	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<u>Town of Marshfield, Massachusetts</u>			
Debt repaid with property taxes			
Plymouth County..... \$	2,475,000	4.57%	\$ 113,108
Town direct debt.....	<u>78,668,570</u>		<u>-</u>
Total direct and overlapping debt..... \$	<u>81,143,570</u>		<u>\$ 113,108</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 Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Valuation.....	\$ 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	\$ 4,524,078,200	\$ 4,527,020,700	\$ 4,400,432,600
Debt Limit -5% of Equalized Valuation.....	\$ 239,350,350	\$ 239,350,350	\$ 257,939,010	\$ 257,939,010	\$ 233,947,240	\$ 233,947,240	\$ 226,203,910	\$ 226,203,910	\$ 226,351,035	\$ 220,021,630
Less:										
Outstanding debt applicable to limit.....	20,250,575	31,762,252	27,906,194	28,345,731	25,141,377	26,558,481	29,159,097	60,845,846	81,706,740	78,668,570
Authorized and unissued debt.....	8,329,420	6,393,420	11,294,000	6,042,000	7,383,000	15,331,000	119,925,839	93,547,603	67,674,273	57,694,273
Legal debt margin.....	\$ 210,770,355	\$ 201,194,678	\$ 218,738,816	\$ 223,551,279	\$ 201,422,863	\$ 192,057,759	\$ 77,118,974	\$ 71,810,461	\$ 76,970,022	\$ 83,658,787
Total debt applicable to the limit as a percentage of the limit.....	11.94%	15.94%	15.20%	13.33%	13.90%	17.91%	65.91%	68.25%	66.00%	61.98%

Source: Treasurer's Department, Town of Marshfield

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
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	\$ 1,020,714,000	\$ 40,529	37	4,744	6.40%
2012	25,132	\$ 1,054,397,562	\$ 41,954	40	4,577	6.80%
2013	24,378	\$ 1,094,464,669	\$ 44,896	43	4,523	6.30%
2014	25,436	\$ 1,075,154,284	\$ 42,269	42	4,422	6.30%
2015	25,509	\$ 1,104,310,119	\$ 43,291	44	4,772	6.30%

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	2015			2006*		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Marshfield	Municipal Government	1,030	1	7.74%	1,184	1	8.90%
Road to Responsibility	Retail & Service	472	2	3.55%			
Roche Brothers	Supermarket	286	3	2.15%			
Star Market	Supermarket	163	4	1.22%	217	2	1.63%
Windslow Woods	Assisted Living Facility	106	5	0.80%			
Marshfield Country Club	Golf Course	96	6	0.72%	60	8	0.45%
Kirwin Surgical Products LLC	Manufacturer	93	7	0.70%	85	5	0.64%
Cask and Flagon	Restaurant	80	8	0.60%			
Marshfield Tavern	Restaurant	76	9	0.57%	70	7	0.53%
Fairview Inn	Restaurant & Inn	70	10	0.53%			
Marshall's	Retail				52	10	0.39%
Jaimes Grille	Restaurant				137	3	1.03%
Bridgeway Inn	Restaurant & Inn				100	4	0.75%
Image Art	Manufacturer				80	6	0.60%
US Post Office	Postal Service				57	9	0.43%
		<u>2,472</u>		<u>18.58%</u>	<u>2,042</u>		<u>15.34%</u>

According to the Massachusetts Workforce Development Data, in August 2012 the Town had a total labor force of 13,986 of whom 13,307 were employed and 679 or 4.9% were unemployed.

* 2006 information was not available. 2005 information was used.

Full-time Equivalent Town Employees by Function

Last Ten Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function										
General government.....	42	40	41	39	38	38	37	37	29	29
Police.....	45	48	48	45	45	45	44	46	44	44
Fire.....	55	52	55	55	52	51	53	53	54	54
Education.....	618	639	628	643	640	628	681	660	731	731
Water.....	20	20	21	19	19	19	19	18	23	23
Sewer.....	14	13	14	12	13	13	13	13	15	15
Solid waste.....	7	7	7	7	7	7	5	6	7	7
Public works.....	40	40	40	36	34	34	41	41	38	38
Human services.....	19	18	19	17	17	17	15	15	8	8
Culture and recreation.....	30	30	30	29	28	28	28	28	6	6
Total	<u>890</u>	<u>907</u>	<u>903</u>	<u>902</u>	<u>893</u>	<u>880</u>	<u>936</u>	<u>917</u>	<u>955</u>	<u>955</u>

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Population.....	24,836	24,576	24,735	24,947	25,184	25,185	25,132	24,378	24,182	25,509
Registered voters, annual town election.....	14,304	15,367	16,531	17,713	17,867	17,966	18,234	18,544	18,241	18,234
Town Clerk										
Births.....	253	286	255	220	229	216	207	188	184	196
Marriages.....	99	109	98	103	75	114	69	87	92	120
Deaths.....	166	167	174	186	166	214	209	191	177	180
Police										
Accidents covered by an officer.....	386	503	515	380	331	377	859	407	389	389
Citations issued.....	926	1,205	513	1,206	1,140	854	1,338	980	1,166	1,166
Arrests.....	765	753	660	790	826	494	413	360	706	706
Larcenies.....	224	208	104	300	547	354	420	378	52	43
Fire										
Rescue assist.....	370	360	387	414	332	340	354	15	346	317
False alarm.....	55	40	32	433	201	229	18	4	7	7
Public assist.....	226	198	240	407	472	604	239	201	406	280
Emergency responses/ambulance.....	1,730	1,951	1,974	2,025	2,072	2,230	2,346	2,416	2,352	2,384
Building Department										
Residential building permits issued.....	814	731	716	858	844	707	708	687	730	N/A
Non-Residential building permits issued.....	39	33	36	23	48	49	59	69	72	N/A
Education										
Public school enrollment.....	4,693	4,730	4,739	4,742	4,750	4,713	4,575	4,523	4,422	4,772
Public Works										
Cemetery										
Lots sold.....	94	62	106	61	84	67	64	76	76	76
Interments.....	92	103	78	72	89	89	62	109	98	95
Water										
Service connections.....	9,804	9,826	9,894	9,907	9,912	10,690	10,740	10,807	9,959	9,959
Consumption in billions of gallons.....	887	1,026	1,027	1,069	834	854	764	763	857	857
Daily consumption in millions of gallons.....	2.5	2.8	2.8	2.8	2.3	2.3	2.1	2.1	2.3	2.3
Sewer										
Service connections.....	4,468	4,470	4,479	4,502	4,650	4,222	4,247	4,285	4,403	N/A
Daily average collection (MGD).....	1.33	1.22	1.41	1.43	1.59	0.66	0.61	0.54	1.24	N/A
Highway										
Miles of public road.....	170	170	170	170	170	170	171	171	170	170
Human Services										
Board of Health										
Permits issued.....	809	742	669	688	663	696	721	755	730	N/A
Variances.....	58	44	26	24	21	24	32	29	24	N/A
Council on Aging										
Home delivered meals.....	12,655	14,995	13,921	13,189	11,375	12,447	10,665	12,272	14,136	14,136
Transportation.....	10,163	10,604	11,325	11,646	11,807	11,442	10,937	11,965	10,771	10,771
Volunteer service hours.....	26,385	23,159	23,441	20,417	30,061	30,242	33,337	34,329	34,542	34,542
Fitness/exercise program participants.....	5,176	5,271	5,166	6,333	7,074	6,696	7,355	7,812	10,394	7,812
Recreation/social event participants.....	10,876	13,810	14,191	14,404	15,355	14,651	15,320	27,107	30,106	30,106
Libraries										
Volumes in collection.....	73,013	76,334	76,202	75,602	80,466	70,166	70,689	71,372	93,372	N/A
Circulation.....	280,448	268,000	273,951	244,362	280,621	260,155	260,155	197,639	211,679	207,727
Program attendance.....	7,273	5,919	6,023	5,726	5,829	8,761	5,379	7,002	7,396	7,396

Source: Various Town Departments

N/A - This information was not available for 2015.

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Airport	1	1	1	1	1	1	1	1	1	1
General Government										
Number of buildings.....	2	2	2	3	3	3	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.....	15	15	15	15	16	16	14		14	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).....	198	200	200	200	201	201	201	202	201	201
Fire hydrants.....	1,375	1,383	1,388	1,390	1,398	1,399	1,399	1,401	1,399	1,399
Sanitary sewers (miles).....	41	41	41	41	41	41	41	41	41	41
Number of wells.....	16	16	17	17	17	17	17	17	17	17
Number of water storage tanks.....	3	3	4	4	4	4	4	4	4	4
Number of pump stations.....	15	15	16	16	16	16	17	15	16	16
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	-	-	1	1	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments