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**THE TOWN OF MARSHFIELD, MASSACHUSETTS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
JULY 1, 2009 – JUNE 30, 2010**



VETERANS MEMORIAL PARK GAZEBO IN WINTER



**On the cover:**

*The gazebo in Veterans Memorial Park is a beautiful spot for wedding photos and quiet contemplation.*



*In October 2009, Town Meeting authorized the purchase of 17.9 acres of land off Maryland Street with Community Preservation Funds. The property is an important archaeological site, a primary habitat for rare species and also the site of a large vernal pool.*

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

# **TOWN OF MARSHFIELD, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the fiscal year ended June 30, 2010**



**Prepared by:**

**Nancy Holt, Treasurer/Collector  
Town of Marshfield, Massachusetts**



*Dandelion Park was created by the Molly Fund and a dedicated group of volunteers on the site of a former gas station. It is dedicated to all of the children of Marshfield that were lost too soon.*

TOWN OF MARSHFIELD, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2010

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# *Introductory Section*



*Winslow Woods is a 149 unit assisted living facility that opened in early 2010.*

# ***Introductory Section***



Nancy Holt  
Treasurer / Collector

## *Town of Marshfield*

Treasurer / Collector

870 Moraine Street

Marshfield, Massachusetts, 02050-3498

Tel: 781-834-5545 Fax: 781-834-6289

### **Letter of Transmittal**

December 6, 2010

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

State law requires the Town of Marshfield to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Marshfield, Massachusetts, for the fiscal year ending June 30, 2010 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, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Marshfield for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town of Marshfield's financial statements for the fiscal year ended June 30, 2010, 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 compliment MD&A and should be read in conjunction with it. The Town of Marshfield's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Town**

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

Local legislative decisions are made by an open town meeting consisting of all of the registered voters in the Town. Subject to the legislative decisions made by the town meeting, the affairs of the Town are generally administered by a board of three selectmen. According to the U.S. Department of Commerce, Bureau of Census conducted in 2000, the Town's population was 24,324.

Local school affairs are administered by a school committee of five persons. Local taxes are assessed by a board of three 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 general fund functions of the department of public works.

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

The Town of Marshfield's commitment to open space, historical preservation and community housing is evidenced by it's acceptance of the Community Preservation Act effective for fiscal year 2002 at the maximum 3% surcharge. These funds have been authorized by town meeting for the purchase of 109 acres of open space preserving and protecting aquifers, habitats, woodlands, marshland and meadows.

## **Factors Affecting Economic Condition**

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

The Town established a planned mixed use district adjacent to an existing industrial park which has lead to the establishment of a small subdivision of single family homes with over 55 age restricted units and a supermarket. A 149 unit assisted living facility opened in the spring of 2010 in addition to the first of five proposed buildings in an adjacent pedestrian friendly shopping area. This zoning change dovetails with the work done by the Downtown Revitalization Committee to improve the aesthetic appeal, access and business opportunities in the

downtown area. These endeavors not only strengthen the commercial tax base but also contain commercial development in specific areas to keep the residential nature of the Town intact.

The Town continues to manage its financial affairs in a prudent manner. Standard & Poor's raised the Town's bond rating to AA 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. A long awaited capital project to dredge the Inner Harbor and access channel to the Atlantic Ocean was completed with the assistance of the Army Corps of Engineers.

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.

### **Reserves**

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

The Town is rebuilding its Stabilization Fund after having used the fund to support the general fund budget in fiscal years 2003 through 2008. Over the last three fiscal years, the Town has increased the balance in the fund by \$1,326,348. The target for the Stabilization Fund is 5-7% of General Fund Revenue to be achieved by fiscal year 2015. Management is also phasing out the use of one time revenues to fund the operational budget from \$6.7M in FY2004 to \$900,000 in FY2010.

### **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.

### **Cash Management**

Cash management is handled by the Treasurer/Collector, who monitors the Town's cash flow and provides for the investment of Town funds. The Treasurer/Collector seeks to maximize the return on Town funds while maintaining adequate protection and liquidity of funds.

Quarterly tax billings and excellent collection rates have eliminated the need to borrow on a short-term basis to maintain cash flow. The Town's investment options are governed by Massachusetts General Laws and focus on safety, liquidity and yield. The Town pursues collateralization of deposits as available while obtaining reasonable return on investment.

### **Debt Management**

The capital program of the Town has been advanced by an aggressive debt management approach including five and ten year bond issues to maximize interest savings and prevent a build-up of long term debt obligations that would hinder future projects. The Capital Budget Committee examines the five year capital plan and all capital project requests annually and makes recommendations to town meeting based on priority mindful of the limits of existing debt obligations. The Town has been able to keep the overall debt service burden, net of school building assistance, to less than 8% of total budget for more than ten years. Management plans to adopt formal debt policies in fiscal year 2011.

### **Long Term Financial Planning**

The Town's financial actions will continue to be guided by a prudent financial management, five-year forecasts and the rolling five-year Capital Improvement Program. The prioritizing of spending plans for core services and identifying discretionary spending, pay as-you go financing strategies, long-term planning for all liabilities including pension and insurance, and municipal best practices; will continue to be reviewed annually with each budget cycle.

The Town examines past revenue trends in predicting future available revenue streams. Management utilizes a five year less 10% formula to forecast local receipts, forecasts state aid with legislative advice as updated by the Governor's Budget and the maximum tax revenue as allowed by proposition 2-1/2. These practices have been fiscally prudent and will be part of a codification of fiscal policies to be accomplished in the coming years. The Town adopted an Investment Policy and Reserve Policy in fiscal year 2010.

### **Risk Management**

The Town of Marshfield manages its risk through premium-based coverage with commercial insurance carriers. The Town is exposed to various risks of loss related to general liability, property and casualty, workers' compensation and unemployment compensation claims. Buildings and property are fully insured against fire, theft and natural disaster to the extent that losses exceed the Town's deductible per incident. These deductibles vary by type of incident. The Workers Compensation Reserve for Police & Fire has a recommended reserve of \$400,000 to be attained as of fiscal year 2015 with \$90,000 appropriated annually. The Property & Liability

Insurance Reserve has a recommended reserve of \$150,000 to be attained as of fiscal year 2016 with \$20,000 appropriated annually.

**Pension and other postemployment benefits**

The Town of Marshfield contributes to the Plymouth County Retirement System (the System), a cost sharing, and defined benefit pension plan administered by the Plymouth County Retirement Board. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the Town of Marshfield must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a requirement by law, the Town of Marshfield fully funds each year's annual required contribution to the pension plan as determined by the actuary. The remaining unfunded amount is being systematically funded over 19 years as part of the annual required contribution calculated by the actuary. The current funding schedule will see the System fully funded in 2028, twelve years prior to the state mandate.

The Town also provides post retirement health care benefits for certain retirees and their dependents. As of June 30, 2010, there were 988 employees, retirees, beneficiaries, and dependents receiving these benefits, which are financed on a pay-as-you-go basis.

Additional information on the Town of Marshfield's pension and postemployment benefits can be found in the notes of the financial statements.

**Acknowledgements**

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

Respectfully submitted,



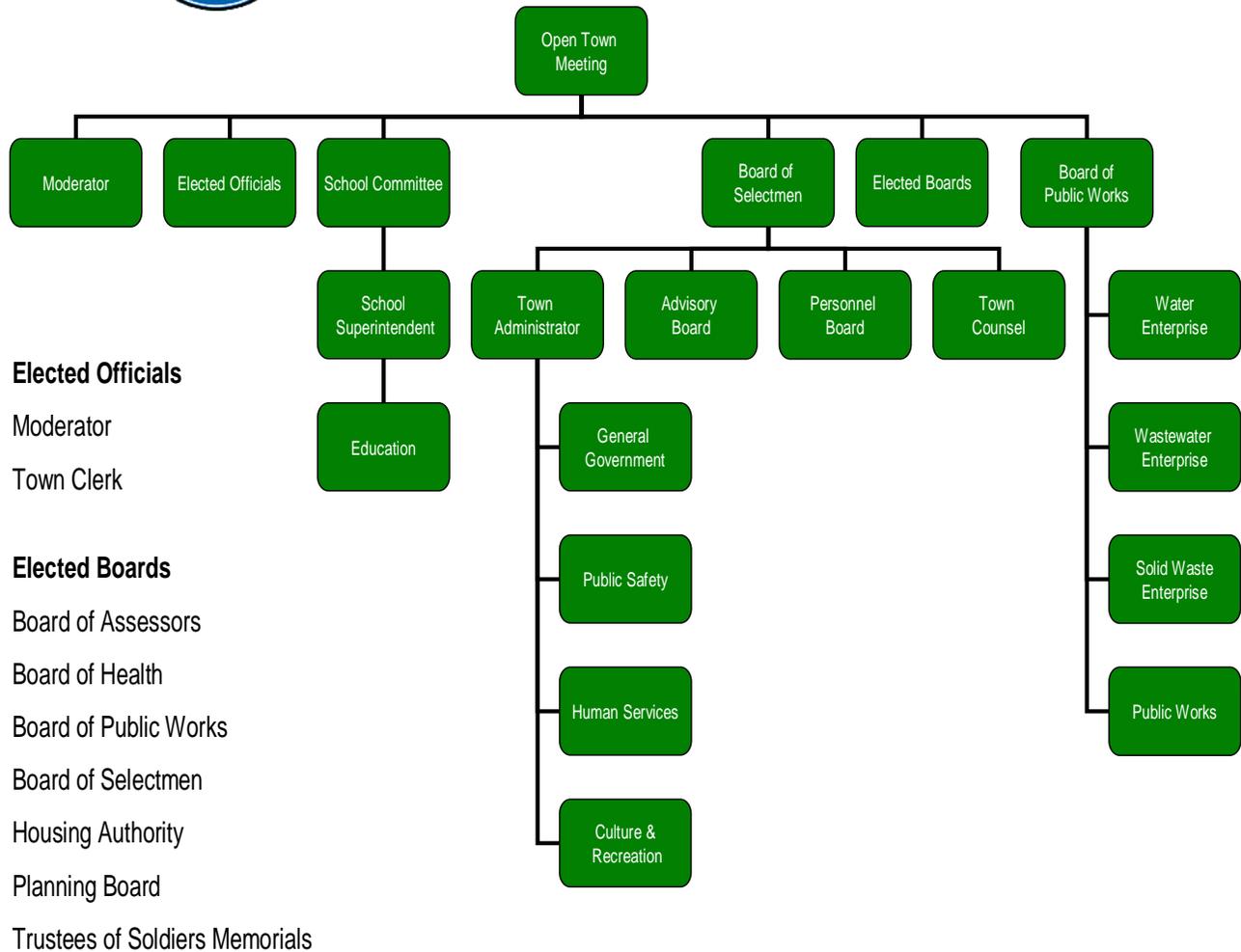
Rocco J. Longo  
Town Administrator



Nancy Holt  
Treasurer/Collector



# Town of Marshfield



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Marshfield  
Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director

## Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Patricia J. Reilly, Chairperson	2011
	John E. Hall, Vice Chairperson	2012
	Matt McDonough, Clerk	2013
Moderator Town Clerk	James J. Fitzgerald	2011
	Patricia A. Picco	2012
School Committee	Nancy Currie, Chairperson	2013
	Marti Morrison, Vice Chairperson	2012
	Dennis M. Scollins, Secretary	2012
	Carol Shrand	2011
	Kate Tracey	2013

### Appointed Officials

Town Administrator	Rocco J. Longo
Superintendent of Public Schools	Dr. Middleton K. McGoodwin
Treasurer/Collector	Nancy Holt
Town Accountant	Barbara A. Costa
Assessor/Appraiser	Elizabeth A. Bates
Fire Chief	Kevin C. Robinson
Police Chief	William P. Sullivan
DPW Superintendent	David E. Carriere

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# *Financial Section*



*Green Harbor was recently dredged by the Army Corps of Engineers. Concurrently, the Town completed structural repairs and dredging immediately around the piers.*

# ***Financial Section***

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100 Quannapowitt Parkway  
Suite 101  
Wakefield, MA 01880  
T. 781-914-1700  
F. 781-914-1701  
[www.powersandsullivan.com](http://www.powersandsullivan.com)

## Independent Auditors' Report

To the Honorable Board of Selectmen  
Town of Marshfield, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of and for the fiscal year ended June 30, 2010 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Marshfield, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Town of Marshfield, Massachusetts, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2010, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combining fund statements, as listed in the table of contents, are presented for the purpose of supplementary analysis and are not a required part of the financial statements of the Town of Marshfield, Massachusetts. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Management's discussion and analysis, located on the following pages, and general fund schedule of revenues, expenditures and changes in fund balance – budget and actual, retirement system schedule of employer contributions, retirement system schedule of funding progress and employer contributions, other postemployment benefit plan schedule of funding progress and other post employment benefit plan actuarial methods and assumptions, located after the notes to the basic financial statements, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Bowers + Sullivan".

Wakefield, Massachusetts  
December 6, 2010

# **Management's Discussion and Analysis**

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

As management of the Town of Marshfield, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Marshfield for the fiscal year ended June 30, 2010. This is the eighth year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ***Government-wide Financial Analysis***

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Marshfield, assets exceeded liabilities by \$148.5 million at the close of the fiscal year 2010.

Government-wide net assets of \$134.9 million (91%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that are still

outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Marshfield's net assets, \$6.2 million (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$7.4 million (5%), may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Marshfield is able to report positive balances in all three categories of net assets, for the government as a whole, however, the unrestricted net assets of the governmental activities shows a negative balance of \$8.7 million mainly related to the accrual of other postemployment benefit (OPEB) liabilities.

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

**Governmental activities.** The governmental activities net assets decreased by (\$1.0) million during the current fiscal year as compared to a decrease in net assets of (\$3.9) million during the prior fiscal year. The main reason for the decrease each year is the annual increase in the OPEB liability. FY2010 revenues increased approximately \$2.5 million over FY2009 amounts while FY2010 expenses decreased slightly. The revenue gains were mainly from airport and public works capital grants and from real estate taxes.

**Governmental Activities Condensed Statement of Net Assets**

	FY2010	FY2009
<b>Assets:</b>		
Current assets.....	\$ 20,005,343	\$ 24,979,621
Noncurrent assets (excluding capital).....	9,040,451	9,594,180
Capital assets, not being depreciated.....	27,676,582	22,539,784
Capital assets, net of accumulated depreciation.....	71,253,118	72,051,964
<b>Total assets.....</b>	<b>127,975,494</b>	<b>129,165,549</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	3,382,334	4,063,176
Noncurrent liabilities (excluding debt).....	15,836,148	12,357,421
Current debt.....	4,551,896	4,301,153
Noncurrent debt.....	21,205,481	24,396,578
<b>Total liabilities.....</b>	<b>44,975,859</b>	<b>45,118,328</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	85,564,870	80,444,484
Restricted.....	6,158,282	9,286,816
Unrestricted.....	(8,723,517)	(5,684,079)
<b>Total net assets.....</b>	<b>\$ 82,999,635</b>	<b>\$ 84,047,221</b>

Noncurrent liabilities include an accrued liability for other postemployment benefits in the amount of \$12.5 million at June 30, 2010, an increase of \$3.5 million from the prior year.

**Governmental Activities Condensed Statement of Activities**

	FY2010		FY2009
	<u>                    </u>		<u>                    </u>
<b>Program revenues:</b>			
Charges for services.....	\$ 4,650,410	\$	4,301,978
Operating grants and contributions.....	27,768,573		27,079,730
Capital grants and contributions.....	2,032,817		983,632
<b>General revenues:</b>			
Real estate, personal property taxes, and tax liens.....	46,009,189		44,204,433
Motor vehicle and other excise taxes.....	3,035,945		3,077,468
Community preservation taxes.....	986,430		945,317
Penalties and interest on taxes.....	337,685		336,323
Court settlements.....	-		834,229
Nonrestricted grants and contributions.....	2,370,183		2,870,178
Unrestricted investment income.....	208,415		364,352
Miscellaneous.....	326,138		215,185
<b>Total revenues.....</b>	<b><u>87,725,785</u></b>		<b><u>85,212,825</u></b>
<b>Expenses:</b>			
General government.....	3,334,481		3,965,070
Public safety.....	13,507,314		13,771,086
Education.....	62,158,553		61,604,106
Public works.....	5,274,797		5,128,289
Health and human services.....	1,163,764		1,232,271
Culture and recreation.....	2,083,873		1,886,359
Community preservation.....	300,969		262,790
Interest.....	949,620		1,260,103
<b>Total expenses.....</b>	<b><u>88,773,371</u></b>		<b><u>89,110,074</u></b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(1,047,586)</b>		<b>(3,897,249)</b>
<b>Transfers.....</b>	<b><u>-</u></b>		<b><u>(21,769)</u></b>
<b>Change in net assets.....</b>	<b>\$ <u>(1,047,586)</u></b>	<b>\$</b>	<b><u>(3,919,018)</u></b>

*Other financial notes related to governmental activities:*

- Charges for services represented 5% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 32% percent 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 2% percent of the governmental activities resources. Most of these resources apply federal and state revenue for the purchase of 80 acres of land for airport buffers around the runways, as well as an increase in chapter 90 revenue for drainage restoration.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 52% of current resources.
- Other taxes and other revenues comprised a total of 9% percent of the governmental activities resources. These primarily include excise taxes, nonrestricted grants, and investment earnings.

- Education is by far the largest governmental activity of the Town. Approximately \$34.5 million in taxes and other revenue were needed to cover its Fiscal 2010 operating expenses. A pension contribution of approximately \$8.5 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 \$11.2 million and \$4.3 million, respectively, of taxes and other revenue were needed to cover their Fiscal 2010 operating expenses.

**Business-type activities.** Business-type activities decreased the Town’s net assets by (\$1.6) million compared to a decrease of approximately (\$593,000) during the previous fiscal year. Key elements of this change relate mainly to a decrease in investment income of approximately \$355,000, an increase in the OPEB liability of \$181,000, and to a prior year court settlement in which the Town received \$480,000.

As shown below, business-type activities assets exceeded liabilities by \$65.5 million at the close of fiscal year 2010. Invested in capital assets, net of related debt was \$49.3 million (75%) while unrestricted net assets were \$16.1 million (25%). These results continue to reflect management’s goal of maintaining the systems while only charging users for the cost of operations.

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

	FY2010	FY2009
<b>Assets:</b>		
Current assets.....	\$ 14,920,059	\$ 15,529,712
Noncurrent assets (excluding capital).....	3,983,061	4,344,222
Capital assets, not being depreciated.....	5,919,689	5,685,665
Capital assets, net of accumulated depreciation.....	51,668,431	53,086,709
<b>Total assets.....</b>	<b>76,491,240</b>	<b>78,646,308</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	562,222	738,640
Noncurrent liabilities (excluding debt).....	1,233,350	1,077,827
Current debt.....	1,245,082	914,745
Noncurrent debt.....	7,986,472	8,882,352
<b>Total liabilities.....</b>	<b>11,027,126</b>	<b>11,613,564</b>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt.....	49,329,223	50,245,420
Unrestricted.....	16,134,891	16,787,324
<b>Total net assets.....</b>	<b>\$ 65,464,114</b>	<b>\$ 67,032,744</b>

**Business-type Condensed Statement of Activities**

	<u>FY2010</u>	<u>FY2009</u>
<b>Program revenues:</b>		
Charges for services.....	\$ 8,001,045	\$ 8,750,868
Operating grants and contributions.....	136,036	200,659
<b>General Revenues:</b>		
Court settlements.....	-	480,000
Unrestricted investment income.....	148,514	503,273
<b>Total revenues.....</b>	<b>8,325,018</b>	<b>9,934,800</b>
<b>Expenses:</b>		
Sewer.....	3,530,589	3,717,598
Water.....	3,512,862	3,645,200
Solid waste.....	2,850,197	3,186,993
<b>Total expenses.....</b>	<b>9,893,648</b>	<b>10,549,791</b>
<b>Excess (Deficiency) before transfers.....</b>	<b>(1,568,630)</b>	<b>(614,991)</b>
<b>Transfers.....</b>	<b>-</b>	<b>21,769</b>
<b>Change in net assets.....</b>	<b>\$ (1,568,630)</b>	<b>\$ (593,222)</b>

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

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$13.2 million, a decrease of (\$4.2) million for the year. The decrease is mainly related to the timing of expenditures in the Community Preservation and nonmajor funds.

*General Fund*

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$3.7 million, while the total fund balance was \$4.4 million. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. The unreserved fund balance represents 4.8% of total general fund expenditures, while the total fund balance represents 5.6% of that same amount.

Fund balance of the General Fund decreased by (\$427,000) during fiscal year 2010. This is mainly the result of budgeted transfers out to the stabilization and capital project funds.

### *Stabilization Major Fund*

The stabilization fund is a special revenue fund used to account of the accumulation of resources to be used for general and/or capital purposes upon approval of Town Meeting. The fund increased by approximately \$468,000 in fiscal 2010 from transfers from the general fund. The fund earned investment income of \$16,000.

### *Community Preservation Major Fund*

The community preservation fund had a fund balance at June 30, 2010 of \$2.5 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The fund decreased (\$2.8) million during fiscal year 2010 from planned spending on various projects relating to land acquisition and building renovations.

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

### **General Fund Budgetary Highlights**

The original general fund budget appropriations were approximately \$884,000 higher than the final budget due to proportional reductions in many of the budgeted line items.

Total general fund revenues were slightly higher than budgeted amounts mainly relating to unbudgeted tax liens imposed. Actual expenditures, including carryovers, were less than budgeted amounts by approximately \$1 million or 1.4%.

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

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

Governmental capital assets at year end amounted to approximately \$99 million which represented a net increase of \$4.3 million from the prior year. Major current additions included land acquisitions, school administration construction in progress, other building and improvement projects, and infrastructure additions all totaling approximately \$9.2 million. Depreciation of \$4.9 million was recorded in FY2010.

Enterprise capital assets were valued at \$57.6 million at year end. Current year additions totaled approximately \$861,000. Depreciation of \$2.0 million was recorded in FY2010.

The Towns total long-term debt decreased by \$4.1 million during the current year. This was due to the net effect of \$965,000 of proceeds for various governmental projects and \$5.1 million of scheduled principal payments.

Outstanding long-term debt of the general government, as of June 30, 2010, totaled \$25.1 million, of which, \$14.9 million is related to school projects, \$3.2 million is related to the general government's 40% share of sewer debt, \$2.1 million is related to sea wall and harbor projects, leaving a balance of \$4.9 million for infrastructure and other Town projects.

The enterprise funds have \$8.9 million in sewer and water debt that is fully supported by the rates and do not rely on a general fund subsidy beyond the Town's bylaw that splits the debt service requirements of certain sewer projects on a ratio of 60% from the sewer fund and 40% from the general fund.

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

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

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

# ***Basic Financial Statements***

**STATEMENT OF NET ASSETS**

JUNE 30, 2010

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 14,533,850	\$ 11,480,717	\$ 26,014,567
Investments.....	124,432	-	124,432
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals.....	1,233,723	-	1,233,723
Tax liens.....	1,032,301	-	1,032,301
Motor vehicle and other excise taxes.....	413,391	-	413,391
User charges.....	-	3,142,603	3,142,603
Departmental and other.....	451,308	-	451,308
Special assessments.....	1,039	240,503	241,542
Intergovernmental.....	1,835,841	56,236	1,892,077
Tax foreclosures.....	379,458	-	379,458
<b>Total Current Assets.....</b>	<b>20,005,343</b>	<b>14,920,059</b>	<b>34,925,402</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	3,066,640	3,066,640
Intergovernmental.....	9,040,451	916,421	9,956,872
Capital assets, non depreciable.....	27,676,582	5,919,689	33,596,271
Capital assets, net of accumulated depreciation.....	71,253,118	51,668,431	122,921,549
<b>Total Noncurrent Assets.....</b>	<b>107,970,151</b>	<b>61,571,181</b>	<b>169,541,332</b>
<b>TOTAL ASSETS.....</b>	<b>127,975,494</b>	<b>76,491,240</b>	<b>204,466,734</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	630,077	200,112	830,189
Accrued payroll.....	623,722	64,583	688,305
Tax refunds payable.....	155,523	-	155,523
Accrued interest.....	115,187	105,423	220,610
Advance collections.....	109,825	-	109,825
Landfill closure.....	-	28,200	28,200
Compensated absences.....	1,748,000	163,904	1,911,904
Bonds and notes payable.....	4,551,896	1,245,082	5,796,978
<b>Total Current Liabilities.....</b>	<b>7,934,230</b>	<b>1,807,304</b>	<b>9,741,534</b>
<b>NONCURRENT:</b>			
Landfill closure.....	-	521,700	521,700
Compensated absences.....	3,316,000	63,000	3,379,000
Other postemployment benefits.....	12,520,148	648,650	13,168,798
Bonds and notes payable.....	21,205,481	7,986,472	29,191,953
<b>Total Noncurrent Liabilities.....</b>	<b>37,041,629</b>	<b>9,219,822</b>	<b>46,261,451</b>
<b>TOTAL LIABILITIES.....</b>	<b>44,975,859</b>	<b>11,027,126</b>	<b>56,002,985</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	85,564,870	49,329,223	134,894,093
Restricted for:			
Permanent funds:			
Expendable.....	872,684	-	872,684
Nonexpendable.....	497,723	-	497,723
Grants and gifts.....	1,984,799	-	1,984,799
Community preservation.....	2,803,076	-	2,803,076
Unrestricted.....	(8,723,517)	16,134,891	7,411,374
<b>TOTAL NET ASSETS.....</b>	<b>\$ 82,999,635</b>	<b>\$ 65,464,114</b>	<b>\$ 148,463,749</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 3,334,481	\$ 441,819	\$ 418,548	\$ 1,050,629	\$ (1,423,485)
Public safety.....	13,507,314	1,833,254	439,855	-	(11,234,205)
Education.....	62,158,553	1,582,987	26,021,996	-	(34,553,570)
Public works.....	5,274,797	120,255	165,849	704,905	(4,283,788)
Health and human services.....	1,163,764	69,426	10,665	-	(1,083,673)
Culture and recreation.....	2,083,873	602,669	-	-	(1,481,204)
Community preservation.....	300,969	-	-	277,283	(23,686)
Interest.....	949,620	-	711,660	-	(237,960)
<b>Total Governmental Activities.....</b>	<b>88,773,371</b>	<b>4,650,410</b>	<b>27,768,573</b>	<b>2,032,817</b>	<b>(54,321,571)</b>
<i>Business-Type Activities:</i>					
Sewer.....	3,530,589	2,408,283	136,036	39,423	(946,847)
Water.....	3,512,862	3,065,944	-	-	(446,918)
Solid waste.....	2,850,197	2,526,818	-	-	(323,379)
<b>Total Business-Type Activities.....</b>	<b>9,893,648</b>	<b>8,001,045</b>	<b>136,036</b>	<b>39,423</b>	<b>(1,717,144)</b>
<b>Total Primary Government.....</b>	<b>\$ 98,667,019</b>	<b>\$ 12,651,455</b>	<b>\$ 27,904,609</b>	<b>\$ 2,072,240</b>	<b>\$ (56,038,715)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ (54,321,571)	\$ (1,717,144)	\$ (56,038,715)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	45,451,556	-	45,451,556
Tax liens.....	557,633	-	557,633
Motor vehicle and other excise taxes.....	3,035,945	-	3,035,945
Community preservation tax.....	986,430	-	986,430
Penalties and interest on taxes.....	337,685	-	337,685
Grants and contributions not restricted to specific programs.....	2,370,183	-	2,370,183
Unrestricted investment income.....	208,415	148,514	356,929
Miscellaneous.....	326,138	-	326,138
Total general revenues and transfers.....	53,273,985	148,514	53,422,499
Change in net assets.....	(1,047,586)	(1,568,630)	(2,616,216)
<i>Net Assets:</i>			
Beginning of year.....	84,047,221	67,032,744	151,079,965
End of year.....	\$ 82,999,635	\$ 65,464,114	\$ 148,463,749

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2010

<b>ASSETS</b>	General	Stabilization Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 5,261,175	\$ 1,990,645	\$ 2,510,903	\$ 4,771,127	\$ 14,533,850
Investments.....	-	-	-	124,432	124,432
Receivables, net of uncollectibles:					
Real estate, personal property and tax deferrals .....	1,233,723	-	-	-	1,233,723
Tax liens.....	1,032,301	-	-	-	1,032,301
Motor vehicle and other excise taxes.....	413,391	-	-	-	413,391
Departmental and other.....	433,105	-	18,203	-	451,308
Special assessments.....	1,039	-	-	-	1,039
Intergovernmental.....	9,594,180	-	277,283	1,004,829	10,876,292
Tax foreclosures.....	379,458	-	-	-	379,458
Due from other funds.....	-	-	-	204,091	204,091
<b>TOTAL ASSETS.....</b>	<b>\$ 18,348,372</b>	<b>\$ 1,990,645</b>	<b>\$ 2,806,389</b>	<b>\$ 6,104,479</b>	<b>\$ 29,249,885</b>
<b>LIABILITIES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 526,600	\$ -	\$ -	\$ 103,477	\$ 630,077
Accrued payroll.....	571,062	-	111	52,549	623,722
Tax refunds payable.....	155,523	-	-	-	155,523
Deferred revenues and advance collections.....	12,743,202	-	295,486	800,738	13,839,426
Due to other funds.....	-	-	-	204,091	204,091
Notes payable.....	-	-	-	616,000	616,000
<b>TOTAL LIABILITIES.....</b>	<b>13,996,387</b>	<b>-</b>	<b>295,597</b>	<b>1,776,855</b>	<b>16,068,839</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Encumbrances and continuing appropriations.....	663,244	-	-	-	663,244
Perpetual permanent funds.....	-	-	-	497,723	497,723
Unreserved:					
Undesignated, reported in:					
General fund.....	3,688,741	-	-	-	3,688,741
Special revenue funds.....	-	1,990,645	2,510,792	3,355,238	7,856,675
Capital projects funds.....	-	-	-	(398,021)	(398,021)
Permanent funds.....	-	-	-	872,684	872,684
<b>TOTAL FUND BALANCES.....</b>	<b>4,351,985</b>	<b>1,990,645</b>	<b>2,510,792</b>	<b>4,327,624</b>	<b>13,181,046</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 18,348,372</b>	<b>\$ 1,990,645</b>	<b>\$ 2,806,389</b>	<b>\$ 6,104,479</b>	<b>\$ 29,249,885</b>

See notes to basic financial statements.

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

JUNE 30, 2010

Total governmental fund balances.....		\$ 13,181,046
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		98,929,700
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		13,729,601
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(115,187)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(25,141,377)	
Other postemployment benefits.....	(12,520,148)	
Compensated absences.....	<u>(5,064,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(42,725,525)</u>
Net assets of governmental activities.....		<u>\$ 82,999,635</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2010

	General	Stabilization Fund	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 45,763,452	\$ -	\$ -	\$ -	\$ 45,763,452
Tax liens.....	467,668	-	-	-	467,668
Motor vehicle and other excise taxes.....	2,996,478	-	-	-	2,996,478
Penalties and interest on taxes.....	334,112	-	3,573	-	337,685
Charges for services.....	958,265	-	-	29,709	987,974
Intergovernmental.....	26,672,448	-	372,681	5,329,852	32,374,981
Departmental and other.....	1,083,918	-	-	2,930,551	4,014,469
Community preservation taxes.....	-	-	994,940	-	994,940
Contributions.....	-	-	-	474,687	474,687
Investment income.....	116,131	15,799	18,868	57,617	208,415
<b>TOTAL REVENUES.....</b>	<b>78,392,472</b>	<b>15,799</b>	<b>1,390,062</b>	<b>8,822,416</b>	<b>88,620,749</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	2,540,338	-	-	1,729,010	4,269,348
Public safety.....	8,280,849	-	-	785,615	9,066,464
Education.....	48,260,359	-	-	5,328,048	53,588,407
Public works.....	1,624,990	-	-	3,616,783	5,241,773
Health and human services.....	907,000	-	-	99,549	1,006,549
Culture and recreation.....	762,781	-	-	729,383	1,492,164
Pension benefits.....	3,298,846	-	-	-	3,298,846
Property and liability insurance.....	642,704	-	-	-	642,704
Employee benefits.....	5,542,176	-	-	-	5,542,176
Community preservation.....	-	-	4,143,854	-	4,143,854
State and county charges.....	605,335	-	-	-	605,335
Debt service:					
Principal.....	4,083,194	-	-	-	4,083,194
Interest.....	969,564	-	-	-	969,564
<b>TOTAL EXPENDITURES.....</b>	<b>77,518,136</b>	<b>-</b>	<b>4,143,854</b>	<b>12,288,388</b>	<b>93,950,378</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>874,336</b>	<b>15,799</b>	<b>(2,753,792)</b>	<b>(3,465,972)</b>	<b>(5,329,629)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of long-term debt.....	-	-	-	965,000	965,000
Issuance of refunding bonds.....	12,728,840	-	-	-	12,728,840
Premium from issuance of refunding bonds.....	1,268,616	-	-	-	1,268,616
Payments to refunded bond escrow agent.....	(13,850,972)	-	-	-	(13,850,972)
Transfers in.....	128,000	452,347	-	1,123,969	1,704,316
Transfers out.....	(1,576,316)	-	-	(128,000)	(1,704,316)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(1,301,832)</b>	<b>452,347</b>	<b>-</b>	<b>1,960,969</b>	<b>1,111,484</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(427,496)</b>	<b>468,146</b>	<b>(2,753,792)</b>	<b>(1,505,003)</b>	<b>(4,218,145)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>4,779,481</b>	<b>1,522,499</b>	<b>5,264,584</b>	<b>5,832,627</b>	<b>17,399,191</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 4,351,985</b>	<b>\$ 1,990,645</b>	<b>\$ 2,510,792</b>	<b>\$ 4,327,624</b>	<b>\$ 13,181,046</b>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds.....	\$	(4,218,145)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		9,221,535
Depreciation expense.....		<u>(4,883,583)</u>
Net effect of reporting capital assets.....		4,337,952
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>		
		(894,964)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of long-term debt.....		(965,000)
Issuance of refunding debt.....		(12,728,840)
Principal payments on refunding debt.....		12,815,000
Debt service principal payments.....		<u>4,083,194</u>
Net effect of reporting long-term debt.....		3,204,354
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(8,000)
Net change in accrued interest on long-term debt.....		19,944
Net change in other postemployment benefits accrual.....		<u>(3,488,727)</u>
Net effect of recording long-term liabilities.....		<u>(3,476,783)</u>
Change in net assets of governmental activities.....	\$	<u><u>(1,047,586)</u></u>

See notes to basic financial statements.

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

JUNE 30, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 4,288,317	\$ 5,389,975	\$ 1,802,425	\$ 11,480,717
Receivables, net of allowance for uncollectibles:				
User charges.....	1,114,954	1,088,277	939,372	3,142,603
Special assessments.....	240,503	-	-	240,503
Intergovernmental.....	56,236	-	-	56,236
Total current assets.....	<u>5,700,010</u>	<u>6,478,252</u>	<u>2,741,797</u>	<u>14,920,059</u>
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	916,421	-	-	916,421
Special assessments.....	3,066,640	-	-	3,066,640
Capital assets, nondepreciable.....	744,414	5,083,466	91,809	5,919,689
Capital assets, net of accumulated depreciation.....	26,545,714	23,877,871	1,244,846	51,668,431
Total noncurrent assets.....	<u>31,273,189</u>	<u>28,961,337</u>	<u>1,336,655</u>	<u>61,571,181</u>
<b>TOTAL ASSETS.....</b>	<u>36,973,199</u>	<u>35,439,589</u>	<u>4,078,452</u>	<u>76,491,240</u>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	100,627	21,884	77,601	200,112
Accrued payroll.....	19,959	30,079	14,545	64,583
Accrued interest.....	74,705	30,718	-	105,423
Landfill closure.....	-	-	28,200	28,200
Compensated absences.....	47,904	93,000	23,000	163,904
Bonds and notes payable.....	575,323	669,759	-	1,245,082
Total current liabilities.....	<u>818,518</u>	<u>845,440</u>	<u>143,346</u>	<u>1,807,304</u>
<b>NONCURRENT:</b>				
Compensated absences.....	-	53,000	10,000	63,000
Landfill closure.....	-	-	521,700	521,700
Other postemployment benefits.....	218,995	302,619	127,036	648,650
Bonds and notes payable.....	4,385,747	3,600,725	-	7,986,472
Total noncurrent liabilities.....	<u>4,604,742</u>	<u>3,956,344</u>	<u>658,736</u>	<u>9,219,822</u>
<b>TOTAL LIABILITIES.....</b>	<u>5,423,260</u>	<u>4,801,784</u>	<u>802,082</u>	<u>11,027,126</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	23,301,715	24,690,853	1,336,655	49,329,223
Unrestricted.....	8,248,224	5,946,952	1,939,715	16,134,891
<b>TOTAL NET ASSETS.....</b>	<u>\$ 31,549,939</u>	<u>\$ 30,637,805</u>	<u>\$ 3,276,370</u>	<u>\$ 65,464,114</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>OPERATING REVENUES:</b>				
Charges for services .....	\$ 2,408,283	\$ 3,065,944	\$ 2,526,818	\$ 8,001,045
<b>OPERATING EXPENSES:</b>				
Salaries, wages, and fringe benefits.....	936,304	1,669,468	571,975	3,177,747
Maintenance and operations.....	1,225,296	849,656	2,224,363	4,299,315
Depreciation.....	1,137,022	854,474	53,859	2,045,355
<b>TOTAL OPERATING EXPENSES .....</b>	<b>3,298,622</b>	<b>3,373,598</b>	<b>2,850,197</b>	<b>9,522,417</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(890,339)</b>	<b>(307,654)</b>	<b>(323,379)</b>	<b>(1,521,372)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income.....	103,159	30,600	14,755	148,514
Interest expense.....	(231,967)	(139,264)	-	(371,231)
Intergovernmental.....	136,036	-	-	136,036
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>7,228</b>	<b>(108,664)</b>	<b>14,755</b>	<b>(86,681)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>(883,111)</b>	<b>(416,318)</b>	<b>(308,624)</b>	<b>(1,608,053)</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>39,423</b>	<b>-</b>	<b>-</b>	<b>39,423</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(843,688)</b>	<b>(416,318)</b>	<b>(308,624)</b>	<b>(1,568,630)</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>32,393,627</b>	<b>31,054,123</b>	<b>3,584,994</b>	<b>67,032,744</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 31,549,939</b>	<b>\$ 30,637,805</b>	<b>\$ 3,276,370</b>	<b>\$ 65,464,114</b>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2010

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>				
Receipts from customers and users.....	\$ 2,386,417	\$ 3,175,147	\$ 2,632,538	\$ 8,194,102
Payments to vendors.....	(1,181,281)	(972,024)	(2,364,780)	(4,518,085)
Payments to employees.....	(876,054)	(1,571,530)	(526,219)	(2,973,803)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>329,082</b>	<b>631,593</b>	<b>(258,461)</b>	<b>702,214</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>				
Proceeds from the issuance of bonds and notes.....	131,000	474,601	-	605,601
Capital contributions.....	351,209	-	-	351,209
Acquisition and construction of capital assets.....	(354,838)	(506,263)	-	(861,101)
Principal payments on bonds and notes.....	(421,142)	(452,516)	-	(873,658)
Interest expense.....	(103,626)	(137,638)	-	(241,264)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(397,397)</b>	<b>(621,816)</b>	<b>-</b>	<b>(1,019,213)</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>				
Investment income.....	103,159	30,600	14,755	148,514
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>34,844</b>	<b>40,377</b>	<b>(243,706)</b>	<b>(168,485)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....</b>	<b>4,253,473</b>	<b>5,349,598</b>	<b>2,046,131</b>	<b>11,649,202</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR.....</b>	<b>\$ 4,288,317</b>	<b>\$ 5,389,975</b>	<b>\$ 1,802,425</b>	<b>\$ 11,480,717</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u></b>				
Operating income (loss).....	\$ (890,339)	\$ (307,654)	\$ (323,379)	\$ (1,521,372)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	1,137,022	854,474	53,859	2,045,355
Changes in assets and liabilities:				
User charges.....	(21,866)	109,203	105,720	193,057
Warrants payable.....	44,015	(122,368)	(112,217)	(190,570)
Accrued payroll.....	3,453	3,902	2,505	9,860
Landfill closure.....	-	-	(28,200)	(28,200)
Compensated absences.....	(5,639)	13,000	6,000	13,361
Other postemployment benefits.....	62,436	81,036	37,251	180,723
Total adjustments.....	1,219,421	939,247	64,918	2,223,586
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 329,082</b>	<b>\$ 631,593</b>	<b>\$ (258,461)</b>	<b>\$ 702,214</b>
<b><u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u></b>				
Intergovernmental principal and interest subsidies received.....	\$ 186,921	\$ -	\$ -	\$ 186,921
Proceeds from the issuance of refunding bonds.....	566,160	-	-	566,160
Principal payments on refunding bonds.....	(566,160)	-	-	(566,160)

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2010

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 216,197	\$ 1,103,766
<b>LIABILITIES</b>		
Liabilities due depositors.....	-	1,103,766
<b>NET ASSETS</b>		
Held in trust for other purposes.....	\$ 216,197	-

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2010

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Interest.....	\$ 2,233
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>4,000</u>
CHANGE IN NET ASSETS.....	(1,767)
NET ASSETS AT BEGINNING OF YEAR.....	<u>217,964</u>
NET ASSETS AT END OF YEAR.....	\$ <u><u>216,197</u></u>

See notes to basic financial statements.

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

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

**A. Reporting Entity**

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

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

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

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

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

*Fund Financial Statements*

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

*Major Fund Criteria*

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

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

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

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

Fiduciary funds are reported by fund type.

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

#### *Government-Wide Financial Statements*

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

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

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

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

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

#### *Fund Financial Statements*

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

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

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

The following major governmental funds are reported:

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

The *Stabilization fund* is used to account for the accumulation of resources to provide general and/or capital reserves.

The *Community Preservation fund* is used to account for funds held for uses restricted by law for community preservation purposes.

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

The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

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

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

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

The following major proprietary funds are reported:

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

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

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

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

The following fiduciary fund types are reported:

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

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

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

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

#### D. Cash and Investments

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

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

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

## E. Accounts Receivable

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

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

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

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

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

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

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

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

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

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

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

### ***User Charges***

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

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

### ***Departmental and Other***

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

### ***Special Assessments***

Special assessments consist of street, construction and particular apportioned 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. The estimated useful lives of capital assets are as follows:

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

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

*Governmental Fund Financial Statements*

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

H. Interfund Receivables and Payables

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

I. Interfund Transfers

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

J. Deferred Revenue

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

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

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

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

Net assets have been “restricted for” the following:

“Permanent funds – expendable” represents the amount of realized and unrealized investment 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” represents the endowment portion of donor restricted trusts.

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

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

*Fund Financial Statements (Fund Balances)*

Fund balances are reserved for amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

Fund balances have been “reserved for” the following:

“Encumbrances and continuing appropriations” represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.

“Perpetual permanent funds” represents amounts held in trust for which only investment earnings may be expended.

#### L. Long-term debt

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

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

##### *Governmental Fund Financial Statements*

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

#### M. Investment Income

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

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

#### N. Compensated Absences

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

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

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

##### *Governmental Fund Financial Statements*

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

#### O. Use of Estimates

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

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

#### P. Fund Deficits

There is a fund deficit in the capital projects fund. This deficit will be funded by available funds and bond proceeds during fiscal year 2011.

## Q. Total Column

### *Government-Wide Financial Statements*

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

### *Fund Financial Statements*

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

## **NOTE 2 – CASH AND INVESTMENTS**

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, 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.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months. Credit ratings associated with the Town's investment in MMDT ranged from A1/P1 to unrated; with approximately 98% rated A1/P1 and approximately 2% rated A2/P2.

### 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 does not have a deposit policy for custodial credit risk.

At fiscal year-end, the carrying amount of deposits totaled \$19,935,686 and the bank balance totaled \$22,451,288. Of the bank balance, \$1,552,945 was covered by Federal Depository Insurance, \$3,166,877 was insured under the FDIC Transaction Account Guarantee Program, \$8,149,734 was collateralized and \$9,581,732 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2010, the Town had the following investments:

<u>Other Investments</u>	
Domestic Equity Securities.....	\$ 124,432
MMDT.....	<u>7,398,844</u>
 Total Investments.....	 <u>\$ 7,523,276</u>

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town’s investments, \$124,432 in equity securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

**NOTE 3 – RECEIVABLES**

At June 30, 2010, receivables for the individual major, non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate, personal property and tax deferrals .....	\$ 1,233,723	\$ -	\$ 1,233,723
Tax liens.....	1,032,301	-	1,032,301
Motor vehicle and other excise taxes.....	473,409	(60,018)	413,391
Departmental and other.....	520,063	(68,755)	451,308
Special assessments.....	1,039	-	1,039
Intergovernmental.....	10,876,292	-	10,876,292
Total.....	<u>\$ 14,136,827</u>	<u>\$ (128,773)</u>	<u>\$ 14,008,054</u>

At June 30, 2010, receivables for the sewer, water, and solid waste enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User charges.....	\$ 3,142,603	\$ -	\$ 3,142,603
Special assessments.....	3,307,143	-	3,307,143
Intergovernmental.....	972,657	-	972,657
Total.....	<u>\$ 7,422,403</u>	<u>\$ -</u>	<u>\$ 7,422,403</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivable and other asset type:</u>			
Real estate and personal property taxes.....	\$ 889,728	\$ -	\$ 889,728
Tax liens.....	1,032,301	-	1,032,301
Motor vehicle and other excise.....	413,391	-	413,391
Departmental and other.....	433,105	18,203	451,308
Special assessments.....	1,039	-	1,039
Intergovernmental.....	9,594,180	1,078,021	10,672,201
Tax foreclosures.....	379,458	-	379,458
Total.....	<u>\$ 12,743,202</u>	<u>\$ 1,096,224</u>	<u>\$ 13,839,426</u>

Included in the deferred revenues above are approximately \$110,000 of advance collections for 2010 real estate taxes.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

**Governmental Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 21,569,787	\$ 2,208,118	\$ -	\$ 23,777,905
Construction in progress.....	969,997	2,928,680	-	3,898,677
Total capital assets not being depreciated.....	<u>22,539,784</u>	<u>5,136,798</u>	<u>-</u>	<u>27,676,582</u>
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	358,490	-	-	358,490
Buildings and improvements.....	47,443,342	602,689	-	48,046,031
Machinery and equipment.....	13,077,051	402,460	-	13,479,511
Vehicles.....	2,621,357	568,539	-	3,189,896
Books, software and other.....	3,748,237	27,669	-	3,775,906
Infrastructure.....	51,841,949	2,483,380	-	54,325,329
Total capital assets being depreciated.....	<u>119,090,426</u>	<u>4,084,737</u>	<u>-</u>	<u>123,175,163</u>
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(209,535)	(60,165)	-	(269,700)
Buildings and improvements.....	(17,666,698)	(2,020,029)	-	(19,686,727)
Machinery and equipment.....	(9,667,147)	(755,581)	-	(10,422,728)
Vehicles.....	(1,557,691)	(349,099)	-	(1,906,790)
Books, software and other.....	(2,837,539)	(194,487)	-	(3,032,026)
Infrastructure.....	(15,099,852)	(1,504,222)	-	(16,604,074)
Total accumulated depreciation.....	<u>(47,038,462)</u>	<u>(4,883,583)</u>	<u>-</u>	<u>(51,922,045)</u>
Total capital assets being depreciated, net.....	<u>72,051,964</u>	<u>(798,846)</u>	<u>-</u>	<u>71,253,118</u>
Total governmental activities capital assets, net.....	<u>\$ 94,591,748</u>	<u>\$ 4,337,952</u>	<u>\$ -</u>	<u>\$ 98,929,700</u>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 3,705,682	\$ -	\$ -	\$ 3,705,682
Construction in progress.....	1,979,983	332,490	(98,466)	2,214,007
Total capital assets not being depreciated.....	<u>5,685,665</u>	<u>332,490</u>	<u>(98,466)</u>	<u>5,919,689</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	11,329,534	104,917	-	11,434,451
Machinery and equipment.....	5,778,143	-	-	5,778,143
Vehicles.....	930,484	-	-	930,484
Infrastructure.....	73,912,773	522,160	-	74,434,933
Total capital assets being depreciated.....	<u>91,950,934</u>	<u>627,077</u>	<u>-</u>	<u>92,578,011</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(5,445,801)	(242,043)	-	(5,687,844)
Machinery and equipment.....	(4,800,609)	(146,934)	-	(4,947,543)
Vehicles.....	(581,821)	(104,065)	-	(685,886)
Infrastructure.....	(28,035,994)	(1,552,313)	-	(29,588,307)
Total accumulated depreciation.....	<u>(38,864,225)</u>	<u>(2,045,355)</u>	<u>-</u>	<u>(40,909,580)</u>
Total capital assets being depreciated, net.....	<u>53,086,709</u>	<u>(1,418,278)</u>	<u>-</u>	<u>51,668,431</u>
Total business-type activities capital assets, net.....	<u>\$ 58,772,374</u>	<u>\$ (1,085,788)</u>	<u>\$ (98,466)</u>	<u>\$ 57,588,120</u>

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

**Governmental Activities:**

General government.....	\$ 168,055
Public safety.....	532,013
Education.....	1,862,197
Public works.....	2,065,430
Culture and recreation.....	<u>255,888</u>
Total depreciation expense - governmental activities.....	<u>\$ 4,883,583</u>

**Business-Type Activities:**

Sewer.....	\$ 1,137,022
Water.....	854,474
Solid waste.....	<u>53,859</u>
Total depreciation expense - business-type activities.....	<u>\$ 2,045,355</u>

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

Inter-fund receivables and payables between funds at June 30, 2010, are summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
State Aid Fund	Public Safety Fund	\$ <u>204,091</u> (1)

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

Interfund transfers for the fiscal year ended June 30, 2010, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Stabilization Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund.....	\$ -	\$ 1,083,969	\$ 452,347	\$ 40,000	\$ 1,576,316 (1)
Nonmajor Governmental Funds.....	<u>128,000</u>	-	-	-	<u>128,000</u> (2)
Total.....	<u>\$ 128,000</u>	<u>\$ 1,083,969</u>	<u>\$ 452,347</u>	<u>\$ 40,000</u>	<u>\$ 1,704,316</u>

(1) Represents a budgeted transfer from General Fund to the Stabilization Fund, to the Capital Project Fund for articles and inspections, and to other nonmajor funds for Postemployment and Compensated Absences benefits.

(2) Represents budgeted transfers from Cemetery Perpetual Care Interest, Licensing & Keeping of Dogs Fund, and from the Wetland Protection Fund and Waterway Improvement Fund.

**NOTE 6 – SHORT-TERM FINANCING**

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

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

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

Details related to the Town’s short-term debt activity for the fiscal year ended June 30, 2010, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2009	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2010
<b>Governmental funds</b>							
BAN	Library remodeling desing.....	1.59%	3/15/2010	\$ 302,000	\$ -	\$ 302,000	\$ -
BAN	School - Governor Winslow.....	1.59%	3/15/2010	50,000	-	50,000	-
BAN	Library Remodeling Design.....	1.10%	4/1/2011	-	106,000	-	106,000
BAN	School - Governor Winslow.....	1.10%	4/1/2011	-	75,000	-	75,000
BAN	Road Reconstruction.....	1.10%	4/1/2011	-	100,000	-	100,000
BAN	Seawalls Repair.....	1.10%	4/1/2011	-	150,000	-	150,000
BAN	Ambulance Replacement.....	1.10%	4/1/2011	-	185,000	-	185,000
Total governmental funds.....				<u>352,000</u>	<u>616,000</u>	<u>352,000</u>	<u>616,000</u>
<b>Business-type funds</b>							
BAN	Sewer Fund Land Acquisition.....	1.10%	4/1/2011	-	228,000	-	228,000
BAN	Water Fund Replacement Pump.....	1.10%	4/1/2011	-	131,000	-	131,000
Total business-type funds.....				<u>-</u>	<u>359,000</u>	<u>-</u>	<u>359,000</u>
Total Short Term Debt.....				<u>\$ 352,000</u>	<u>\$ 975,000</u>	<u>\$ 352,000</u>	<u>\$ 975,000</u>

**NOTE 7 - LONG-TERM DEBT**

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

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

Details related to the Town's outstanding general obligation indebtedness at June 30, 2010, and the debt service requirements follow.

**Bonds and Notes Payable Schedule – Governmental Funds**

Project	Interest Rate (%)	Outstanding at June 30, 2009	Issued	Redeemed	Outstanding at June 30, 2010
School Buildings.....	2.35 - 4.64	\$ 15,135,000	\$ 12,351,400	\$ 13,865,070	\$ 13,621,330
Buildings.....	2.35	1,240,000	-	310,000	930,000
Coast Guard Renovation.....	3.32	360,000	-	60,000	300,000
Financial Software.....	3.70	60,000	-	20,000	40,000
Skate Park.....	3.70	20,000	-	5,000	15,000
Library HVAC Upgrade.....	3.32	15,000	-	5,000	10,000
Floor Drain Replacement.....	3.32	60,000	-	10,000	50,000
Land Acquisition.....	3.70	65,000	-	25,000	40,000
School Repairs and Upgrades.....	2.00 - 4.64	1,645,000	50,000	390,000	1,305,000
Sewer Bonds.....	0 - 4.64	3,534,731	377,440	692,124	3,220,047
Public Safety.....	2.00 - 3.70	515,000	-	65,000	450,000
Departmental Equipment.....	2.00 - 3.70	923,000	-	403,000	520,000
Sea Walls.....	2.00 - 3.70	2,055,000	100,000	425,000	1,730,000
Dredging.....	2.00 - 3.70	465,000	371,000	55,000	781,000
Road and Sidewalk Construction.....	2.00 - 3.70	830,000	-	320,000	510,000
Traffic Study.....	2.00 - 3.70	120,000	-	65,000	55,000
Highway Garage Repairs.....	2.00 - 3.70	65,000	-	10,000	55,000
Food Service Equipment.....	2.00 - 3.00	50,000	-	5,000	45,000
Library Roof Replacement.....	2.00 - 3.00	248,000	-	33,000	215,000
Wide Area Network.....	2.00 - 2.50	274,000	-	39,000	235,000
Drainage.....	2.00 - 3.00	432,000	100,000	62,000	470,000
Computers.....	2.00 - 3.00	234,000	-	34,000	200,000
Library Design.....	2.00 - 3.00	-	344,000	-	344,000
<b>Total Long Term Debt.....</b>		<b>\$ 28,345,731</b>	<b>\$ 13,693,840</b>	<b>\$ 16,898,194</b>	<b>\$ 25,141,377</b>

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

Fiscal Year	Principal	Interest	Total
2011	\$ 3,935,896	\$ 864,967	\$ 4,800,863
2012	3,317,384	734,504	4,051,888
2013	3,075,614	651,277	3,726,891
2014	2,496,789	556,502	3,053,291
2015	2,268,444	480,128	2,748,572
2016	1,880,734	421,770	2,302,504
2017	1,814,506	362,603	2,177,109
2018	1,605,729	295,726	1,901,455
2019	1,561,655	224,954	1,786,609
2020	1,429,570	144,761	1,574,331
2021	1,368,218	77,399	1,445,617
2022	191,518	13,880	205,398
2023	195,320	4,658	199,978
Total	\$ <u>25,141,377</u>	\$ <u>4,833,129</u>	\$ <u>29,974,506</u>

As authorized by the Commonwealth of Massachusetts, the Town advance refunded \$13,385,000 of general obligation bonds through the issuance of \$13,295,000 of general obligation refunding bonds on February 15, 2010. Proceeds (net of bond premiums, issuance and other closing costs) were used to purchase \$14,417,132 of U.S. Government securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the refunded bonds. As a result, the refunded bonds are considered defeased and the liabilities have been removed from the financial statements. Through this advance refunding, the Town has taken advantage of lower interest rates to realize a decrease in its aggregate debt service payments by approximately \$1,043,000 over the next 11 years. The Town also realized an economic gain (the difference between the present values of the debt service payments of the refunded debt and refunding bonds) of approximately \$908,000. This savings has been offset by a reduction of future interest reimbursements by the MSBA, as discussed below, in the amount of approximately \$641,000.

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$648,437 and interest costs for \$540,333. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$2,144,906. The principal subsidies are guaranteed and therefore a \$648,437 intergovernmental receivable and corresponding revenue have been reported in the General Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The fiscal year 2010 principal and interest subsidies totaled \$33,924 and \$90,690, respectively.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. Reimbursement commenced in fiscal 2002 and will be made over 20 years at approximately 67% of eligible costs of the project. During fiscal year 2010, approximately \$1,176,000 of such assistance was received. Approximately \$12,305,000 will be received in future fiscal years. Of this amount, approximately \$3,359,000 represents reimbursement of long-term interest costs, and approximately \$8,946,000 represents reimbursement of approved construction costs. Accordingly, \$8,946,000 intergovernmental receivable and corresponding deferred revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

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

Project	Interest Rate (%)	Outstanding at June 30, 2009	Issued	Redeemed	Outstanding at June 30, 2010
Sewer Outfall/UV Disinfection - MWPAT.....	0.00	\$ 656,893	\$ -	\$ 50,892	\$ 606,001
Sewer Residuals and Facility Upgrades.....	4.64	558,000	417,174	493,392	481,782
Sewer 2000 - Extension.....	4.64	180,000	148,986	166,566	162,420
Sewer Meadowview Extension.....	4.64	42,000	-	21,000	21,000
Sewer 2000 MWPAT.....	2.35	3,463,204	-	204,337	3,258,867
Sewer Facility Upgrades.....	2.35	120,000	-	30,000	90,000
Operations Building - Exterior Repairs.....	3.32	72,000	-	12,000	60,000
Sewer 2000 - Extension.....	3.32	180,000	-	30,000	150,000
Vactor Jet Truck Replacement.....	3.32	30,000	-	30,000	-
<b>Total Long Term Debt.....</b>		<b>\$ 5,302,097</b>	<b>\$ 566,160</b>	<b>\$ 1,038,187</b>	<b>\$ 4,830,070</b>

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

Fiscal Year	Principal	Interest	Total
2011	\$ 444,323	\$ 209,690	\$ 654,013
2012	402,785	192,177	594,962
2013	409,807	178,831	588,638
2014	386,938	147,582	534,520
2015	394,790	127,993	522,783
2016	357,006	111,185	468,191
2017	367,495	94,226	461,721
2018	375,779	80,656	456,435
2019	384,113	70,068	454,181
2020	395,460	43,646	439,106
2021	331,318	30,045	361,363
2022	287,278	20,820	308,098
2023	292,978	6,988	299,966
<b>Total</b>	<b>\$ 4,830,070</b>	<b>\$ 1,313,907</b>	<b>\$ 6,143,977</b>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$972,657 and interest costs for \$810,501. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$3,217,354. The principal subsidies are guaranteed and therefore a \$972,657 intergovernmental receivable and corresponding revenue have been reported in Sewer Enterprise Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The fiscal year 2010 principal and interest subsidies totaled \$50,885 and \$136,036, respectively.

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

Project	Interest Rate (%)	Outstanding at June 30, 2009	Issued	Redeemed	Outstanding at June 30, 2010
Water Mains - Ocean/Old Ocean Street.....	4.64	\$ 95,000	\$ -	\$ 50,000	\$ 45,000
Water Mains - Summer Street.....	3.32	200,000	-	35,000	165,000
Church Street Land Acquisition.....	3.70	500,000	-	65,000	435,000
Pump Station #1 Construction.....	3.70	720,000	-	90,000	630,000
South River Street Water Main.....	3.70	480,000	-	60,000	420,000
Water Tank Design & Construction.....	2.00	1,700,000	-	103,711	1,596,289
Ferry Street #2 Pumping Station.....	2.00	800,000	-	48,805	751,195
Total bonds payable.....		<u>\$ 4,495,000</u>	<u>\$ -</u>	<u>\$ 452,516</u>	<u>\$ 4,042,484</u>

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

Fiscal Year	Principal	Interest	Total
2011	\$ 441,759	\$ 112,447	\$ 554,206
2012	399,724	97,855	497,579
2013	402,748	85,093	487,841
2014	395,834	72,182	468,016
2015	398,982	59,584	458,566
2016	372,194	46,847	419,041
2017	375,471	35,170	410,641
2018	168,813	23,427	192,240
2019	172,224	20,017	192,241
2020	175,703	16,538	192,241
2021	179,253	12,988	192,241
2022	182,874	9,367	192,241
2023	186,568	5,672	192,240
2024	190,337	1,909	192,246
Total	<u>\$ 4,042,484</u>	<u>\$ 599,096</u>	<u>\$ 4,641,580</u>

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, 2010, the Town had the following authorized and unissued debt:

Purpose	Amount
Food Service Equipment.....	\$ 46,000
Governor Winslow School Modernization.....	2,350,000
Massasoit Avenue Fire Station.....	200,000
Seth Ventress Building Audio Visual.....	62,000
Carpet Replacement FBMS.....	38,000
Replace Ambulance.....	185,000
VOIP Telephone System - Schools.....	220,000
Seawalls & Riprap.....	400,000
Corrosion Control Engine 2 and Quint Fire Truck.....	72,000
Pier Improvements.....	320,000
Road Reconstruction.....	500,000
Replace Dump Truck #114.....	65,000
Bass Creek Dredging.....	50,000
Replace Pick-up Truck #155.....	38,000
Pine Street Water Main Replacement.....	1,000,000
Wide Format Plotter/Scanner.....	27,000
Main Lift Station Pump Design/Construction.....	58,000
Land Acquisition, 15 Ferry Street.....	228,000
Pudding Hill Tank Design.....	139,000
Highland Street Water Main Replacement.....	700,000
Lime Storage, Planning and Design.....	25,000
Library Renovation-Design.....	106,000
Inner Harbor Dredging.....	103,000
Pump Station Upgrades.....	70,000
Aeration System Upgrade.....	250,000
Replace Effluent Pump with SCADA.....	131,000
<b>Total.....</b>	<b>\$ <u>7,383,000</u></b>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2010, the following changes occurred in long-term liabilities:

	Balance June 30, 2009	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2010	Due Within One Year
<b>Governmental Activities:</b>							
Long-Term Bonds and Notes.....	\$ 28,345,731	\$ 13,693,840	\$ (16,898,194)	\$ -	\$ -	\$ 25,141,377	\$ 3,935,896
Other Postemployment Benefits.....	9,031,421	-	-	5,576,779	(2,088,052)	12,520,148	-
Compensated Absences.....	5,056,000	-	-	1,738,000	(1,730,000)	5,064,000	1,748,000
Total Governmental Activities.....	<u>42,433,152</u>	<u>13,693,840</u>	<u>(16,898,194)</u>	<u>7,314,779</u>	<u>(3,818,052)</u>	<u>42,725,525</u>	<u>5,683,896</u>
<b>Business Type Activities:</b>							
Long-Term Bonds and Notes.....	9,797,097	566,160	(1,490,703)	-	-	8,872,554	886,082
Other Postemployment Benefits.....	467,927	-	-	252,846	(72,123)	648,650	-
Compensated Absences.....	213,543	-	-	166,904	(153,543)	226,904	163,904
Landfill Closure.....	578,100	-	-	-	(28,200)	549,900	28,200
Total Business Type Activities.....	<u>11,056,667</u>	<u>566,160</u>	<u>(1,490,703)</u>	<u>419,750</u>	<u>(253,866)</u>	<u>10,298,008</u>	<u>1,078,186</u>
Total.....	<u>\$ 53,489,819</u>	<u>\$ 14,260,000</u>	<u>\$ (18,388,897)</u>	<u>\$ 7,734,529</u>	<u>\$ (4,071,918)</u>	<u>\$ 53,023,533</u>	<u>\$ 6,762,082</u>

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

**NOTE 8 – 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 fiscal years.

The Town participates in a health insurance risk pool trust administered by the County of Plymouth, Massachusetts (the County), a municipal corporation that obtains health insurance for member governments at costs eligible to larger groups. The County, through the Plymouth County Claims Trust Fund (Trust), offers a variety of premium based plans to its members with each participating governmental unit being charged a premium for coverage based on rates established by the County. The Town is obligated to pay the County its required premiums and, in the event the County is terminated, its pro-rata share of a deficit, should one exist. At June 30, 2010, the Trust Fund had an unaudited ending fund balance of approximately \$7.4 million.

**NOTE 9 – PENSION PLAN**

*Plan Description* - The Town contributes to the Plymouth County Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and

certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled \$8,539,822 for the fiscal year ended June 30, 2010, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures/expenses.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Plymouth County Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 240, Plymouth, Massachusetts, 02360.

*Funding Policy* - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll on a closed basis. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town contributions to the System for the fiscal years ended June 30, 2010, 2009, and 2008 were \$3,297,646, \$3,191,916 and \$3,057,826 respectively, which equaled its required contribution for each fiscal year.

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

#### **NOTE 10 – 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 Plymouth County Claims Trust Fund. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, and Delta Dental. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The other postemployment benefit plan does not issue a publicly available financial report.

At June 30, 2010, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	568
Current active members.....	<u>504</u>
Total.....	<u><u>1,072</u></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, 2010, 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 \$2,160,000 during fiscal year 2010 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.....	\$ 5,752,977
Interest on net OPEB obligation.....	427,471
Adjustments to annual required contribution.....	<u>(350,823)</u>
Annual OPEB cost/expense.....	5,829,625
Contributions made.....	<u>(2,160,175)</u>
Increase/(Decrease) in net OPEB obligation.....	3,669,450
Net OPEB obligation - beginning of year.....	<u>9,499,348</u>
Net OPEB obligation - end of year.....	<u><u>\$ 13,168,798</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and the two preceding years is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2010	\$ 5,829,625	37%	\$ 13,168,798
6/30/2009	6,330,548	23%	9,499,348
6/30/2008	6,060,000	23%	4,648,519

*Funded Status and Funding Progress* — The funded status of the Plan as of the most recent actuarial valuation date, December 31, 2009, 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)
12/31/2009	\$ 20,168	\$ 82,656,569	\$ 82,636,401	0.02%	\$ 50,324,651	164.21%

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.....	December 31, 2009
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.75%
Remaining amortization period.....	30 years, open
Asset valuation method.....	Market value
Actuarial Assumptions:	
Investment rate of return.....	4.5%, pay-as-you-go scenario
Inflation rate.....	3.8%
Medical/drug cost trend rate.....	10.0% decreasing by 0.75% for 6 years and by 0.50% for 1 year to an ultimate level of 5.0% per year.

**NOTE 11 – 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 its landfill in fiscal 1995. The Town has reflected a \$549,900 post-closure care liability at June 30, 2010 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 12 – COMMITMENTS**

The Town's major capital projects are related to school renovations and expansions, library projects, harbor dredging and seawalls, and various governmental equipment replacements as well as the completion of on-going sewer and water projects. The Town has authorized approximately \$7.4 million of new debt for these and other on-going projects.

During the fall of 2008, the Town began renovating and restoring the Seth Ventress building. The total project will cost \$3.9 million and will be paid for with Community Preservation Act funds. As of June 30, 2010, the construction on the Seth Ventress Building was virtually complete.

**NOTE 13 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2010, 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, 2010, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2010.

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

During fiscal year 2010, the following GASB pronouncements were implemented:

- GASB Statement #57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. Early implementation of this pronouncement did not require additional disclosure or impact the basic financial statements.
- The GASB issued Statement #58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. Early implementation of this pronouncement did not require additional disclosure or impact the basic financial statements.

*Other Future GASB Pronouncements:*

- The GASB issued Statement #54 *Fund Balance Reporting and Governmental Fund Type Definitions*, which is required to be implemented in Fiscal 2011. Management believes this pronouncement will require additional disclosure and impact the basic financial statements.
- The GASB issued Statement #59, *Financial Instruments Omnibus*, which is required to be implemented in fiscal year 2011. Management believes this pronouncement will require additional disclosure relative to investments held by the Town.

## ***Required Supplementary Information***

# ***General Fund Budgetary Comparison Schedule***

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

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

FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 45,699,343	\$ 45,699,343	\$ 45,630,440	\$ -	\$ (68,903)
Tax liens.....	-	-	467,668	-	467,668
Motor vehicle and other excise taxes.....	2,906,000	2,906,000	2,996,478	-	90,478
Charges for services.....	820,000	820,000	958,265	-	138,265
Penalties and interest on taxes.....	256,000	256,000	334,112	-	78,112
Intergovernmental.....	18,079,828	18,079,828	18,008,012	-	(71,816)
Departmental and other.....	972,000	972,000	1,083,918	-	111,918
Investment income.....	218,000	218,000	116,131	-	(101,869)
<b>TOTAL REVENUES.....</b>	<b>68,951,171</b>	<b>68,951,171</b>	<b>69,595,024</b>	<b>-</b>	<b>643,853</b>
<b>EXPENDITURES:</b>					
<b>GENERAL GOVERNMENT</b>					
Moderator.....	92	92	92	-	-
Selectmen:					
Salaries.....	253,819	257,236	239,235	-	18,001
Expenses.....	218,300	223,925	200,608	1,293	22,024
Town meeting articles.....	208,563	39,429	33,347	-	6,082
<b>TOTAL.....</b>	<b>680,682</b>	<b>520,590</b>	<b>473,190</b>	<b>1,293</b>	<b>46,107</b>
Town Accountant:					
Salaries.....	164,875	164,875	164,111	-	764
Expenses.....	4,550	4,550	4,016	-	534
<b>TOTAL.....</b>	<b>169,425</b>	<b>169,425</b>	<b>168,127</b>	<b>-</b>	<b>1,298</b>
Assessors:					
Salaries.....	205,590	209,370	209,370	-	-
Expenses.....	59,340	59,340	58,877	437	26
<b>TOTAL.....</b>	<b>264,930</b>	<b>268,710</b>	<b>268,247</b>	<b>437</b>	<b>26</b>
Treasurer/Collector:					
Salaries.....	344,245	344,245	341,801	557	1,887
Expenses.....	13,500	14,339	12,800	515	1,024
Tax title.....	43,841	52,857	46,761	-	6,096
<b>TOTAL.....</b>	<b>401,586</b>	<b>411,441</b>	<b>401,362</b>	<b>1,072</b>	<b>9,007</b>
Annual Audit:					
Expenses.....	50,000	50,000	50,000	-	-
Legal:					
Expenses.....	170,090	185,090	174,863	-	10,227
Information Technology:					
Salaries.....	111,954	111,954	111,795	-	159
Expenses.....	189,752	192,148	184,445	4,558	3,145
<b>TOTAL.....</b>	<b>301,706</b>	<b>304,102</b>	<b>296,240</b>	<b>4,558</b>	<b>3,304</b>
Town Clerk:					
Salaries.....	51,084	103,458	97,439	-	6,019
Expenses.....	4,110	4,110	2,253	-	1,857
<b>TOTAL.....</b>	<b>55,194</b>	<b>107,568</b>	<b>99,692</b>	<b>-</b>	<b>7,876</b>
Elections:					
Expenses.....	33,175	53,175	31,416	-	21,759
Conservation Commission:					
Salaries.....	97,834	97,834	97,820	-	14
Expenses.....	9,555	9,555	9,538	-	17
<b>TOTAL.....</b>	<b>107,389</b>	<b>107,389</b>	<b>107,358</b>	<b>-</b>	<b>31</b>
Planning Board:					
Salaries.....	116,886	118,061	118,061	-	-
Expenses.....	1,448	1,448	1,448	-	-
<b>TOTAL.....</b>	<b>118,334</b>	<b>119,509</b>	<b>119,509</b>	<b>-</b>	<b>-</b>
Zoning Board of Appeals:					
Salaries.....	27,286	27,286	26,759	-	527
Expenses.....	2,047	2,047	2,033	-	14
<b>TOTAL.....</b>	<b>29,333</b>	<b>29,333</b>	<b>28,792</b>	<b>-</b>	<b>541</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Reserve Fund.....	100,000	85,512	-	-	85,512
Total General Government.....	2,481,936	2,411,936	2,218,888	7,360	185,688
<b>PUBLIC SAFETY</b>					
Police:					
Salaries.....	3,411,084	3,411,084	3,394,257	-	16,827
Expenses.....	209,214	303,702	302,798	694	210
TOTAL.....	3,620,298	3,714,786	3,697,055	694	17,037
Fire:					
Salaries.....	4,010,389	4,040,389	3,900,312	-	140,077
Expenses.....	243,957	243,957	240,022	3,657	278
TOTAL.....	4,254,346	4,284,346	4,140,334	3,657	140,355
Building Inspection:					
Salaries.....	228,805	231,645	231,636	-	9
Expenses.....	8,870	8,870	8,362	-	508
TOTAL.....	237,675	240,515	239,998	-	517
Sealer of Weights/Measures:					
Expenses.....	5,000	5,000	5,000	-	-
Animal Control:					
Salaries.....	44,909	46,409	46,057	-	352
Expenses.....	10,840	10,840	9,129	1,628	83
TOTAL.....	55,749	57,249	55,186	1,628	435
Animal Inspector:					
Salaries.....	1,800	1,800	1,800	-	-
Harbor Master:					
Salaries.....	93,000	93,001	93,001	-	-
Expenses.....	50,623	50,622	48,475	-	2,147
TOTAL.....	143,623	143,623	141,476	-	2,147
Total Public Safety.....	8,318,491	8,447,319	8,280,849	5,979	160,491
<b>EDUCATION</b>					
Public Schools:					
Salaries and Expenses.....	40,453,564	40,095,398	39,634,019	441,279	20,100
<b>PUBLIC WORKS</b>					
Department of Public Works:					
Salaries.....	1,602,889	1,602,889	1,519,978	-	82,911
Expenses.....	611,143	611,143	513,617	39,809	57,717
TOTAL.....	2,214,032	2,214,032	2,033,595	39,809	140,628
Snow and Ice:					
Salaries.....	105,000	108,555	108,555	-	-
Expenses.....	245,000	295,492	295,492	-	-
TOTAL.....	350,000	404,047	404,047	-	-
Automotive Fuel:					
Expenses.....	437,906	419,933	345,634	33,894	40,405
Total Public Works.....	3,001,938	3,038,012	2,783,276	73,703	181,033
<b>HUMAN SERVICES</b>					
Health:					
Salaries.....	183,420	183,420	182,994	-	426
Expenses.....	24,900	26,360	24,826	-	1,534
TOTAL.....	208,320	209,780	207,820	-	1,960
Council on Aging:					
Salaries.....	169,227	169,226	168,104	-	1,122
Expenses.....	35,876	39,234	39,234	-	-
TOTAL.....	205,103	208,460	207,338	-	1,122

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Veterans:					
Salaries.....	66,957	66,957	58,027	-	8,930
Expenses.....	375,622	400,622	383,149	1,079	16,394
TOTAL.....	442,579	467,579	441,176	1,079	25,324
Total Human Services.....	856,002	885,819	856,334	1,079	28,406
<b>CULTURE AND RECREATION</b>					
Library:					
Salaries.....	499,746	499,747	499,747	-	-
Expenses.....	152,325	152,324	152,115	-	209
TOTAL.....	652,071	652,071	651,862	-	209
Recreation:					
Salaries.....	64,297	64,924	64,924	-	-
Expenses.....	3,000	3,000	3,000	-	-
TOTAL.....	67,297	67,924	67,924	-	-
Trustees of Soldiers Memorial:					
Expenses.....	9,580	9,580	9,580	-	-
Historical Commission:					
Expenses.....	3,785	3,785	2,011	544	1,230
Clam Flats:					
Salaries.....	2,000	2,000	2,000	-	-
Expenses.....	1,000	1,000	-	-	1,000
TOTAL.....	3,000	3,000	2,000	-	1,000
Total Culture and Recreation.....	735,733	736,360	733,377	544	2,439
Business insurance.....	808,338	675,338	642,704	-	32,634
Unemployment Compensation.....	540,031	310,333	164,407	99,925	46,001
Retirement.....	3,298,846	3,298,846	3,298,846	-	-
Employee Benefits.....	5,034,004	4,930,004	4,781,213	22,001	126,790
Medicare.....	700,000	600,000	596,556	-	3,444
State and County Assessment.....	642,798	642,798	605,335	-	37,463
Utilities.....	472,851	462,922	331,691	9,325	121,906
Unclassified:					
Salaries.....	1,000	1,000	748	-	252
Expenses.....	36,182	36,182	32,539	2,049	1,594
TOTAL.....	37,182	37,182	33,287	2,049	1,846
Debt Service Principal.....	3,984,602	3,910,229	3,910,229	-	-
Debt Service Interest.....	1,087,016	1,087,016	1,017,915	-	69,101
TOTAL EXPENDITURES.....	72,453,332	71,569,512	69,888,926	663,244	1,017,342
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(3,502,161)	(2,618,341)	(293,902)	(663,244)	1,661,195
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	1,371,619	1,371,619	1,371,619	-	-
Transfers out.....	(1,576,316)	(1,576,316)	(1,576,316)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(204,697)	(204,697)	(204,697)	-	-
NET CHANGE IN FUND BALANCE.....	(3,706,858)	(2,823,038)	(498,599)	(663,244)	1,661,195
BUDGETARY FUND BALANCE, Beginning of year.....	4,662,108	4,662,108	4,662,108	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 955,250	\$ 1,839,070	\$ 4,163,509	\$ (663,244)	\$ 1,661,195

See notes to required supplementary information.

(Concluded)

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

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

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

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

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

JUNE 30, 2010

**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)
12/31/2009	\$ 20,168	\$ 82,656,569	\$ 82,636,401	0.02%	\$ 50,324,651	164.21%
6/30/2008	-	62,050,000	62,050,000	0.00%	43,781,000	141.73%

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
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**

JUNE 30, 2010

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Actuarial Methods:

Valuation date.....	December 31, 2009
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.75%
Remaining amortization period.....	30 years, open
Asset valuation method.....	Market value
Actuarial Assumptions:	
Investment rate of return.....	4.5%, pay-as-you-go scenario
Inflation rate.....	3.8%
Medical/drug cost trend rate.....	10.0% decreasing by 0.75% for 6 years and by 0.50% for 1 year to an ultimate level of 5.0% per year.

Plan Membership:

Current retirees, beneficiaries, and dependents.....	568
Current active members.....	<u>504</u>
Total.....	<u><u>1,072</u></u>

See notes to required supplementary information.

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

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

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

Plymouth County Contributory Retirement System  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/10	\$ 673,709,456	\$ 1,132,847,379	\$ 459,137,923	59.5%	\$ 227,507,647	201.8%
01/01/09	579,877,224	1,159,210,636	579,333,412	50.0%	264,541,078	219.0%
01/01/08	683,819,938	1,056,020,215	372,200,277	64.8%	252,682,832	147.3%
01/01/07	606,629,089	987,840,418	381,211,329	61.4%	244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%
01/01/04	520,104,805	802,158,453	282,053,648	64.8%	208,312,002	135.4%
01/01/02	466,325,660	733,198,204	266,872,544	63.6%	205,039,686	130.2%
01/01/00	450,210,619	611,204,058	160,993,439	73.7%	178,010,731	90.4%
01/01/98	316,253,566	492,303,777	176,050,211	64.2%	148,264,981	118.7%

The Town's share of the UAAL as of January 1, 2010 is approximately \$36.5 million.

See notes to required supplementary information.

Plymouth County Contributory Retirement System  
Schedule of Employer Contributions

Plan Year Ended December 31,	System Wide			Town of Marshfield	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2010	\$ 42,708,712	\$ 42,708,712	100%	\$ 3,297,646	7.72%
2009	41,286,384	41,286,384	100%	3,191,916	7.73%
2008	38,854,868	38,854,868	100%	3,057,826	7.87%
2007	34,085,524	34,085,524	100%	2,480,898	7.28%
2006	30,795,767	30,795,767	100%	2,220,919	7.21%
2005	25,695,625	25,695,625	100%	1,975,532	7.69%

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

See notes to required supplementary information.

**NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

A. Budgetary Information

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

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

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

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2010 approved budget authorized approximately \$74,029,648 million in appropriations and other amounts to be raised. During fiscal year 2010, the original budget was decreased by approximately \$884,000.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2010, is presented below:

Net change in fund balance, budgetary basis.....	\$ (498,599)
<u>Basis of accounting differences:</u>	
Net change in recording revenue accruals.....	91,133
Net change in recording tax refunds payable.....	41,879
Net change in expenditure accruals.....	(61,909)
Recognition of revenue for on-behalf payments.....	8,539,822
Recognition of expenditures for on-behalf payments.....	<u>(8,539,822)</u>
Net change in fund balance - GAAP basis.....	<u>\$ (427,496)</u>

**NOTE B – PENSION PLAN**

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

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

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

Actuarial Methods and Assumptions:

Valuation Date.....	January 1, 2010
Actuarial Cost Method.....	Entry Age Normal Cost Method
Amortization Method.....	Increasing at 4.3% per year
Remaining Amortization Period.....	18 years remaining as of January 1, 2010.
Asset Valuation Method.....	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value is based on a 5 year smoothing of realized and unrealized investment earning greater than or less than the expected return. The result must be within 10% of market value

Actuarial Assumptions:

Investment rate of return.....	8.5%
Projected salary increases.....	3.5 - 4.5%
Cost of living adjustments.....	3.0% of the lesser of the pension amount and \$12,000 per year.

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	3,042
Inactive participants.....	2,052
Disabled.....	347
Active participants.....	<u>5,987</u>
Total.....	<u><u>11,428</u></u>

# ***Combining Statements***

# Nonmajor Governmental Funds

## ***Special Revenue Funds***

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

***School Fund*** – This fund accounts for school activity, such as operations of public school lunch programs and federal and state grants used for school related projects and activities.

***Gifts and Grants Fund*** – This fund accounts for resources provided by a variety of private corporations and community based groups that serve a specific need within the Town as specified by the donor or grantor.

***Land Use and Conservation Fund*** – This fund accounts for funds used for wetland protection.

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

***Public Safety Fund*** – This fund accounts for police, fire, harbor and animal control activities.

***DPW Fund*** – This fund accounts for costs incurred with the construction and reconstruction of Town owned roadways, as well as various public works activities.

***State Aid 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 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.

## ***Capital Projects Funds***

***Capital Project Funds*** – This fund is used to account for costs with regard to construction and acquisition of major projects and facilities.

## ***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, 2010

	<b>Special Revenue Funds</b>					
	School	Gifts and Grants	Land Use & Conservation	Airport	Public Safety	DPW
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 1,031,110	\$ 189,412	\$ 378,106	\$ 3,381	\$ 661,290	\$ 135,710
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Intergovernmental.....	-	-	-	4,289	-	-
Due from other funds.....	-	-	-	-	204,091	-
<b>TOTAL ASSETS.....</b>	<b>\$ 1,031,110</b>	<b>\$ 189,412</b>	<b>\$ 378,106</b>	<b>\$ 7,670</b>	<b>\$ 865,381</b>	<b>\$ 135,710</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Warrants payable.....	\$ 40,252	\$ 168	\$ -	\$ -	\$ 1,120	\$ 4,728
Accrued payroll.....	19,336	2,189	-	-	380	187
Deferred revenues.....	-	-	-	4,289	-	-
Due to other funds.....	-	-	-	-	-	-
Notes payable.....	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>59,588</b>	<b>2,357</b>	<b>-</b>	<b>4,289</b>	<b>1,500</b>	<b>4,915</b>
<b>FUND BALANCES:</b>						
Reserved for:						
Perpetual permanent funds.....	-	-	-	-	-	-
Unreserved:						
Undesignated, reported in:						
Special revenue funds.....	971,522	187,055	378,106	3,381	863,881	130,795
Capital projects funds.....	-	-	-	-	-	-
Permanent funds.....	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>971,522</b>	<b>187,055</b>	<b>378,106</b>	<b>3,381</b>	<b>863,881</b>	<b>130,795</b>
<b>TOTAL LIABILITIES AND FUND BALANCES....</b>	<b>\$ 1,031,110</b>	<b>\$ 189,412</b>	<b>\$ 378,106</b>	<b>\$ 7,670</b>	<b>\$ 865,381</b>	<b>\$ 135,710</b>

<b>Special Revenue Funds</b>							Total Nonmajor Governmental Funds
State Aid	Post Employment Benefits	Other	Sub-total	Capital Projects Fund	Permanent Fund		
\$ -	\$ 30,000	\$ 850,175	\$ 3,279,184	\$ 245,968	\$ 1,245,975	\$	4,771,127
-	-	-	-	-	124,432		124,432
1,000,540	-	-	1,004,829	-	-		1,004,829
-	-	-	204,091	-	-		204,091
<u>\$ 1,000,540</u>	<u>\$ 30,000</u>	<u>\$ 850,175</u>	<u>\$ 4,488,104</u>	<u>\$ 245,968</u>	<u>\$ 1,370,407</u>		<u>\$ 6,104,479</u>
\$ -	\$ -	\$ 37,998	\$ 84,266	\$ 19,211	\$ -	\$	103,477
-	-	21,679	43,771	8,778	-		52,549
796,449	-	-	800,738	-	-		800,738
204,091	-	-	204,091	-	-		204,091
-	-	-	-	616,000	-		616,000
<u>1,000,540</u>	<u>-</u>	<u>59,677</u>	<u>1,132,866</u>	<u>643,989</u>	<u>-</u>		<u>1,776,855</u>
-	-	-	-	-	497,723		497,723
-	30,000	790,498	3,355,238	-	-		3,355,238
-	-	-	-	(398,021)	-		(398,021)
-	-	-	-	-	872,684		872,684
<u>-</u>	<u>30,000</u>	<u>790,498</u>	<u>3,355,238</u>	<u>(398,021)</u>	<u>1,370,407</u>		<u>4,327,624</u>
<u>\$ 1,000,540</u>	<u>\$ 30,000</u>	<u>\$ 850,175</u>	<u>\$ 4,488,104</u>	<u>\$ 245,968</u>	<u>\$ 1,370,407</u>		<u>\$ 6,104,479</u>

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

FISCAL YEAR ENDED JUNE 30, 2010

	<u>Special Revenue Funds</u>					
	School	Gifts and Grants	Land Use & Conservation	Airport	Public Safety	DPW
<b>REVENUES:</b>						
Charges for services.....	\$ -	\$ -	\$ -	\$ 29,709	\$ -	\$ -
Intergovernmental.....	3,146,462	-	-	1,126,861	64,398	-
Departmental and other.....	1,656,906	111,416	81,697	-	450,825	28,830
Contributions.....	26,777	203,985	5,500	-	18,259	-
Investment income.....	-	146	2,355	-	-	-
<b>TOTAL REVENUES.....</b>	<b>4,830,145</b>	<b>315,547</b>	<b>89,552</b>	<b>1,156,570</b>	<b>533,482</b>	<b>28,830</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	-	248,325	70,719	1,084,902	-	-
Public safety.....	-	2,779	-	-	507,735	-
Education.....	5,084,996	-	-	-	-	-
Public works.....	-	-	-	-	-	115,302
Health and human services.....	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>5,084,996</b>	<b>251,104</b>	<b>70,719</b>	<b>1,084,902</b>	<b>507,735</b>	<b>115,302</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(254,851)</b>	<b>64,443</b>	<b>18,833</b>	<b>71,668</b>	<b>25,747</b>	<b>(86,472)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of long-term debt.....	-	-	-	-	-	-
Transfers in.....	-	-	-	-	-	-
Transfers out.....	-	-	(26,000)	-	(67,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>(26,000)</b>	<b>-</b>	<b>(67,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(254,851)</b>	<b>64,443</b>	<b>(7,167)</b>	<b>71,668</b>	<b>(41,253)</b>	<b>(86,472)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>1,226,373</b>	<b>122,612</b>	<b>385,273</b>	<b>(68,287)</b>	<b>905,134</b>	<b>217,267</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 971,522</b>	<b>\$ 187,055</b>	<b>\$ 378,106</b>	<b>\$ 3,381</b>	<b>\$ 863,881</b>	<b>\$ 130,795</b>

<b>Special Revenue Funds</b>								
State Aid	Post Employment Benefits	Other	Sub-total	Capital Projects Fund	Permanent Fund	Sub-total	Total Nonmajor Governmental Funds	
\$ -	\$ -	\$ -	\$ 29,709	\$ -	\$ -	\$ -	\$ 29,709	
709,377	-	217,754	5,264,852	65,000	-	65,000	5,329,852	
-	-	600,877	2,930,551	-	-	-	2,930,551	
-	-	123,167	377,688	-	96,999	96,999	474,687	
-	-	-	2,501	-	55,116	55,116	57,617	
<u>709,377</u>	<u>-</u>	<u>941,798</u>	<u>8,605,301</u>	<u>65,000</u>	<u>152,115</u>	<u>217,115</u>	<u>8,822,416</u>	
-	-	15,750	1,419,696	235,925	73,389	309,314	1,729,010	
-	-	11,649	522,163	240,161	23,291	263,452	785,615	
-	-	-	5,084,996	243,052	-	243,052	5,328,048	
544,586	-	100,771	760,659	2,856,124	-	2,856,124	3,616,783	
-	-	77,202	77,202	22,347	-	22,347	99,549	
-	-	529,733	529,733	199,650	-	199,650	729,383	
<u>544,586</u>	<u>-</u>	<u>735,105</u>	<u>8,394,449</u>	<u>3,797,259</u>	<u>96,680</u>	<u>3,893,939</u>	<u>12,288,388</u>	
<u>164,791</u>	<u>-</u>	<u>206,693</u>	<u>210,852</u>	<u>(3,732,259)</u>	<u>55,435</u>	<u>(3,676,824)</u>	<u>(3,465,972)</u>	
-	-	-	-	965,000	-	965,000	965,000	
-	20,000	-	20,000	1,083,969	20,000	1,103,969	1,123,969	
-	-	-	(93,000)	-	(35,000)	(35,000)	(128,000)	
-	20,000	-	(73,000)	2,048,969	(15,000)	2,033,969	1,960,969	
164,791	20,000	206,693	137,852	(1,683,290)	40,435	(1,642,855)	(1,505,003)	
(164,791)	10,000	583,805	3,217,386	1,285,269	1,329,972	2,615,241	5,832,627	
<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 790,498</u>	<u>\$ 3,355,238</u>	<u>\$ (398,021)</u>	<u>\$ 1,370,407</u>	<u>\$ 972,386</u>	<u>\$ 4,327,624</u>	

## **Agency Fund**

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

**AGENCY FUND**  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Agency Accounts <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Agency Accounts <u>June 30, 2010</u>
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 1,131,363	\$ 7,612,647	\$ (7,640,244)	\$ 1,103,766
<b>LIABILITIES</b>				
Liabilities due depositors.....	\$ 1,131,363	\$ 7,612,647	\$ (7,640,244)	\$ 1,103,766

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# *Statistical Section*



## **Blue Fish Cove**

*Mother Nature's fury was felt at Blue Fish Cove during a March Nor'easter.*

## Statistical Section

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

### ***Financial Trends***

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

### ***Revenue Capacity***

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

### ***Debt Capacity***

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

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

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

### ***Operating Information***

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

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

**Net Assets By Component**

**Last Eight Fiscal Years**

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

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

**Changes in Net Assets**  
**Last Eight Fiscal Years**

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
Governmental activities:								
General government.....	\$ 3,226,653	\$ 3,698,908	\$ 3,844,076	\$ 3,842,256	\$ 4,359,161	\$ 4,434,575	\$ 3,965,070	\$ 3,334,481
Public safety.....	9,213,156	9,929,103	10,898,431	10,970,904	11,439,519	12,662,170	13,771,086	13,507,314
Education.....	43,713,556	47,110,502	51,709,660	52,053,518	54,276,952	60,078,051	61,604,106	62,158,553
Public works.....	4,247,384	6,259,126	8,826,081	7,663,712	7,799,074	4,789,661	5,128,289	5,274,797
Health and human services.....	655,866	685,678	663,781	883,835	806,865	1,099,074	1,232,271	1,163,764
Culture and recreation.....	1,456,363	1,605,560	1,089,893	1,548,688	1,475,089	1,773,229	1,886,359	2,083,873
Community preservation.....	-	-	-	-	151,858	176,948	262,790	300,969
Interest.....	1,581,496	2,021,432	1,888,162	1,675,950	1,821,404	1,288,074	1,260,103	949,620
Total governmental activities expenses.....	64,094,474	71,310,309	78,920,084	78,638,863	82,129,922	86,301,782	89,110,074	88,773,371
Business-type activities:								
Sewer.....	2,442,633	-	-	-	-	3,825,132	3,717,598	3,530,589
Water.....	1,780,129	2,991,356	2,637,481	2,928,422	3,045,954	3,323,888	3,645,200	3,512,862
Solid waste.....	3,405,781	3,398,155	3,133,316	3,683,237	3,336,314	3,245,294	3,186,993	2,850,197
Total business-type activity expenses.....	7,628,543	6,389,511	5,770,797	6,611,659	6,382,268	10,394,314	10,549,791	9,893,648
Total primary government expenses.....	\$ 71,723,017	\$ 77,699,820	\$ 84,690,881	\$ 85,250,522	\$ 88,512,190	\$ 96,696,096	\$ 99,659,865	\$ 98,667,019
<b>Program Revenues</b>								
Governmental activities:								
Public safety charges for services.....	\$ 851,766	\$ 649,519	\$ 1,513,401	\$ 1,388,709	\$ 1,489,822	\$ 1,662,618	\$ 1,470,734	\$ 1,833,254
Education charges for services.....	1,219,910	1,012,834	1,195,364	1,162,379	1,450,676	1,329,265	1,633,614	1,582,987
Public works charges for services.....	24,917	2,604,803	2,172,660	7,828,621	2,504,563	55,965	140,343	120,255
Other charges for services.....	1,587,706	1,617,960	887,094	942,452	872,612	1,137,163	1,057,287	1,113,914
Operating grants and contributions.....	18,967,997	21,927,806	20,256,840	20,898,283	23,970,172	25,709,451	27,079,730	27,768,573
Capital grants and contributions.....	2,306,224	1,880,964	454,821	368,465	1,285,273	2,603,013	983,632	2,032,817
Total government activities program revenues.....	24,958,520	29,693,886	26,480,180	32,588,909	31,573,118	32,497,475	32,365,340	34,451,800
Business-type activities:								
Charges for services:								
Sewer.....	2,021,810	-	-	-	-	2,880,162	2,470,233	2,408,283
Water.....	3,040,526	3,419,994	3,249,185	2,509,017	3,444,008	3,187,661	3,376,027	3,065,944
Solid Waste.....	3,073,088	3,299,925	2,975,934	3,817,833	3,771,280	3,738,315	2,904,608	2,526,818
Operating grants and contributions.....	142,422	73,845	141,755	324,666	183,063	190,072	200,659	136,036
Capital grants and contributions.....	121,957	-	-	-	-	-	-	39,423
Total business-type activities program revenues.....	8,399,803	6,793,764	6,366,874	6,651,516	7,398,351	9,996,210	8,951,527	8,176,504
Total primary government program revenues.....	\$ 33,358,323	\$ 36,487,650	\$ 32,847,054	\$ 39,240,425	\$ 38,971,469	\$ 42,493,685	\$ 41,316,867	\$ 42,628,304
<b>Net (Expense)/Revenue</b>								
Governmental activities.....	\$ (39,135,954)	\$ (41,616,423)	\$ (52,439,904)	\$ (46,049,954)	\$ (50,556,804)	\$ (53,804,307)	\$ (56,744,734)	\$ (54,321,571)
Business-type activities.....	771,260	404,253	596,077	39,857	1,016,083	(398,104)	(1,598,264)	(1,717,144)
Total primary government net expense.....	\$ (38,364,694)	\$ (41,212,170)	\$ (51,843,827)	\$ (46,010,097)	\$ (49,540,721)	\$ (54,202,411)	\$ (58,342,998)	\$ (56,038,715)
<b>General Revenues and other Changes in Net Assets</b>								
Governmental activities:								
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 33,103,412	\$ 33,992,431	\$ 36,480,385	\$ 37,363,518	\$ 38,754,561	\$ 42,730,586	\$ 44,204,433	\$ 46,009,189
Motor vehicle and other excise taxes.....	3,127,020	3,196,830	3,458,124	3,496,136	3,158,003	3,285,913	3,077,468	3,035,945
Community preservation tax.....	-	-	-	830,355	871,114	970,338	945,317	986,430
Penalties and interest on taxes.....	257,550	205,069	255,291	255,015	258,823	295,273	336,323	337,685
Court settlements.....	-	-	-	-	-	-	834,229	-
Grants and contributions not restricted to specific programs.....	3,132,572	5,443,606	5,253,422	4,654,593	5,793,710	3,131,096	2,870,178	2,370,183
Unrestricted investment income.....	616,002	609,612	694,329	1,028,278	1,474,859	820,875	364,352	208,415
Miscellaneous.....	227,696	798,479	712,029	331,701	353,523	227,849	215,185	326,138
Transfers.....	-	(24,717)	-	-	-	-	(21,769)	-
Total governmental activities.....	40,464,252	44,221,310	46,853,580	47,959,596	50,664,593	51,461,930	52,825,716	53,273,985
Business-type activities:								
Court settlements.....	-	-	-	-	-	-	480,000	-
Unrestricted investment income.....	-	-	-	-	-	577,329	503,273	148,514
Transfers.....	-	24,717	-	-	-	-	21,769	-
Total business-type activities.....	-	24,717	-	-	-	577,329	1,005,042	148,514
Total primary government.....	\$ 40,464,252	\$ 44,246,027	\$ 46,853,580	\$ 47,959,596	\$ 50,664,593	\$ 52,039,259	\$ 53,830,758	\$ 53,422,499
<b>Changes in Net Assets</b>								
Governmental activities.....	\$ 1,328,298	\$ 2,604,887	\$ (5,586,324)	\$ 1,909,642	\$ 107,789	\$ (2,342,377)	\$ (3,919,018)	\$ (1,047,586)
Business-type activities.....	771,260	428,970	596,077	39,857	1,016,083	179,225	(593,222)	(1,568,630)
Total primary government.....	\$ 2,099,558	\$ 3,033,857	\$ (4,990,247)	\$ 1,949,499	\$ 1,123,872	\$ (2,163,152)	\$ (4,512,240)	\$ (2,616,216)

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

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved.....\$	3,097,145	2,842,045	2,721,313	3,079,174	1,735,706	962,993	1,102,746	622,584	393,885	663,244
Unreserved.....	8,386,277	7,325,657	7,363,859	6,100,057	4,920,301	5,639,433	3,685,942	4,658,860	4,385,596	3,688,741
<b>Total general fund.....\$</b>	<b>11,483,422</b>	<b>10,167,702</b>	<b>10,085,172</b>	<b>9,179,231</b>	<b>6,656,007</b>	<b>6,602,426</b>	<b>4,788,688</b>	<b>5,281,444</b>	<b>4,779,481</b>	<b>4,351,985</b>
<b>All Other Governmental Funds</b>										
Reserved.....\$	-	-	-	139,509	95,113	1,333,578	1,848,727	377,466	463,731	497,723
Unreserved, reported in:										
Special revenue funds.....	1,436,217	2,177,401	13,993,734	16,608,548	14,073,000	10,196,721	11,891,488	10,139,920	10,004,469	7,856,675
Capital projects funds.....	724,496	(1,933,069)	3,318,187	1,364,864	2,540,489	352,910	864,234	(922,300)	1,285,269	(398,021)
Permanent funds.....	-	-	1,109,389	1,027,593	1,054,007	1,080,574	1,193,345	888,128	866,241	872,684
<b>Total all other governmental funds.....\$</b>	<b>2,160,713</b>	<b>244,332</b>	<b>18,421,310</b>	<b>19,140,514</b>	<b>17,762,609</b>	<b>12,963,783</b>	<b>15,797,794</b>	<b>10,483,214</b>	<b>12,619,710</b>	<b>8,829,061</b>

Fiscal years 2001 and 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

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

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues:</b>										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 31,186,867	\$ 32,202,891	\$ 33,395,869	\$ 34,599,324	\$ 36,306,867	\$ 37,548,388	\$ 38,256,831	\$ 42,893,443	\$ 43,896,810	\$ 46,231,120
Motor vehicle and other excise taxes.....	2,929,340	3,004,533	3,196,541	3,177,685	3,398,151	3,478,381	3,201,171	3,273,198	3,136,448	2,996,478
Penalties and interest on taxes.....	344,904	376,272	257,550	205,069	255,291	255,015	258,823	295,273	336,323	337,685
Charges for services.....	-	-	-	3,781,716	4,677,078	5,806,836	5,578,452	823,808	896,372	987,974
Court settlements.....	-	-	-	-	-	-	-	-	834,229	-
Intergovernmental.....	20,715,778	22,744,007	23,954,865	24,777,670	26,611,991	27,224,134	31,264,380	32,768,863	31,388,745	32,374,981
Departmental and other.....	3,565,284	4,446,399	4,137,626	2,370,719	2,199,763	1,615,155	1,699,661	3,441,177	4,031,497	4,014,469
Community preservation taxes.....	-	-	-	-	-	830,355	871,114	943,616	948,528	994,940
Contributions.....	-	-	-	-	-	-	-	471,577	433,519	474,687
Investment income.....	1,068,119	600,350	766,274	606,641	692,726	1,028,278	1,417,437	820,875	364,352	208,415
<b>Total Revenue.....</b>	<b>59,810,292</b>	<b>63,374,452</b>	<b>65,708,725</b>	<b>69,518,824</b>	<b>74,141,867</b>	<b>77,786,542</b>	<b>82,547,869</b>	<b>85,731,830</b>	<b>86,266,823</b>	<b>88,620,749</b>
<b>Expenditures:</b>										
General government.....	7,027,042	8,907,911	7,394,545	9,188,091	8,176,301	7,819,324	11,181,605	3,685,500	2,589,184	2,609,472
Public safety.....	6,924,805	7,896,387	6,783,812	7,843,581	7,543,894	6,712,207	7,760,428	8,172,255	9,035,006	8,644,135
Education.....	35,633,973	37,477,674	37,970,219	43,336,782	43,117,621	39,981,242	46,470,674	50,762,547	50,303,198	49,860,090
Public works.....	3,274,082	4,382,816	2,673,343	7,836,899	7,463,545	6,169,708	5,811,645	1,893,018	2,778,556	4,015,920
Human and human services.....	434,219	682,306	2,441,840	2,188,749	675,431	697,459	741,516	877,038	657,156	419,019
Culture and recreation.....	1,062,382	1,387,690	1,138,760	1,489,949	1,690,251	1,039,130	1,698,038	1,218,016	1,080,131	766,502
Pension benefits.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,059,026	3,193,116	3,298,846
Property and liability insurance.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	916,566	763,597	642,704
Employee benefits.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,088,361	5,256,480	5,542,176
Community preservation.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	176,948	2,319,107	3,271,886
State and county charges.....	656,801	593,229	531,973	707,303	826,165	721,720	682,912	643,063	593,075	605,335
Capital outlay.....	n/a	n/a	4,998,843	7,701,237	7,018,218	13,720,593	4,464,480	4,616,185	5,237,093	9,221,535
Debt service										
Principal.....	720,042	2,012,594	1,950,719	3,469,092	3,607,241	4,012,274	3,852,445	3,856,058	3,756,463	4,083,194
Interest.....	2,236,866	1,484,995	1,548,320	1,895,361	1,805,329	1,765,292	1,770,277	1,363,126	1,244,359	969,564
<b>Total Expenditures.....</b>	<b>57,970,212</b>	<b>64,825,602</b>	<b>67,432,374</b>	<b>85,657,044</b>	<b>81,923,996</b>	<b>82,638,949</b>	<b>84,434,020</b>	<b>86,327,707</b>	<b>88,806,521</b>	<b>93,950,378</b>
Excess of revenues over (under) expenditures.....	1,840,080	(1,451,150)	(1,723,649)	(16,138,220)	(7,782,129)	(4,852,407)	(1,886,151)	(595,877)	(2,539,698)	(5,329,629)
<b>Other Financing Sources (Uses)</b>										
Premium from issuance of bonds.....	-	-	-	11,879	-	-	57,424	-	-	-
Proceeds from issuance of long-term debt.....	25,875,000	-	8,079,000	1,230,000	3,881,000	-	2,849,000	-	4,196,000	965,000
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	12,728,840
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	1,268,616
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	-	-	-	(13,850,972)
Transfers in.....	131,944	79,420	1,867,612	3,382,743	3,365,944	3,759,046	3,014,784	1,348,253	1,046,203	1,704,316
Transfers out.....	(2,461,029)	(1,860,371)	(1,867,612)	(3,407,460)	(3,365,944)	(3,759,046)	(3,014,784)	(1,348,253)	(1,067,972)	(1,704,316)
<b>Total other financing sources (uses).....</b>	<b>23,545,915</b>	<b>(1,780,951)</b>	<b>8,079,000</b>	<b>1,217,162</b>	<b>3,881,000</b>	<b>-</b>	<b>2,906,424</b>	<b>-</b>	<b>4,174,231</b>	<b>1,111,484</b>
<b>Net change in fund balance.....</b>	<b>\$ 25,385,995</b>	<b>\$ (3,232,101)</b>	<b>\$ 6,355,351</b>	<b>\$ (14,921,058)</b>	<b>\$ (3,901,129)</b>	<b>\$ (4,852,407)</b>	<b>\$ 1,020,273</b>	<b>\$ (595,877)</b>	<b>\$ 1,634,533</b>	<b>\$ (4,218,145)</b>
Debt service as a percentage of noncapital expenditures.....	5.10%	5.40%	5.60%	6.88%	7.23%	8.38%	7.03%	6.39%	5.98%	5.96%

n/a - Information is not available.

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

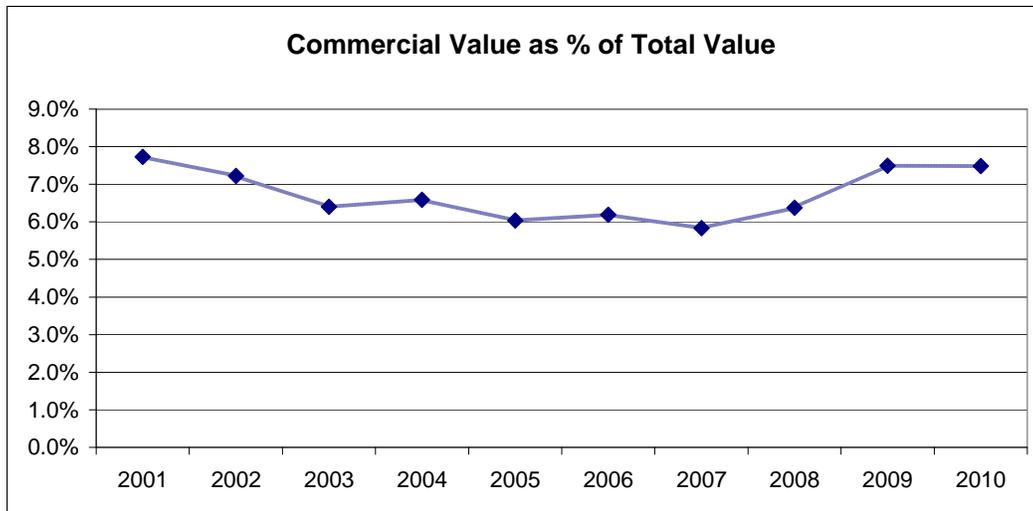
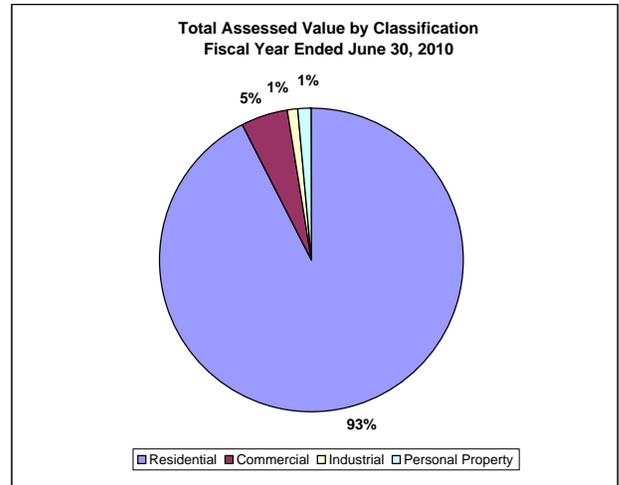
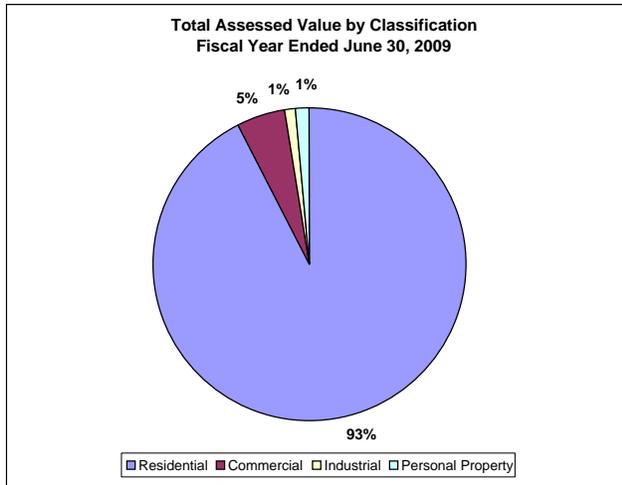
Fiscal years 2001 and 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

For 2001 and 2002, debt service as a percentage of noncapital expenditures included capital expenditures recorded in the functional categories of current expenditures.

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

**Last Ten Fiscal Years**

Fiscal Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Town Value
2001	\$1,828,960,096	\$15.63	\$105,024,909	\$17,579,300	\$30,580,731	\$153,184,940	\$15.63	7.7%	\$1,982,145,036
2002	(1) \$2,305,685,175	\$12.71	\$123,421,125	\$23,585,400	\$32,426,653	\$179,433,178	\$12.71	7.2%	\$2,485,118,353
2003	\$2,730,101,537	\$11.27	\$129,505,663	\$25,164,800	\$32,039,557	\$186,710,020	\$11.27	6.4%	\$2,916,811,557
2004	\$3,301,240,417	\$9.71	\$167,899,483	\$29,396,000	\$35,635,943	\$232,931,426	\$9.71	6.6%	\$3,534,171,843
2005	(1) \$3,881,280,251	\$8.65	\$181,680,049	\$30,762,000	\$36,817,458	\$249,259,507	\$8.65	6.0%	\$4,130,539,758
2006	\$4,223,128,973	\$8.31	\$206,830,234	\$35,490,300	\$36,381,261	\$278,701,795	\$8.31	6.2%	\$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%	\$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%	\$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%	\$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%	\$4,288,104,785



(1) Revaluation year.

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

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

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

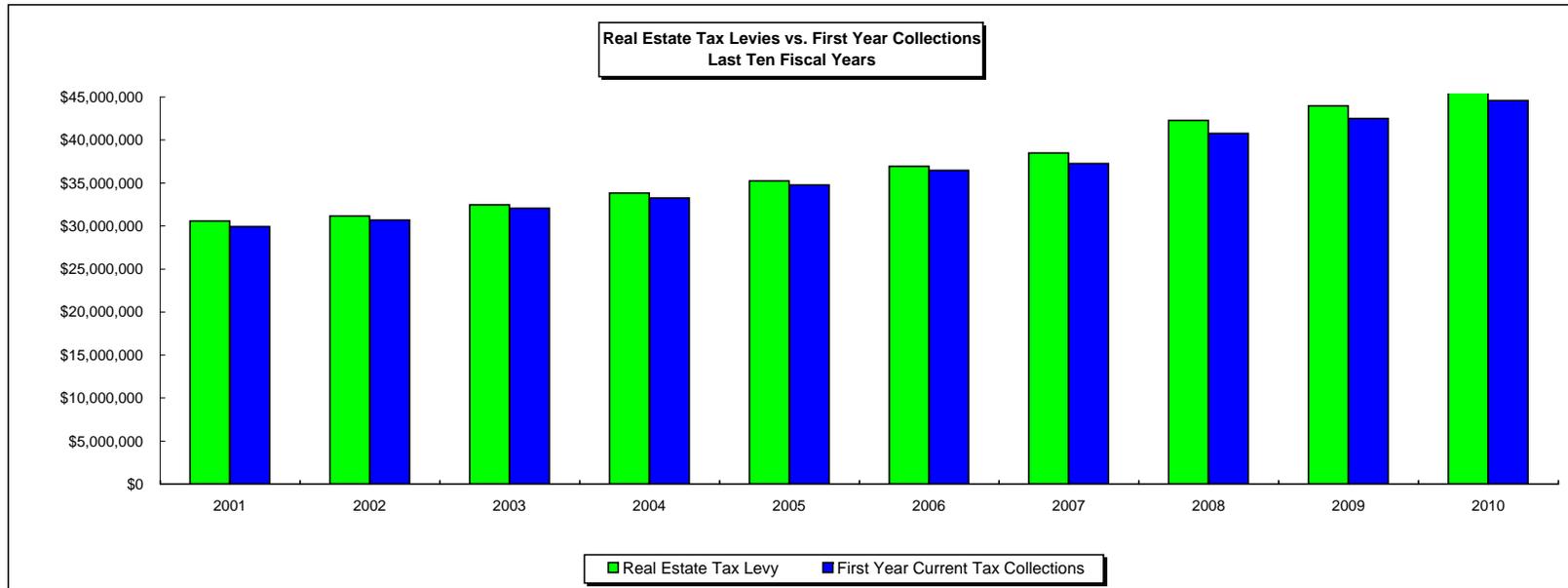
Name	Nature of Business	2010			2001		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Home Properties of Marshfield, LLP	Apartment Complex	\$ 25,869,900	1	0.60%	\$ -		
Verizon	Utility	22,307,200	2	0.52%	9,000,700	3	0.45%
Curtlo, LLC	Shopping Plaza	18,874,500	3	0.44%	10,500,000	1	0.53%
Commonwealth Electric	Utility	16,107,840	4	0.37%	8,535,200	4	0.43%
Winslow Woods LLC	Assisted Living Facility	13,239,700	5	0.31%	-		
Bay State Gas	Utility	10,667,650	6	0.25%	6,014,000	5	0.30%
OMDB Realty, LLC	Supermarket	9,882,700	7	0.23%	-		
Mariners Hill Limited	Marina	8,157,700	8	0.19%	4,319,600	6	0.22%
Proprietors Woods, LLC	Single Family Subdivision & Over 55	7,882,800	9	0.18%	-		
Chestnut Hill	Single Family Subdivision	7,574,300	10	0.18%	-		
Fox Run Apartments	Apartment Complex				8,858,500	2	0.45%
Marshfield Country Club	Golf Course	-			3,751,600	7	0.19%
Commerce Center Trust	Office Building	-			3,111,800	8	0.16%
South Shore Cable	Cablevision	-			2,550,600	9	0.13%
Marina Harbor	Marina	-			2,268,300	10	0.11%
<b>Totals</b>		<u>\$ 140,564,290</u>		<u>3.27%</u>	<u>\$ 58,910,300</u>		<u>2.97%</u>

Source: Official Statements, Town of Marshfield

**Property Tax Levies and Collections**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Less Abatements &amp; Exemptions</b>	<b>Net Tax Levy</b>	<b>Net as % of Total</b>	<b>First Year Current Tax Collections</b>	<b>Percent of Net Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent of Total Tax Collections to Net Tax Levy</b>
2001	\$30,980,927	\$400,496	\$30,580,431	98.71%	\$29,945,994	97.93%	\$553,531	\$30,499,525	99.74%
2002 (1)	\$31,585,854	\$408,913	\$31,176,941	98.71%	\$30,696,794	98.46%	\$311,612	\$31,008,406	99.46%
2003	\$32,872,466	\$406,583	\$32,465,883	98.76%	\$32,076,941	98.80%	\$381,823	\$32,458,764	99.98%
2004	\$34,316,809	\$465,327	\$33,851,482	98.64%	\$33,244,779	98.21%	\$486,837	\$33,731,616	99.65%
2005 (1)	\$35,729,169	\$488,834	\$35,240,335	98.63%	\$34,770,020	98.67%	\$440,720	\$35,210,740	99.92%
2006	\$37,410,214	\$473,121	\$36,937,093	98.74%	\$36,481,022	98.77%	\$422,696	\$36,903,718	99.91%
2007	\$38,959,132	\$477,450	\$38,481,682	98.77%	\$37,286,024	96.89%	\$411,763	\$37,697,787	97.96%
2008 (1)	\$42,720,680	\$421,121	\$42,299,559	99.01%	\$40,756,510	96.35%	\$911,599	\$41,668,109	98.51%
2009	\$44,339,965	\$346,616	\$43,993,349	99.22%	\$42,508,902	96.63%	\$904,223	\$43,413,125	98.68%
2010	\$46,097,126	\$317,162	\$45,779,964	99.31%	\$44,593,567	97.41%	\$0	\$44,593,567	97.41%



(1) Revaluation year.

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

**Ratios of Outstanding Debt and General Bonded Debt**

**Last Ten Fiscal Years**

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities			
				General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2001	24,595	\$ 743,209,428	\$ 1,982,145,036	\$30,301,012	\$1,232	4.08%	1.53%
2002	24,815	\$ 753,606,654	\$ 2,485,118,353	\$28,288,418	\$1,140	3.75%	1.14%
2003	24,775	\$ 753,144,286	\$ 2,916,811,557	\$37,678,019	\$1,521	5.00%	1.29%
2004	24,817	\$ 784,597,902	\$ 3,534,171,843	\$42,922,453	\$1,730	5.47%	1.21%
2005	24,890	\$ 857,727,346	\$ 4,130,539,758	\$43,212,849	\$1,736	5.04%	1.05%
2006	24,836	\$ 915,777,119	\$ 4,501,830,768	\$39,200,575	\$1,578	4.28%	0.87%
2007	24,576	\$ 942,437,753	\$ 4,786,134,091	\$38,197,130	\$1,554	4.05%	0.80%
2008	24,735	\$ 999,294,000	\$ 4,899,160,538	\$27,906,194	\$1,128	2.79%	0.57%
2009	24,947	\$ 999,277,032	\$ 4,431,701,475	\$28,345,731	\$1,136	2.84%	0.64%
2010	25,184	\$ 938,179,000	\$ 4,288,104,785	\$25,141,377	\$998	2.68%	0.59%

Fiscal Year	Business-Type Activities	Total Primary Government			
	General Obligation Bonds	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2001	\$ 4,991,517	\$35,292,529	\$1,435	4.75%	1.78%
2002	\$ 4,192,625	\$32,481,043	\$1,309	4.31%	1.31%
2003	\$ 9,358,526	\$47,036,545	\$1,899	6.25%	1.61%
2004	\$ 1,345,000	\$44,267,453	\$1,784	5.64%	1.25%
2005	\$ 980,000	\$44,192,849	\$1,776	5.15%	1.07%
2006	\$ 725,000	\$39,925,575	\$1,608	4.36%	0.89%
2007	\$ 2,701,000	\$40,898,130	\$1,664	4.34%	0.85%
2008	\$ 8,199,291	\$36,105,485	\$1,460	3.61%	0.74%
2009	\$ 9,797,097	\$38,142,828	\$1,529	3.82%	0.86%
2010	\$ 8,872,554	\$34,013,931	\$1,351	3.63%	0.79%

Source: Audited Financial Statements, U. S. Census

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

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2010**

<u>Town of Marshfield, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Plymouth County.....	\$ 4,125,000	6.4%	\$ 264,000
Town direct debt.....			<u>25,141,377</u>
Total direct and overlapping debt.....			<u>\$ 25,405,377</u>

Source: Plymouth County

**Computation of Legal Debt Margin**

**Last Ten Fiscal Years**

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Equalized Valuation.....	\$ 2,093,081,700	\$ 2,703,305,500	\$ 2,703,305,500	\$ 3,790,610,200	\$ 3,790,610,200	\$ 4,787,007,000	\$ 4,787,007,000	\$ 5,155,216,100	\$ 5,158,780,200	\$ 4,678,944,800
Debt Limit -5% of Equalized Valuation.....	\$ 104,654,085	\$ 135,165,275	\$ 135,165,275	\$ 189,530,510	\$ 189,530,510	\$ 239,350,350	\$ 239,350,350	\$ 257,760,805	\$ 257,939,010	\$ 233,947,240
Less:										
Outstanding debt applicable to limit.....	\$ 33,497,529	\$ 7,906,043	\$ 22,206,545	\$ 21,422,452	\$ 22,987,848	\$ 20,250,575	\$ 31,762,252	\$ 27,906,194	\$ 28,345,731	\$ 25,141,377
Authorized and unissued debt.....	17,084,326	18,784,000	1,619,420	4,413,920	3,770,920	8,329,420	6,393,420	11,294,000	6,042,000	7,383,000
Legal debt margin.....	\$ 54,072,230	\$ 108,475,232	\$ 111,339,310	\$ 163,694,138	\$ 162,771,742	\$ 210,770,355	\$ 201,194,678	\$ 218,560,611	\$ 223,551,279	\$ 201,422,863
Total debt applicable to the limit as a percentage of the limit.....	48.33%	19.75%	17.63%	13.63%	14.12%	11.94%	15.94%	15.21%	13.33%	13.90%

Source: Treasurer's Department, Town of Marshfield

## Demographic and Economic Statistics

### Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2001	24,595	\$ 743,209,428	\$ 30,218	41.0	4,580	2.70%
2002	24,815	\$ 753,606,654	\$ 30,369	41.0	4,620	4.00%
2003	24,775	\$ 753,144,286	\$ 30,399	41.0	4,699	4.60%
2004	24,817	\$ 784,597,902	\$ 31,615	41.0	4,621	3.50%
2005	24,890	\$ 857,727,346	\$ 34,461	41.0	4,639	3.80%
2006	24,836	\$ 915,777,119	\$ 36,873	41.0	4,693	4.30%
2007	24,576	\$ 942,437,753	\$ 38,348	41.0	4,730	4.60%
2008	24,735	\$ 999,294,000	\$ 40,400	41.0	4,739	6.20%
2009	24,947	\$ 999,277,032	\$ 40,056	41.0	4,742	7.40%
2010	25,184	\$ 938,179,000	\$ 37,253	41.0	4,750	7.40%

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	2010			2001		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Marshfield	Municipal Government	1,340	1	9.70%	1,048	1	8.16%
Road to Responsibility	Retail & Service	490	2	3.55%	-	-	-
Roche Brothers	Supermarket	267	3	1.93%	-	-	-
Star Market	Supermarket	183	4	1.32%	140	2	1.09%
Kirwan Surgical	Manufacturer	85	5	0.62%	85	5	0.66%
Marshfield Country Club	Golf Course	84	6	0.61%	60	6	0.47%
Fairview Inn	Restaurant & Inn	70	7	0.51%	-	-	-
CVS	Retail	52	8	0.38%	-	-	-
Marshall's	Retail	50	9	0.36%	52	7	0.40%
Waste Solutions	Commercial	47	10	0.34%	-	-	-
Jamie's Grill & Pub	Restaurant	-	-	-	137	3	1.07%
Bridgway Inn	Restaurant & Inn	-	-	-	100	4	0.78%
Compass Rose/Marina	Restaurant & Marina	-	-	-	28	8	0.22%
Lobster Tale	Restaurant	-	-	-	33	9	0.26%
Lou's 139	Restaurant	-	-	-	30	10	0.23%

According to the Massachusetts Workforce Development Data, in August 2010 the Town had a total labor force of 14,012 of whom 12,969 were employed and 1,043 or 7.4% were unemployed.

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

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

**Full-time Equivalent Town Employees by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government.....	43	43	45	40	42	42	40	41	39	38
Police.....	48	48	48	48	48	45	48	48	45	45
Fire.....	55	55	55	55	55	55	52	55	55	52
Education.....	530	540	566	565	567	618	639	628	643	640
Water.....	19	20	20	20	20	20	20	21	19	19
Sewer.....	11	11	12	13	14	14	13	14	12	13
Solid waste.....	6	6	6	7	7	7	7	7	7	7
Public works.....	39	36	36	36	36	40	40	40	36	34
Human services.....	17	15	16	16	18	19	18	19	17	17
Culture and recreation.....	28	30	30	30	28	30	30	30	29	28
<b>Total .....</b>	<b>796</b>	<b>804</b>	<b>834</b>	<b>830</b>	<b>835</b>	<b>890</b>	<b>907</b>	<b>903</b>	<b>902</b>	<b>893</b>

Source: Town personnel records and various Town departments.

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

<u>Function/Program</u>	<u>Fiscal Year</u>									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Government</b>										
Population.....	24,595	24,815	24,775	24,817	24,890	24,836	24,576	24,735	24,947	25,184
Registered voters, annual town election.....	10,452	10,879	11,674	12,403	13,708	14,304	15,367	16,531	17,713	17,867
<b>Town Clerk</b>										
Births.....	313	326	242	312	309	253	286	255	220	229
Marriages.....	136	111	156	119	107	99	109	98	103	75
Deaths.....	145	186	150	163	166	166	167	174	186	166
<b>Police</b>										
Accidents covered by an officer.....	485	486	457	409	395	386	503	515	380	331
Citations issued.....	2,429	2,253	1,899	1,474	1,230	926	1,205	513	1,206	1,140
Arrests.....	376	396	378	344	638	765	753	660	790	826
Larcenies.....	244	192	189	232	246	224	208	104	300	547
<b>Fire</b>										
Rescue assist.....	404	477	703	499	368	370	360	387	414	332
False alarm.....	54	73	54	47	43	55	40	32	433	201
Public assist.....	248	233	162	170	240	226	198	240	407	472
Emergency responses/ambulance.....	1,539	1,687	1,611	1,748	1,734	1,730	1,951	1,974	2,025	2,072
<b>Building Department</b>										
Residential building permits issued.....	633	704	810	837	658	814	731	716	858	844
Non-Residential building permits issued.....	28	24	21	26	13	39	33	36	23	48
<b>Education</b>										
Public school enrollment.....	4,580	4,620	4,699	4,621	4,639	4,693	4,730	4,739	4,742	4,750
<b>Public Works</b>										
<b>Cemetery</b>										
Lots sold.....	152	191	150	139	158	94	62	106	61	84
Interments.....	137	127	130	125	120	92	103	78	72	89
<b>Water</b>										
Service connections.....	9,586	9,627	9,584	9,718	9,718	9,804	9,826	9,894	9,907	9,912
Consumption in billions of gallons.....	1,133	1,119	1,124	1,167	1,114	887	1,026	1,027	1,069	834
Daily consumption in millions of gallons.....	2.9	2.9	3.1	3.3	3.0	2.5	2.8	2.8	2.8	2.3
<b>Sewer</b>										
Service connections.....	3,962	3,964	4,100	4,289	4,456	4,468	4,470	4,479	4,502	4,650
Daily average collection (MGD).....	1.23	0.90	1.29	1.25	1.29	1.33	1.22	1.41	1.43	1.59
<b>Highway</b>										
Miles of public road.....	160	160	160	170	170	170	170	170	170	170
<b>Human Services</b>										
<b>Board of Health</b>										
Permits issued.....	662	831	991	1,009	994	809	742	669	688	663
Variances.....	42	55	79	61	62	58	44	26	24	21
<b>Council on Aging</b>										
Home delivered Meals.....	9,913	10,319	9,213	9,445	11,797	12,655	14,995	13,921	13,189	11,375
Transportation.....	9,016	9,512	10,230	10,852	9,902	10,163	10,604	11,325	11,646	11,807
Volunteer service hours.....	16,383	15,241	21,080	33,331	36,631	26,385	23,159	23,441	20,417	30,061
Fitness/exercise program participants.....	611	1,625	2,362	2,692	2,934	5,176	5,271	5,166	6,333	7,074
Recreation/social event participants.....	4,841	5,183	5,576	7,692	10,960	10,876	13,810	14,191	14,404	15,355
<b>Libraries</b>										
Volumes in collection.....	70,624	69,909	69,278	70,880	72,507	73,013	76,334	76,202	75,602	80,466
Circulation.....	250,000	265,000	283,000	274,000	268,337	280,448	268,000	273,951	244,362	280,621
Program attendance.....	8,687	9,248	10,417	7,512	8,340	7,273	5,919	6,023	5,726	5,829

Source: Various Town Departments  
N/A - information is unavailable

**Capital Asset Statistics by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Airport	1	1	1	1	1	1	1	1	1	1
General Government (1)										
Number of buildings.....	2	2	2	2	2	2	2	2	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.....	13	13	14	14	15	15	15	15	15	16
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	194	194	194	195	198	198	200	200	200	201
Fire hydrants.....	1,316	1,323	1,333	1,337	1,375	1,375	1,383	1,388	1,390	1,398
Sanitary sewers (miles).....	32	32	32	41	41	41	41	41	41	41
Number of wells.....	16	16	16	16	16	16	16	17	17	17
Number of water storage tanks.....	3	3	3	3	3	3	3	4	4	4
Number of pump stations.....	15	15	15	15	15	15	15	16	16	16
Human Services										1
Senior center.....	-	-	-	1	1	1	1	1	1	1
Culture and Recreation										1
Recreation building.....	-	-	-	-	-	-	-	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

(1) the Town purchased land with two buildings; one is currently being used as temporary office space while another municipal building is undergoing major renovation. Long term use of acquired property has not yet been decided.