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# **THE TOWN OF MARSHFIELD, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR  
JULY 1, 2012 – JUNE 30, 2013**





**On the cover:**

*An aerial view of Green Harbor in Marshfield showing the jetties and the entrance to Green Harbor known as the Narrows.*



*The boardwalk to access the beach at Green Harbor.*

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



# **TOWN OF MARSHFIELD, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2013**



**Prepared by:**

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





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



TOWN OF MARSHFIELD, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2013

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# *Introductory Section*



*The Town purchased thirty seven acres of open space land comprised of four acres of buildable upland, eleven acres of buildable upland, eleven acres of isolated upland, twelve acres of wetland and ten acres of marsh with Community Preservation funds. The property directly abuts the South River and provides 2,860 feet of frontage. The purchase also included the eighteenth century family home. The property had been owned by the same family for over 180 years.*



# ***Introductory Section***





Rocco J. Longo  
Town Administrator

## *Town of Marshfield*

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

### **Letter of Transmittal**

December 2, 2013

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, 2013 for your review.

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

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

The Town of Marshfield's financial statements have been audited by Powers & Sullivan, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Marshfield for the fiscal year ended June 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Marshfield's financial statements for the fiscal year ended June 30, 2013 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.



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

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

## **Profile of Town**

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

Local legislative decisions are made by an open Town Meeting consisting of all of the registered voters in the Town. Subject to the legislative decisions made by the Town Meeting, the affairs of the Town are generally administered by a three member Board of Selectmen. According to the U.S. Department of Commerce, Bureau of Census conducted in 2010, the Town's population was 25,184. However, unofficially the Town's summer population increases (estimated) to over 40,000.

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

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

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

## **Factors Affecting Economic Condition**

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

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



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

The Board of Selectmen, Board of Public Works and Energy Committee all were a part of the Town's new Power Purchase Agreement. A group of private developers built a 4 MW solar array in the Town of Marshfield on an old landfill, referred to as the old Sylvester Ray landfill located on Clay Pit road. Under the guidance of attorney Maura McCaffery and Town Counsel, the Board of Selectmen negotiated a 20 year agreement (PPA) that provides the Town with net metering credits by purchasing all the power generated by the facility. The net metering credits will be worth over \$4,000,000 over the life of the agreement. New tax revenue generated on the former landfill will generate \$1,000,000 over the life of the PPA through a payment in lieu of taxes (PILOT) agreement. The Town will save approximately 50% of the electric expense each year with a locked in rate for the electricity purchase of \$0.10/kwh without an escalator for 20 years.

A significant project that enhances the local economy is the Marshfield Municipal Airport Safety Improvement Project. The Airport Commission was the recipient of a \$10,000,000 federal grant through the Federal Aviation Administration. The grant was accepted and approved at a Town Meeting. The grant is a factor in creating 140 additional project jobs, adding \$6.4 million to local payrolls and would have a local impact of over \$19,000,000. Most importantly the Airport Improvement Project will bring the runway up to the current standard and the result is a safer runway for the Airport.

The Board of Selectmen and Chamber of Commerce embarked on a Strategic Planning effort through Northeastern University. Dr. Barry Bluestone, a nationally recognized expert on economic development, led community leaders, both public and private through an exercise to assist the Town with improving all and any effort's to initiate economic development in the Town. The effort utilizes the Economic Development Self-Assessment tool (EDSAT) that was developed by Dr. Bluestone. The same effort has proven successful in over 50 Massachusetts communities and in other communities throughout the U.S. The final report is expected by years end.

The Commonwealth of Massachusetts is wrapping up construction on the \$7,000,000 Widening State Route 139 project, which is one of the main feeder roads to Marshfield. This project improves access into Marshfield and may be the most significant economic asset, and that will enhance pedestrian and traffic safety. The project will enhance the potential of bringing over 200 new jobs to our community.

The Town's Harbormaster just finished a \$500,000 Pier Improvement project that will enhance the fourth largest fishing port in Massachusetts. The Town's private commercial fleet provides one of the largest ports for tuna fishing on the east coast and the same for local lobstermen. In the coming months the Town will initiate construction on a new Maritime Center adjacent to the Pier that will benefit both the commercial fishing fleet and recreational boaters.

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

The Town has also enhanced its revenue flexibility by establishing enterprise funds. This has allowed the Town to shift one hundred percent (except for certain amounts of sewer debt where the general fund is responsible for



its 40% share) of the operating cost and capital improvements to the users of sewer, water and solid waste services so that no tax support goes towards providing these services. All related debt, except as discussed above, is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

### **Major Initiatives**

The Town of Marshfield voters in a Special Town Meeting November 2011 approved an authorization of \$101,438,839 dollars to build a new Marshfield High School. The “new” Marshfield High School is on schedule to open in the fall of 2014. The School Building Committee has provided project oversight and at the time of this transmittal letter the project remains within the budget as planned. The Massachusetts School Building Authority will reimburse the Town 55.61% of the eligible projects costs.

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

### **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 five fiscal years, the Town has increased the balance in the fund by approximately \$1.6 million. 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 \$500,000 in FY2012.

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

### **Internal Controls**

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



## **Budgetary Controls**

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

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

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

## **Financial Management**

The Town adopted a policy in fiscal year 2011 to codify the allocation of indirect costs between the three Enterprise funds and the General Fund. A written agreement developed by the Fiscal team, has been approved by the Board of Selectmen and the School Committee to codify the allocation of revenues and fixed costs between the school and town departments based on existing verbal agreements. A free cash management agreement was adopted April 2012 and debt management policy was adopted May 2012. Finally, additional reserves for uncompensated balances and capital projects were also adopted in FY 2013.

## **Acknowledgements**

We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. Also, an expression of gratitude should be expressed to Nancy Holt, the former Collector/Treasurer, who has moved on from Marshfield but was solely responsible for the initial compilation of the report in fiscal 2009. Finally, credit must also be given to the Board of Selectmen and the Advisory Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

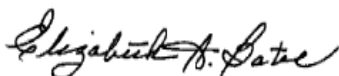
Respectfully submitted,



Rocco J. Longo  
Town Administrator



Barbara Costa  
Town Accountant

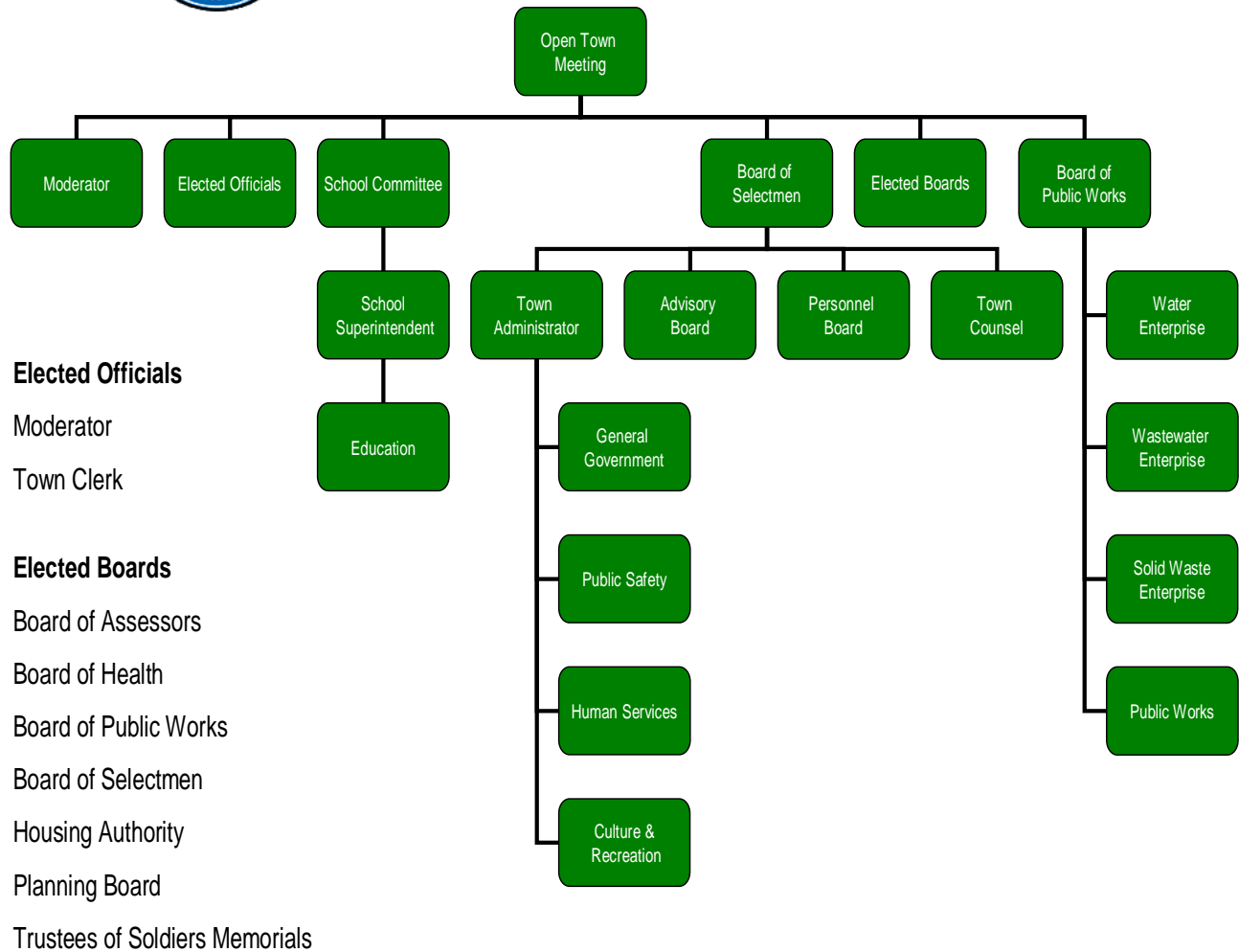


Elizabeth Bates  
Assessor/Appraiser





# Town of Marshfield







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Marshfield  
Massachusetts**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO



## Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Stephen G. Robbins, Chairperson	2014
	John E. Hall, Vice Chairperson	2015
	Matthew J. McDonough, Clerk	2016
Moderator Town Clerk	James J. Fitzgerald	2015
	Patricia A. Picco	2015
School Committee	Marti Morrison, Chairperson	2015
	Carol Shrand, Vice Chairperson	2014
	Dennis M. Scollins, Secretary	2015
	Nancy Currie	2016
	Kate Tracey	2016

### Appointed Officials

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



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# *Financial Section*



*The Town purchased a new Harbormaster vessel with a 75% Department of Homeland Security grant. The vessel is a Safe-Boat construction made specifically for the demands of governmental use and has forward looking infrared as well as built in sonar. Marshfield has over 8 miles of open coastline, two major rivers including the 3<sup>rd</sup> most dangerous inlet and is the 4<sup>th</sup> largest port in Massachusetts.*



## ***Financial Section***



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## **Independent Auditor's Report**

To the Honorable Board of Selectmen  
Town of Marshfield, Massachusetts

## **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

## **Management's Responsibility for the Financial Statements**

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

## **Auditor's Responsibility**

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

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

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



## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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



### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marshfield, Massachusetts' internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "Bowers & Sullivan, LLC".

December 2, 2013



## ***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, 2013. This is the eleventh year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

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

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

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

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing or the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future 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 is reporting four major governmental funds that are presented separately in the governmental fund financial statements. The remaining non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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



## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Marshfield, assets exceeded liabilities by \$157.8 million at the close of the fiscal year 2013.

Government-wide net position of \$151.7 million reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Marshfield's net position, \$6.8 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a \$674,000 deficit relating to the cumulative effect of recording \$23.4 million of other postemployment benefit liabilities through June 30, 2013.

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

**Governmental activities.** The governmental activities net position increased by approximately \$15.4 million during the current fiscal year as compared to an increase in net position of \$609,000 during the prior fiscal year. The main reason for the increase is \$17.1 million in Massachusetts School Building Authority (MSBA) school construction grants received by the Town in fiscal 2013 for the new high school. Overall revenue increased \$19.1 million from the prior year, while expenses increased \$4.4 million. A significant portion of the increase continues to be offset by the annual increase in the OPEB liability.

### Governmental Activities Condensed Statement of Net Position

	FY2013	FY2012 (As Restated)
<b>Assets:</b>		
Current assets.....	\$ 49,758,917	\$ 24,118,973
Noncurrent assets (excluding capital).....	7,003,256	7,748,370
Capital assets, not being depreciated.....	73,043,012	29,803,540
Capital assets, net of accumulated depreciation.....	76,280,321	73,134,557
<b>Total assets.....</b>	<b>206,085,506</b>	<b>134,805,440</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	11,354,656	5,156,152
Noncurrent liabilities (excluding debt).....	24,943,292	21,696,180
Current debt.....	20,991,106	3,979,614
Noncurrent debt.....	54,560,740	25,179,483
<b>Total liabilities.....</b>	<b>111,849,794</b>	<b>56,011,429</b>
<b>Net Position:</b>		
Net investment in capital assets.....	100,821,726	86,787,796
Restricted.....	6,846,578	6,049,582
Unrestricted.....	(13,432,592)	(14,043,367)
<b>Total net position.....</b>	<b>\$ 94,235,712</b>	<b>\$ 78,794,011</b>



Noncurrent liabilities include an accrued liability for other postemployment benefits in the amount of \$22.2 million at June 30, 2013, an increase of \$3.4 million from the prior year.

**Governmental Activities Condensed Statement of Activities**

	FY2013	FY2012
<b>Program revenues:</b>		
Charges for services..... \$	4,827,587	\$ 4,865,167
Operating grants and contributions.....	28,854,321	30,468,638
Capital grants and contributions.....	20,149,784	1,277,419
<b>General revenues:</b>		
Real estate, personal property taxes, and tax liens.....	50,687,398	49,273,498
Motor vehicle and other excise taxes.....	3,383,172	3,098,572
Community preservation taxes.....	1,088,776	1,055,074
Penalties and interest on taxes.....	365,170	347,002
Nonrestricted grants and contributions.....	2,202,627	1,938,122
Unrestricted investment income.....	97,302	91,398
Miscellaneous.....	37,112	147,724
<b>Total revenues.....</b>	<b>111,693,249</b>	<b>92,562,614</b>
<b>Expenses:</b>		
General government.....	4,920,094	3,973,477
Public safety.....	15,526,807	14,658,407
Education.....	65,277,828	63,704,682
Public works.....	5,856,808	5,087,136
Health and human services.....	1,210,350	1,237,194
Culture and recreation.....	1,995,595	2,017,701
Community preservation.....	623,138	398,581
Interest.....	965,928	876,894
<b>Total expenses.....</b>	<b>96,376,548</b>	<b>91,954,072</b>
<b>Transfers.....</b>	<b>125,000</b>	<b>-</b>
<b>Change in net position.....</b>	<b>15,441,701</b>	<b>608,542</b>
<b>Net position - beginning.....</b>	<b>78,794,011</b>	<b>78,185,469</b>
<b>Net position - ending..... \$</b>	<b>\$ 94,235,712</b>	<b>\$ 78,794,011</b>

*Other financial notes related to governmental activities:*

- Charges for services represented 4% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 26% 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 18% of the governmental activities resources. Most of these resources apply to community preservation State revenue, MSBA reimbursement for the High



School construction project, funding related to the airport runway project, and State grants for roadways improvements.

- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 46% of current resources.
- All other taxes and other revenues comprised a total of 6% of the governmental activities resources. These primarily include excise taxes, community preservation taxes and nonrestricted grants.
- Education is by far the largest governmental activity of the Town. Approximately \$19.8 million in taxes and other revenue were needed to cover its Fiscal 2013 operating expenses. A pension contribution of approximately \$10.2 million made by the state on-behalf of Marshfield teachers was recorded as an expense and grant revenue.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$12.8 million and \$4.3 million, respectively, of taxes and other revenue were needed to cover their Fiscal 2013 operating expenses.

**Business-type activities.** Business-type activities decreased the Town's net position by \$1.2 million compared to a decrease of approximately \$1.1 million during the previous fiscal year. All three enterprise funds experienced decreases in net position in amounts very similar to the prior year as revenues rose about 6% while expenses for labor, operations, and depreciation in total also rose by 5%.

As shown below, business-type activities assets exceeded liabilities by \$63.6 million at the close of fiscal year 2013. The net investment in capital assets is \$50.8 million (80%) while unrestricted net position is \$12.8 million (20%). These results continue to reflect management's goal of maintaining the systems while only charging users for the actual cost of operations.

#### ***Business-type Condensed Statement of Net Position***

	FY2013	FY2012 (As Restated)
<b>Assets:</b>		
Current assets.....	\$ 15,176,841	\$ 15,615,307
Noncurrent assets (excluding capital).....	6,101,977	3,314,131
Capital assets, not being depreciated.....	6,812,064	6,541,741
Capital assets, net of accumulated depreciation.....	56,284,349	54,088,946
<b>Total assets.....</b>	<b>84,375,231</b>	<b>79,560,125</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	741,775	690,182
Noncurrent liabilities (excluding debt).....	1,637,117	1,488,113
Current debt.....	1,618,592	1,205,555
Noncurrent debt.....	16,786,476	11,351,408
<b>Total liabilities.....</b>	<b>20,783,960</b>	<b>14,735,258</b>
<b>Net Position:</b>		
Net investment in capital assets.....	50,833,175	50,202,676
Unrestricted.....	12,758,096	14,622,191
<b>Total net position.....</b>	<b>\$ 63,591,271</b>	<b>\$ 64,824,867</b>



**Business-type Condensed Statement of Activities**

	FY2013	FY2012
<b>Program revenues:</b>		
Charges for services.....	\$ 8,741,373	\$ 8,261,381
Operating grants and contributions.....	109,770	116,903
Capital grants and contributions.....	61,918	17,841
<b>General Revenues:</b>		
Unrestricted investment income.....	62,671	76,560
<b>Total revenues.....</b>	<b>8,975,732</b>	<b>8,472,685</b>
<b>Expenses:</b>		
Sewer.....	3,627,666	3,494,294
Water.....	3,639,881	3,460,273
Solid waste.....	2,816,781	2,608,972
<b>Total expenses.....</b>	<b>10,084,328</b>	<b>9,563,539</b>
<b>Transfers.....</b>	<b>(125,000)</b>	<b>-</b>
<b>Change in net position.....</b>	<b>(1,233,596)</b>	<b>\$ (1,090,854)</b>
<b>Net position - beginning.....</b>	<b>64,824,867</b>	<b>65,915,721</b>
<b>Net position - ending.....</b>	<b>\$ 63,591,271</b>	<b>\$ 64,824,867</b>

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

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$18.5 million, an increase of \$4.0 million from the prior year. The increase mainly relates to timing differences in the High School construction fund where State grant revenue and bond proceeds exceeded expenditures, and to the premium received along with the issuance of long-term debt.

*General Fund*

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$4.6 million, while the total fund balance was \$8.1 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 5.5% of total general fund expenditures, while the total fund balance represents 9.6% of that same amount.

The fund balance of the General Fund increased by \$2.7 million during fiscal year 2013. The increase can be attributed to the Town receiving a \$3.6 million premium from the issuance of bonds which will be used to help fund debt service costs in future years.



### *Community Preservation Major Fund*

The Community Preservation fund had a fund balance at June 30, 2013 of \$3 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The fund increased \$271,000 during fiscal year 2013.

### *High School Capital Projects Major Fund*

The High School Capital Projects fund is used to account for financial resources to be used for the construction of the new High School. During the fiscal year the Town issued \$27.9 million in long term bonds to fund the construction projects and was reimbursed \$17.8 million from the MSBA for high school construction costs. The fund balance increased \$3.1 million from the prior year.

### *Other Capital Projects Major Fund*

The Other Capital Projects fund is used to account for non-school related capital projects. During the fiscal year the Town issued \$4.1 million in long-term bonds, received a transfer in from the general fund of approximately \$1.0 million, and spent \$7.2 million on several construction projects. The long-term debt relates to a qualified energy conservation bond of \$2.8 million, \$250,000 for sea wall construction and the remaining \$1.0 million relates to various other Town projects. The fund balance decreased \$2.2 million during fiscal year 2013.

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

The Sewer enterprise fund is used to account for sewage treatment operations. Total revenues amounted to \$2,711,000 as compared to \$2,659,000 in the prior year. Expenses increased by \$133,000 and after transferring \$36,000 to the capital projects fund the Sewer's net position decreased by \$890,000.

The Water enterprise fund is used to account for water distribution operations. Total revenues amounted to \$3,585,000 as compared to \$3,345,000 in the prior year. Expenses increased by \$180,000 and after transferring \$89,000 to the capital projects fund the Water's net position decreased by \$144,000.

The Solid Waste fund is used to account for the Town's solid waste disposal operations. Total revenues amounted to \$2,618,000 as compared to \$2,452,000 in the prior year. Expenses increased by \$208,000 from the prior year causing the Solid Waste's net position to decrease by \$198,000.

### **General Fund Budgetary Highlights**

The final general fund budget appropriations, including transfers, were approximately \$1.9 million higher than the original budget primarily due to increases in public safety, public works, education, and transfers.

Total general fund revenues were slightly higher than budgeted amounts in all categories except for real estate and personal property taxes, which were lower than budget by approximately 1%. Actual expenditures, including carryovers, were less than budgeted amounts by approximately \$411,000 or again, less than 1%.

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



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

Governmental capital assets, net of accumulated depreciation, at year end amounted to approximately \$149.3 million which represented a net increase of \$46.4 million from the prior year. Major current additions included land acquisitions, High School construction in progress, other building and improvement projects, and infrastructure additions. Depreciation expense of \$5.6 million was recorded in fiscal year 2013.

Enterprise fund capital assets, net of accumulated depreciation, were valued at \$63.1 million at year end. Current year additions totaled approximately \$4.4 million. Depreciation expense of \$2 million was recorded in fiscal year 2013.

The Town's total long-term debt increased by \$37.5 million during the current year. This was due to the net effect of \$38.8 million of proceeds for various governmental and enterprise projects, a debt service premium capitalized in the amount of \$3.9 million, and \$5.2 million of scheduled principal payments.

Outstanding long-term debt of the general government, as of June 30, 2013, totaled \$57.3 million, of which, \$42.4 million is related to school projects, \$2.4 million is related to the general government's 40% share of sewer debt, \$3.2 million is related to sea wall and harbor projects, \$5 million is related to qualified energy conservation bonds, leaving a balance of \$4.3 million for infrastructure and other Town projects.

The enterprise funds have \$18.1 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.



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## ***Basic Financial Statements***



**STATEMENT OF NET POSITION**

JUNE 30, 2013

	<b>Primary Government</b>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 39,803,843	\$ 10,676,726	\$ 50,480,569
Investments.....	205,382	-	205,382
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals.....	1,552,460	-	1,552,460
Tax liens.....	1,045,144	-	1,045,144
Motor vehicle and other excise taxes.....	590,915	-	590,915
User charges.....	-	3,163,469	3,163,469
Departmental and other.....	679,701	-	679,701
Special assessments.....	693	232,003	232,696
Intergovernmental.....	5,306,710	1,104,643	6,411,353
Tax foreclosures.....	574,069	-	574,069
<b>Total Current Assets.....</b>	<b>49,758,917</b>	<b>15,176,841</b>	<b>64,935,758</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	2,209,633	2,209,633
Intergovernmental.....	7,003,256	3,892,344	10,895,600
Capital assets, non depreciable.....	73,043,012	6,812,064	79,855,076
Capital assets, net of accumulated depreciation.....	76,280,321	56,284,349	132,564,670
<b>Total Noncurrent Assets.....</b>	<b>156,326,589</b>	<b>69,198,390</b>	<b>225,524,979</b>
<b>TOTAL ASSETS.....</b>	<b>206,085,506</b>	<b>84,375,231</b>	<b>290,460,737</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	6,562,722	368,241	6,930,963
Accrued payroll.....	2,448,774	37,262	2,486,036
Tax refunds payable.....	392,345	-	392,345
Accrued interest.....	245,790	159,403	405,193
Advance collections.....	168,025	-	168,025
Landfill closure.....	-	28,200	28,200
Compensated absences.....	1,537,000	148,669	1,685,669
Notes payable.....	14,706,000	-	14,706,000
Bonds payable.....	6,285,106	1,618,592	7,903,698
<b>Total Current Liabilities.....</b>	<b>32,345,762</b>	<b>2,360,367</b>	<b>34,706,129</b>
<b>NONCURRENT:</b>			
Landfill closure.....	-	437,100	437,100
Compensated absences.....	2,737,000	53,000	2,790,000
Other postemployment benefits.....	22,206,292	1,147,017	23,353,309
Bonds payable.....	54,560,740	16,786,476	71,347,216
<b>Total Noncurrent Liabilities.....</b>	<b>79,504,032</b>	<b>18,423,593</b>	<b>97,927,625</b>
<b>TOTAL LIABILITIES.....</b>	<b>111,849,794</b>	<b>20,783,960</b>	<b>132,633,754</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	100,821,726	50,833,175	151,654,901
Restricted for:			
Permanent funds:			
Expendable.....	1,066,010	-	1,066,010
Nonexpendable.....	1,150,207	-	1,150,207
Grants and gifts.....	943,378	-	943,378
Community preservation.....	3,686,983	-	3,686,983
Unrestricted.....	(13,432,592)	12,758,096	(674,496)
<b>TOTAL NET POSITION.....</b>	<b>\$ 94,235,712</b>	<b>\$ 63,591,271</b>	<b>\$ 157,826,983</b>

See notes to basic financial statements.



# STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

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.....	\$ 4,920,094	\$ 665,453	\$ 518,574	\$ 1,002,313	\$ (2,733,754)	
Public safety.....	15,526,807	1,937,559	801,815	-	(12,787,433)	
Education.....	65,277,828	1,455,140	26,941,696	17,125,336	(19,755,656)	
Public works.....	5,856,808	171,624	44,387	1,295,133	(4,345,664)	
Health and human services.....	1,210,350	71,768	39,186	-	(1,099,396)	
Culture and recreation.....	1,995,595	526,043	21,485	-	(1,448,067)	
Community preservation.....	623,138	-	-	727,002	103,864	
Interest.....	965,928	-	487,178	-	(478,750)	
Total Governmental Activities.....	96,376,548	4,827,587	28,854,321	20,149,784	(42,544,856)	
<i>Business-Type Activities:</i>						
Sewer.....	3,627,666	2,544,816	109,770	61,918	(911,162)	
Water.....	3,639,881	3,579,496	-	-	(60,385)	
Solid waste.....	2,816,781	2,617,061	-	-	(199,720)	
Total Business-Type Activities.....	10,084,328	8,741,373	109,770	61,918	(1,171,267)	
Total Primary Government.....	\$ 106,460,876	\$ 13,568,960	\$ 28,964,091	\$ 20,211,702	\$ (43,716,123)	

See notes to basic financial statements.

(Continued)



# STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ (42,544,856)	\$ (1,171,267)	\$ (43,716,123)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	50,201,554	-	50,201,554
Tax liens.....	485,844	-	485,844
Motor vehicle and other excise taxes.....	3,383,172	-	3,383,172
Community preservation tax.....	1,088,776	-	1,088,776
Penalties and interest on taxes.....	365,170	-	365,170
Grants and contributions not restricted to specific programs.....	2,202,627	-	2,202,627
Unrestricted investment income.....	97,302	62,671	159,973
Miscellaneous.....	37,112	-	37,112
<i>Transfers, net</i> .....	125,000	(125,000)	-
Total general revenues and transfers.....	57,986,557	(62,329)	57,924,228
Change in net position.....	15,441,701	(1,233,596)	14,208,105
<i>Net position:</i>			
Beginning of year (as restated).....	78,794,011	64,824,867	143,618,878
End of year.....	\$ 94,235,712	\$ 63,591,271	\$ 157,826,983

See notes to basic financial statements.

(Concluded)



**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2013

	General	Community Preservation Fund	High School Capital Projects	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 11,549,242	\$ 3,043,890	\$ 14,570,180	\$ 5,902,298	\$ 4,738,233	\$ 39,803,843
Investments.....	-	-	-	-	205,382	205,382
Receivables, net of uncollectibles:						
Real estate, personal property and tax deferrals .....	1,552,460	-	-	-	-	1,552,460
Tax liens.....	1,045,144	-	-	-	-	1,045,144
Motor vehicle and other excise taxes.....	590,915	-	-	-	-	590,915
Departmental and other.....	662,806	16,895	-	-	-	679,701
Special assessments.....	693	-	-	-	-	693
Intergovernmental.....	7,748,370	638,869	2,256,792	-	1,665,935	12,309,966
Tax foreclosures.....	574,069	-	-	-	-	574,069
Due from other funds.....	-	-	-	-	143,287	143,287
<b>TOTAL ASSETS.....</b>	<b>\$ 23,723,699</b>	<b>\$ 3,699,654</b>	<b>\$ 16,826,972</b>	<b>\$ 5,902,298</b>	<b>\$ 6,752,837</b>	<b>\$ 56,905,460</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Warrants payable.....	\$ 1,010,452	\$ 7,846	\$ 4,920,767	\$ 358,895	\$ 264,762	\$ 6,562,722
Accrued payroll.....	2,343,253	254	-	5,367	99,900	2,448,774
Tax refunds payable.....	392,345	-	-	-	-	392,345
Deferred revenues and advance collections.....	11,919,979	655,764	-	-	1,559,461	14,135,204
Due to other funds.....	-	-	-	-	143,287	143,287
Notes payable.....	-	-	8,000,000	6,706,000	-	14,706,000
<b>TOTAL LIABILITIES.....</b>	<b>15,666,029</b>	<b>663,864</b>	<b>12,920,767</b>	<b>7,070,262</b>	<b>2,067,410</b>	<b>38,388,332</b>
<b>FUND BALANCES:</b>						
Nonspendable.....	-	-	-	-	1,150,207	1,150,207
Restricted.....	3,279,293	3,035,790	3,906,205	-	3,712,991	13,934,279
Committed.....	-	-	-	-	63,209	63,209
Assigned.....	163,687	-	-	-	-	163,687
Unassigned.....	4,614,690	-	-	(1,167,964)	(240,980)	3,205,746
<b>TOTAL FUND BALANCES.....</b>	<b>8,057,670</b>	<b>3,035,790</b>	<b>3,906,205</b>	<b>(1,167,964)</b>	<b>4,685,427</b>	<b>18,517,128</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 23,723,699</b>	<b>\$ 3,699,654</b>	<b>\$ 16,826,972</b>	<b>\$ 5,902,298</b>	<b>\$ 6,752,837</b>	<b>\$ 56,905,460</b>

See notes to basic financial statements.



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

JUNE 30, 2013

Total governmental fund balances.....	\$ 18,517,128
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	149,323,333
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	13,967,179
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(245,790)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable.....	(60,845,846)
Other postemployment benefits.....	(22,206,292)
Compensated absences.....	<u>(4,274,000)</u>
Net effect of reporting long-term liabilities.....	<u>(87,326,138)</u>
Net position of governmental activities.....	<u>\$ 94,235,712</u>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2013

	General	Community Preservation Fund	High School Capital Projects	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 49,997,110	\$ -	\$ -	\$ -	\$ -	\$ 49,997,110
Tax liens.....	522,818	-	-	-	-	522,818
Motor vehicle and other excise taxes.....	3,241,603	-	-	-	-	3,241,603
Penalties and interest on taxes.....	362,061	3,109	-	-	-	365,170
Charges for services.....	999,266	-	-	-	29,725	1,028,991
Intergovernmental.....	27,701,146	402,401	17,797,810	15,000	5,423,306	51,339,663
Departmental and other.....	1,088,496	-	-	-	2,501,744	3,590,240
Community preservation taxes.....	-	1,088,591	-	-	-	1,088,591
Contributions.....	-	-	-	-	382,749	382,749
Investment income.....	46,540	6,710	-	3,267	40,785	97,302
<b>TOTAL REVENUES.....</b>	<b>83,959,040</b>	<b>1,500,811</b>	<b>17,797,810</b>	<b>18,267</b>	<b>8,378,309</b>	<b>111,654,237</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	3,022,221	-	-	5,531,832	1,384,007	9,938,060
Public safety.....	9,388,582	-	-	785,472	543,575	10,717,629
Education.....	51,713,710	-	42,595,637	4,160	4,380,099	98,693,606
Public works.....	1,908,803	-	-	847,597	1,017,413	3,773,813
Health and human services.....	809,956	-	-	-	141,986	951,942
Culture and recreation.....	751,472	-	-	-	607,880	1,359,352
Pension benefits.....	4,285,250	-	-	-	-	4,285,250
Property and liability insurance.....	677,091	-	-	-	-	677,091
Employee benefits.....	6,218,548	-	-	-	-	6,218,548
Community preservation.....	-	1,230,198	-	-	-	1,230,198
State and county charges.....	735,255	-	-	-	-	735,255
Debt service:						
Principal.....	3,979,614	-	-	-	-	3,979,614
Interest.....	837,153	-	-	-	-	837,153
<b>TOTAL EXPENDITURES.....</b>	<b>84,327,655</b>	<b>1,230,198</b>	<b>42,595,637</b>	<b>7,169,061</b>	<b>8,074,960</b>	<b>143,397,511</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(368,615)</b>	<b>270,613</b>	<b>(24,797,827)</b>	<b>(7,150,794)</b>	<b>303,349</b>	<b>(31,743,274)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of long-term debt.....	-	-	27,946,000	4,144,000	-	32,090,000
Premium from issuance of bonds.....	3,576,363	-	-	-	-	3,576,363
Transfers in.....	521,794	-	-	1,009,265	577,198	2,108,257
Transfers out.....	(1,063,266)	-	-	(234,214)	(685,777)	(1,983,257)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>3,034,891</b>	<b>-</b>	<b>27,946,000</b>	<b>4,919,051</b>	<b>(108,579)</b>	<b>35,791,363</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>2,666,276</b>	<b>270,613</b>	<b>3,148,173</b>	<b>(2,231,743)</b>	<b>194,770</b>	<b>4,048,089</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>5,391,394</b>	<b>2,765,177</b>	<b>758,032</b>	<b>1,063,779</b>	<b>4,490,657</b>	<b>14,469,039</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 8,057,670</b>	<b>\$ 3,035,790</b>	<b>\$ 3,906,205</b>	<b>\$ (1,167,964)</b>	<b>\$ 4,685,427</b>	<b>\$ 18,517,128</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, 2013

Net change in fund balances - total governmental funds.....	\$	4,048,089
<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.....	52,009,404	
Depreciation expense.....	<u>(5,624,168)</u>	
Net effect of reporting capital assets.....		46,385,236
<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>		
		39,012
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of long-term debt.....	(32,090,000)	
Unamortized bond premium.....	(3,576,363)	
Debt service principal payments.....	<u>3,979,614</u>	
Net effect of reporting long-term debt.....		(31,686,749)
<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.....	229,000	
Net change in accrued interest on long-term debt.....	(128,775)	
Net change in other postemployment benefits accrual.....	<u>(3,444,112)</u>	
Net effect of recording long-term liabilities.....		<u>(3,343,887)</u>
Change in net position of governmental activities.....	\$	<u>15,441,701</u>

See notes to basic financial statements.



**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2013

Business-type Activities - Enterprise Funds				
	Sewer	Water	Solid Waste	Total
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 3,325,579	\$ 5,987,654	\$ 1,363,493	\$ 10,676,726
Receivables, net of allowance for uncollectibles:				
User charges.....	1,154,535	1,058,041	950,893	3,163,469
Special assessments.....	232,003	-	-	232,003
Intergovernmental.....	1,104,643	-	-	1,104,643
Total current assets.....	5,816,760	7,045,695	2,314,386	15,176,841
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	3,892,344	-	-	3,892,344
Special assessments.....	2,209,633	-	-	2,209,633
Capital assets, nondepreciable.....	129,435	6,590,820	91,809	6,812,064
Capital assets, net of accumulated depreciation.....	27,320,072	27,672,211	1,292,066	56,284,349
Total noncurrent assets.....	33,551,484	34,263,031	1,383,875	69,198,390
<b>TOTAL ASSETS.....</b>	<b>39,368,244</b>	<b>41,308,726</b>	<b>3,698,261</b>	<b>84,375,231</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	129,335	72,794	166,112	368,241
Accrued payroll.....	11,887	16,613	8,762	37,262
Accrued interest.....	88,399	71,004	-	159,403
Landfill closure.....	-	-	28,200	28,200
Compensated absences.....	50,669	84,000	14,000	148,669
Bonds payable.....	677,396	941,196	-	1,618,592
Total current liabilities.....	957,686	1,185,607	217,074	2,360,367
<b>NONCURRENT:</b>				
Compensated absences.....	-	53,000	-	53,000
Landfill closure.....	-	-	437,100	437,100
Other postemployment benefits.....	359,770	559,378	227,869	1,147,017
Bonds payable.....	8,710,759	8,075,717	-	16,786,476
Total noncurrent liabilities.....	9,070,529	8,688,095	664,969	18,423,593
<b>TOTAL LIABILITIES.....</b>	<b>10,028,215</b>	<b>9,873,702</b>	<b>882,043</b>	<b>20,783,960</b>
<b>NET POSITION</b>				
Net investment in capital assets.....	23,068,394	26,380,906	1,383,875	50,833,175
Unrestricted.....	6,271,635	5,054,118	1,432,343	12,758,096
<b>TOTAL NET POSITION.....</b>	<b>\$ 29,340,029</b>	<b>\$ 31,435,024</b>	<b>\$ 2,816,218</b>	<b>\$ 63,591,271</b>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>OPERATING REVENUES:</b>				
Charges for services .....	\$ 2,544,816	\$ 3,579,496	\$ 2,617,061	\$ 8,741,373
<b>OPERATING EXPENSES:</b>				
Salaries, wages, and fringe benefits.....	1,000,073	1,275,885	588,689	2,864,647
Maintenance and operations.....	1,307,432	1,323,496	2,177,054	4,807,982
Depreciation.....	1,083,134	827,712	51,038	1,961,884
<b>TOTAL OPERATING EXPENSES .....</b>	<b>3,390,639</b>	<b>3,427,093</b>	<b>2,816,781</b>	<b>9,634,513</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(845,823)</b>	<b>152,403</b>	<b>(199,720)</b>	<b>(893,140)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income.....	56,168	5,098	1,405	62,671
Interest expense.....	(237,027)	(212,788)	-	(449,815)
Intergovernmental.....	109,770	-	-	109,770
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(71,089)</b>	<b>(207,690)</b>	<b>1,405</b>	<b>(277,374)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>(916,912)</b>	<b>(55,287)</b>	<b>(198,315)</b>	<b>(1,170,514)</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>61,918</b>	<b>-</b>	<b>-</b>	<b>61,918</b>
<b>TRANSFERS:</b>				
Transfers out.....	(36,000)	(89,000)	-	(125,000)
<b>CHANGE IN NET POSITION.....</b>	<b>(890,994)</b>	<b>(144,287)</b>	<b>(198,315)</b>	<b>(1,233,596)</b>
<b>NET POSITION AT BEGINNING OF YEAR, AS RESTATED.....</b>	<b>30,231,023</b>	<b>31,579,311</b>	<b>3,014,533</b>	<b>64,824,867</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 29,340,029</b>	<b>\$ 31,435,024</b>	<b>\$ 2,816,218</b>	<b>\$ 63,591,271</b>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers and users.....	\$ 2,474,368	\$ 3,567,608	\$ 2,555,454	\$ 8,597,430
Payments to vendors.....	(1,241,292)	(1,349,311)	(2,219,944)	(4,810,547)
Payments to employees.....	(950,867)	(1,186,682)	(552,780)	(2,690,329)
NET CASH FROM OPERATING ACTIVITIES.....	282,209	1,031,615	(217,270)	1,096,554
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers out.....	(36,000)	(89,000)	-	(125,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from the issuance of bonds and notes.....	1,247,777	1,280,000	-	2,527,777
Premium from the issuance of bonds and notes.....	-	323,660	-	323,660
Capital contributions.....	379,523	-	-	379,523
Acquisition and construction of capital assets.....	(1,789,416)	(2,638,194)	-	(4,427,610)
Principal payments on bonds and notes.....	(425,495)	(717,748)	-	(1,143,243)
Interest expense.....	(107,059)	(204,142)	-	(311,201)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(694,670)	(1,956,424)	-	(2,651,094)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income.....	56,168	5,098	1,405	62,671
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(392,293)	(1,008,711)	(215,865)	(1,616,869)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	3,717,872	6,996,365	1,579,358	12,293,595
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 3,325,579	\$ 5,987,654	\$ 1,363,493	\$ 10,676,726
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>				
Operating income (loss).....	\$ (845,823)	\$ 152,403	\$ (199,720)	\$ (893,140)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	1,083,134	827,712	51,038	1,961,884
Changes in assets and liabilities:				
User charges.....	(70,448)	(11,888)	(61,607)	(143,943)
Warrants payable.....	66,140	(25,815)	(14,690)	25,635
Accrued payroll.....	(1,675)	(93)	56	(1,712)
Landfill closure.....	-	-	(28,200)	(28,200)
Compensated absences.....	826	(2,000)	-	(1,174)
Other postemployment benefits.....	50,055	91,296	35,853	177,204
Total adjustments.....	1,128,032	879,212	(17,550)	1,989,694
NET CASH FROM OPERATING ACTIVITIES.....	\$ 282,209	\$ 1,031,615	\$ (217,270)	\$ 1,096,554
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Intergovernmental principal and interest subsidies.....	\$ 172,082	\$ -	\$ -	\$ 172,082
Intergovernmental receivable for debt issuance.....	4,202,223	-	-	4,202,223

See notes to basic financial statements.



**FIDUCIARY FUNDS**  
**STATEMENT OF FIDUCIARY NET POSITION**

JUNE 30, 2013

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 200,149	\$ 1,370,997
<b>LIABILITIES</b>		
Liabilities due depositors.....	-	1,370,997
<b>NET POSITION</b>		
Held in trust for other purposes.....	\$ 200,149	\$ -

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2013

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 2,000
Net investment income:	
Interest.....	<u>830</u>
TOTAL ADDITIONS.....	<u>2,830</u>
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>5,018</u>
CHANGE IN NET POSITION.....	(2,188)
NET POSITION AT BEGINNING OF YEAR.....	<u>202,337</u>
NET POSITION AT END OF YEAR.....	<u>\$ 200,149</u>

See notes to basic financial statements.



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

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

**A. Reporting Entity**

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

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

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

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

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

***Fund Financial Statements***

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

***Major Fund Criteria***

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

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



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

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

Fiduciary funds are reported by fund type.

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

#### *Government-Wide Financial Statements*

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

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

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

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

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

#### *Fund Financial Statements*

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



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

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

The following major governmental funds are reported:

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

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

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

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

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

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

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

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

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

The following major proprietary funds are reported:

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



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

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

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

The following fiduciary fund types are reported:

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

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

#### D. Cash and Investments

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

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

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

#### E. Accounts Receivable

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

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



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

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

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

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

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

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

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

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

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

***User Charges***

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

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



***Departmental and Other***

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

***Special Assessments***

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

***Intergovernmental***

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

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

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

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

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

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

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



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

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

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

#### *Governmental Fund Financial Statements*

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

#### H. Interfund Receivables and Payables

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

#### *Government-Wide Financial Statements*

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

#### *Fund Financial Statements*

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

#### I. Deferred Outflows/Inflows of Resources

##### *Government-Wide Financial Statements (Net Position)*

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



In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town did not have any items that qualify for reporting in this category.

#### J. Interfund Transfers

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

#### *Government-Wide Financial Statements*

Transfers between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net 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.

#### K. 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.

#### L. Net Position and Fund Equity

##### *Government-Wide Financial Statements (Net Position)*

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

Net position has been "restricted for" the following:

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

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

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

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



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

#### *Fund Financial Statements (Fund Balances)*

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

#### M. Long-term debt

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

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



*Governmental Fund Financial Statements*

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

N. 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.

O. 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.

P. 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.

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.



R. Fund Deficits

Fund deficits exist at June 30, 2013 within the nonmajor special revenue fund. These deficits will be funded through available funds and grants during fiscal year 2014.

**NOTE 2 – CASH AND INVESTMENTS**

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

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

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

Custodial Credit Risk – Deposits

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

At fiscal year-end, the carrying amount of deposits totaled \$44,914,732 and the bank balance totaled \$46,400,846. Of the bank balance, \$1,553,172 was covered by Federal Depository Insurance, \$43,630,263 was collateralized and \$1,217,411 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2013, the Town had the following investments:

	<u>Fair Value</u>
<u>Other Investments</u>	
Domestic Equity Securities.....	\$ 205,382
Money Market Mutual Funds.....	354,853
MMDT.....	<u>6,782,130</u>
Total Investments.....	<u>\$ 7,342,365</u>

MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 2 months. The Town's investment in MMDT is unrated.



Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's investments, \$205,382 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 investment in securities of any one issuer, except investments in securities of the U.S. Government, its agencies or instrumentalities, or in repurchase agreements collateralized fully by such obligations. No more than 25% may be invested in any one industry except there is no limitation on the percentage that may be invested in the financial services industry. With the exception of U.S. Treasury obligations or investments fully collateralized by U.S. Treasuries or agencies, and MMDT, no more than 10% of the Town's investments shall be invested in a single financial institution.

**NOTE 3 – RECEIVABLES**

At June 30, 2013, receivables for the individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate, personal property and tax deferrals .....	\$ 1,572,987	\$ (20,527)	\$ 1,552,460
Tax liens.....	1,045,144	-	1,045,144
Motor vehicle and other excise taxes.....	657,620	(66,705)	590,915
Departmental and other.....	785,182	(105,481)	679,701
Special assessments.....	693	-	693
Intergovernmental.....	12,309,966	-	12,309,966
Total.....	<u>\$ 16,371,592</u>	<u>\$ (192,713)</u>	<u>\$ 16,178,879</u>



At June 30, 2013, 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.....	\$ 3,163,469	\$ -	\$ 3,163,469
Special assessments.....	2,441,636	-	2,441,636
Intergovernmental.....	4,996,987	-	4,996,987
Total.....	<u>\$ 10,602,092</u>	<u>\$ -</u>	<u>\$ 10,602,092</u>

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

	General Fund	Other Governmental Funds	Total
<u>Receivable and other asset type:</u>			
Real estate and personal property taxes.....	\$ 1,281,087	\$ -	\$ 1,281,087
Tax liens.....	1,045,144	-	1,045,144
Motor vehicle and other excise.....	590,915	-	590,915
Departmental and other.....	679,701	-	679,701
Special assessments.....	693	-	693
Intergovernmental.....	7,748,370	2,215,225	9,963,595
Tax foreclosures.....	574,069	-	574,069
Total.....	<u>\$ 11,919,979</u>	<u>\$ 2,215,225</u>	<u>\$ 14,135,204</u>

Included in the deferred revenues above is approximately \$168,000 of advance collections for 2014 real estate taxes.



**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2013, was as follows:

**Governmental Activities**

	Beginning Balance (As Restated)	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 25,958,626	\$ 1,222,083	\$ -	\$ 27,180,709
Construction in progress.....	3,254,549	42,607,754	-	45,862,303
Total capital assets not being depreciated.....	29,213,175	43,829,837	-	73,043,012
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	358,490	-	-	358,490
Buildings and improvements.....	57,176,615	5,258,699	-	62,435,314
Machinery and equipment.....	14,218,198	487,440	(18,013)	14,687,625
Vehicles.....	3,555,558	690,717	-	4,246,275
Books, software and other.....	4,273,691	570,322	-	4,844,013
Infrastructure.....	56,435,022	1,172,389	-	57,607,411
Total capital assets being depreciated.....	136,017,574	8,179,567	(18,013)	144,179,128
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(358,490)	-	-	(358,490)
Buildings and improvements.....	(24,123,900)	(2,476,232)	-	(26,600,132)
Machinery and equipment.....	(11,758,733)	(544,778)	18,013	(12,285,498)
Vehicles.....	(2,547,417)	(441,114)	-	(2,988,531)
Books, software and other.....	(3,415,792)	(172,119)	-	(3,587,911)
Infrastructure.....	(20,088,320)	(1,989,925)	-	(22,078,245)
Total accumulated depreciation.....	(62,292,652)	(5,624,168)	18,013	(67,898,807)
Total capital assets being depreciated, net.....	73,724,922	2,555,399	-	76,280,321
Total governmental activities capital assets, net.....	\$ 102,938,097	\$ 46,385,236	\$ -	\$ 149,323,333



**Business-Type Activities**

	Beginning Balance (As Restated)	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 6,156,259	\$ 645,583	\$ -	\$ 6,801,842
Construction in progress.....	690,534	10,222	(690,534)	10,222
Total capital assets not being depreciated.....	6,846,793	655,805	(690,534)	6,812,064
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	14,235,747	1,401,313	-	15,637,060
Machinery and equipment.....	5,972,396	121,483	(90,759)	6,003,120
Vehicles.....	1,170,099	131,064	-	1,301,163
Infrastructure.....	78,355,150	2,808,479	-	81,163,629
Total capital assets being depreciated.....	99,733,392	4,462,339	(90,759)	104,104,972
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(7,813,221)	(403,975)	-	(8,217,196)
Machinery and equipment.....	(5,101,551)	(106,449)	90,759	(5,117,241)
Vehicles.....	(906,797)	(31,443)	-	(938,240)
Infrastructure.....	(32,127,929)	(1,420,017)	-	(33,547,946)
Total accumulated depreciation.....	(45,949,498)	(1,961,884)	90,759	(47,820,623)
Total capital assets being depreciated, net.....	53,783,894	2,500,455	-	56,284,349
Total business-type activities capital assets, net.....	\$ 60,630,687	\$ 3,156,260	\$ (690,534)	\$ 63,096,413

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

**Governmental Activities:**

General government.....	\$ 229,578
Public safety.....	669,777
Education.....	2,170,075
Public works.....	2,282,249
Culture and recreation.....	272,489
Total depreciation expense - governmental activities.....	\$ 5,624,168

**Business-Type Activities:**

Sewer.....	\$ 1,083,134
Water.....	827,712
Solid waste.....	51,038
Total depreciation expense - business-type activities.....	\$ 1,961,884



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

Inter-fund receivables and payables between funds at June 30, 2013, are summarized as follows:

Receivable Fund	Payable Fund	Amount
Airport Fund	Town General Revolving Fund	\$ 36,813 (1)
State Aid Fund	Town General Revolving Fund	106,474 (1)
		<u>\$ 143,287</u>

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

Interfund transfers for the fiscal year ended June 30, 2013, are summarized as follows:

Transfers Out:	Transfers In:			
	General Fund	Other Capital Projects	Nonmajor Governmental Funds	Total
General Fund.....	\$ -	\$ 791,042	\$ 272,224	\$ 1,063,266 (1)
Other Capital Projects.....	213,326	-	20,888	234,214 (2)
Nonmajor Governmental Funds.....	308,468	93,223	284,086	685,777 (3)
Water Enterprise Fund.....	-	89,000	-	89,000 (4)
Sewer Enterprise Fund.....	-	36,000	-	36,000 (4)
Total.....	<u>\$ 521,794</u>	<u>\$ 1,009,265</u>	<u>\$ 577,198</u>	<u>\$ 2,108,257</u>

- (1) Represents budgeted transfers from the General Fund to the Capital Projects Fund for various projects and to the nonmajor funds for property and liability insurance purposes.
- (2) Represents budgeted transfers from the Capital Project Fund for articles and school related compensated absences.
- (3) Represents various transfers from nonmajor funds to the General Fund and other transfers from the Town Receipts Reserved for Appropriation Fund and Permanent Fund to the Capital Project fund.
- (4) Represents budgeted transfers from the Water and Sewer Funds to the Capital Projects 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, 2013, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2012	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2013
<b>Governmental funds</b>							
BAN	Municipal Purpose.....	0.45%	12/2/2013	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
BAN	Municipal Purpose.....	0.75%	12/2/2013	-	13,706,000	-	13,706,000
	Total Short Term Debt.....			\$ -	\$ 14,706,000	\$ -	\$ 14,706,000

On December 2, 2013, the Town rolled \$14.7 million of BANS outstanding into a \$30.4 million BAN with an interest rate of 1% due on July 29, 2014.

**NOTE 7 - LONG-TERM DEBT**

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

The Town's bylaws currently provide for a split between the general fund and the sewer fund for the debt service requirements of certain (issuances prior to FY06) sewer long-term debt. The general fund and the sewer fund are each responsible for their 40% and 60% share of the debt service, respectively.



Details related to the Town's outstanding general obligation indebtedness at June 30, 2013, and the debt service requirements follow.

### Bonds Payable Schedule – Governmental Funds

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose Bonds 2003.....	2013	\$ 7,209,000	2.35	\$ 495,000	\$ -	\$ 495,000	\$ -
Municipal Purpose Sewer Bonds 2003.....	2013	204,000	2.35	20,000	-	20,000	-
Municipal Purpose Bonds 2005.....	2015	2,126,000	3.32	600,000	-	210,000	390,000
Municipal Purpose Sewer Bonds 2005.....	2015	280,000	3.32	84,000	-	28,000	56,000
MWPAT Sewer Bonds 2005.....	2023	3,380,916	0.00	2,220,423	-	186,168	2,034,255
Municipal Purpose Bonds 2007.....	2017	1,494,000	3.70	535,000	-	140,000	395,000
Municipal Purpose Bonds 2009.....	2019	4,196,000	2.00 - 3.00	2,245,000	-	475,000	1,770,000
Municipal Purpose Bonds 2010.....	2015	965,000	2.50 - 3.00	530,000	-	205,000	325,000
Municipal Purpose Refunding Bonds 2010.....	2021	12,351,400	2.50	10,827,790	-	1,277,410	9,550,380
Municipal Purpose Refunding Sewer Bonds 2010.....	2021	943,600	2.50	330,884	-	39,036	291,848
Municipal Purpose Bonds 2011.....	2021	5,353,000	2.00 - 5.00	4,770,000	-	757,778	4,012,222
Municipal Purpose Bonds 2012.....	2019	709,000	2.00-3.03	709,000	-	146,222	562,778
Municipal Purpose Bonds 2012.....	2032	3,892,000	2.43	3,892,000	-	-	3,892,000
Qualified Energy Conservation Bonds 2013.....	2023	5,000,000	3.03	1,900,000	3,100,000	-	5,000,000
Municipal Purpose Bonds 2013.....	2033	28,790,000	2.43	-	28,790,000	-	28,790,000
MWPAT Bonds 2013.....	2018	200,000	0.00	-	200,000	-	200,000
Total governmental bonds payable.....				29,159,097	32,090,000	3,979,614	57,269,483
Unamortized bond premium.....				-	3,576,363	-	3,576,363
Total Long Term Debt.....				\$ 29,159,097	\$ 35,666,363	\$ 3,979,614	\$ 60,845,846

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

Fiscal Year	Principal	Interest	Total
2014	\$ 5,778,789	\$ 2,456,474	\$ 8,235,263
2015	5,508,444	1,725,906	7,234,350
2016	5,015,734	1,590,123	6,605,857
2017	4,744,506	1,457,856	6,202,362
2018	4,375,728	1,314,754	5,690,482
2019 - 2023	16,366,282	4,298,433	20,664,715
2024 - 2028	7,800,000	1,877,400	9,677,400
2029 - 2033	7,680,000	570,600	8,250,600
Total	\$ 57,269,483	\$ 15,291,546	\$ 72,561,029

The Town issued \$5 million of Qualified Energy Conservation bonds at an interest rate of 3.03%, maturing through 2023. The bonds are federally taxable and will receive a cash subsidy from the United States Department of Treasury in an amount equal to the stated interest rate.

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 \$529,842 and interest costs for \$306,056. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$1,955,454. The principal subsidies are guaranteed and therefore a \$571,842 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 2013 principal and interest subsidies totaled \$41,542 and \$73,180, 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 2013, approximately \$1,113,000 of such assistance was received. Approximately \$8,903,000 will be received in future fiscal years. Of this amount, approximately \$1,684,000 represents reimbursement of long-term interest costs, and approximately \$7,219,000 represents reimbursement of approved construction costs. Accordingly, \$7,219,000 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.

The Commonwealth has modified the method for funding new projects in the school building assistance program. Under the new program, the assistance is paid to support the State's share of construction costs as they are incurred, therefore eliminating the need for the Town to fund the State's share through long-term debt. The Marshfield High School project is being partially funded by this program. The Town received \$14,868,544 of reimbursements in fiscal 2013 and submitted an additional request of \$2,256,792 for reimbursement of construction costs incurred through June 20, 2013. Accordingly, the Town has recorded an intergovernmental receivable totaling \$2,256,792 as of June 30, 2013.

#### Bonds Payable Schedule – Sewer Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose Bonds 2003.....	2013	\$ 306,000	2.35	\$ 30,000	\$ -	\$ 30,000	\$ -
Municipal Purpose Bonds 2005.....	2015	420,000	3.32	496,326	-	58,554	437,772
MWPAT Bonds 2005.....	2023	5,071,373	2.00	3,330,636	-	279,253	3,051,383
Municipal Purpose Refunding Bonds 2010.....	2021	566,160	0.00	126,000	-	42,000	84,000
Municipal Purpose Bonds 2011.....	2021	451,000	2.00 - 5.00	385,000	-	60,000	325,000
Municipal Purpose Bonds 2012.....	2017	58,000	2.00	58,000	-	18,000	40,000
MWPAT Bonds 2013.....	2033	5,450,000	2.00	-	5,450,000	-	5,450,000
Total Long Term Debt.....				\$ 4,425,962	\$ 5,450,000	\$ 487,807	\$ 9,388,155

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
2014	\$ 677,396	\$ 227,017	\$ 904,413
2015	690,039	239,821	929,860
2016	657,151	216,434	873,585
2017	647,642	192,622	840,264
2018	651,036	173,374	824,410
2019 - 2023	3,048,065	553,711	3,601,776
2024 - 2028	1,427,410	245,814	1,673,224
2029 - 2033	1,589,416	96,732	1,686,148
Total	\$ 9,388,155	\$ 1,945,525	\$ 11,333,680



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 \$794,764 and interest costs for \$459,086. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$2,933,177. The principal subsidies are guaranteed and therefore a \$794,764 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 2013 principal and interest subsidies totaled \$62,312 and \$109,770, respectively.

### Bonds Payable Schedule – Water Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose Bonds 2005.....	2015	\$ 340,000	3.32	\$ 95,000	\$ -	\$ 35,000	\$ 60,000
Municipal Purpose Bonds 2007.....	2017	2,131,000	3.70	1,055,000	-	215,000	840,000
MWPAT Bonds 2009.....	2024	2,500,000	2.00	2,051,001	-	152,748	1,898,253
Municipal Purpose Bonds 2011.....	2026	3,492,000	2.00 - 5.00	3,245,000	-	315,000	2,930,000
Municipal Purpose Bonds 2012.....	2033	1,685,000	2.43	1,685,000	-	-	1,685,000
Municipal Purpose Bonds 2013.....	2033	1,280,000	2.43	-	1,280,000	-	1,280,000
Total water bonds payable.....				8,131,001	1,280,000	717,748	8,693,253
Unamortized bond premium.....				-	323,660	-	323,660
Total bonds payable.....				\$ 8,131,001	\$ 1,603,660	\$ 717,748	\$ 9,016,913

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

Fiscal Year	Principal	Interest	Total
2014	\$ 890,834	\$ 337,385	\$ 1,228,219
2015	883,982	258,770	1,142,752
2016	857,194	230,808	1,088,002
2017	830,471	204,032	1,034,503
2018	623,813	176,064	799,877
2019 - 2023	2,701,622	575,868	3,277,490
2024 - 2028	1,280,337	190,403	1,470,740
2029 - 2033	625,000	46,875	671,875
Total	\$ 8,693,253	\$ 2,020,205	\$ 10,713,458



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, 2013, the Town had the following authorized and unissued debt:

Purpose	Amount
Seawalls & Riprap.....	\$ 4,270,000
Emergency Repairs - Nemo.....	2,723,764
Replace Fire Engine.....	464,000
Purchase Gator Vehicle.....	27,000
Highland Street Water Main Replacement.....	15,000
Pine Street Water Main Replacement.....	520,000
Stormwater NDPEs.....	50,000
High School Feasibility Study.....	1,402,000
Construction Harbormaster Building.....	1,400,000
Fuel Depot.....	400,000
Pudding Hill Tank Construction.....	500,000
Airport Safety Improvements/Bass Creek.....	200,000
New High School.....	71,438,839
Purchase Tasers & Training.....	98,000
Breathing Apparatus.....	132,000
Police Communications Tower.....	103,000
Replace Paramedic Ambulance.....	187,000
Dribeek Way Bridge Repairs.....	760,000
Seawalls Hurricane Study.....	250,000
Replace DPW Pick Up Trucks #31 & #68.....	10,000
Microsoft Office 2010 Upgrades.....	45,000
Workstation & Laptop Replacement.....	29,000
South River Dredging.....	200,000
Harbor Plan.....	26,000
Facility Assessment.....	182,000
Plow with Sander.....	45,000
Master Plan.....	113,000
Septic Loan Program.....	200,000
Massasoit Fire Plans.....	3,500,000
Replace FBMS Bleachers.....	52,000
Replace Absbestos Flooring SRS.....	100,000
Fairgrounds Pump Station & Well.....	1,450,000
South River Street Water Main.....	400,000
Road Reconstruction.....	200,000
Replace 1994 Plow & Boom Mover.....	105,000
Pump Station Upgrades.....	1,550,000
Meter Replacement.....	225,000
Horizontal Grinder.....	175,000
Total.....	\$ <u>93,547,603</u>



Changes in Long-term Liabilities

During the fiscal year ended June 30, 2013, the following changes occurred in long-term liabilities:

	Balance June 30, 2012	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Balance June 30, 2013	Due Within One Year
<b>Governmental Activities:</b>							
Long-Term Bonds.....	\$ 29,159,097	\$ 32,090,000	\$ (3,979,614)	\$ -	\$ -	\$ 57,269,483	\$ 5,778,789
Unamortized Bond Premium.....	-	3,576,363	-	-	-	3,576,363	506,317
Other Postemployment Benefits.....	18,762,180	-	-	5,356,903	(1,912,791)	22,206,292	-
Compensated Absences.....	4,503,000	-	-	1,340,000	(1,569,000)	4,274,000	1,537,000
Total Governmental Activities.....	<u>52,424,277</u>	<u>35,666,363</u>	<u>(3,979,614)</u>	<u>6,696,903</u>	<u>(3,481,791)</u>	<u>87,326,138</u>	<u>7,822,106</u>
<b>Business Type Activities:</b>							
Long-Term Bonds and Notes.....	12,556,963	6,730,000	(1,205,555)	-	-	18,081,408	1,568,230
Unamortized Bond Premium.....	-	323,660	-	-	-	323,660	50,362
Other Postemployment Benefits.....	969,813	-	-	224,279	(47,075)	1,147,017	-
Compensated Absences.....	202,843	-	-	148,669	(149,843)	201,669	148,669
Landfill Closure.....	493,500	-	-	-	(28,200)	465,300	28,200
Total Business Type Activities.....	<u>14,223,119</u>	<u>7,053,660</u>	<u>(1,205,555)</u>	<u>372,948</u>	<u>(225,118)</u>	<u>20,219,054</u>	<u>1,795,461</u>
Total.....	<u>\$ 66,647,396</u>	<u>\$ 42,720,023</u>	<u>\$ (5,185,169)</u>	<u>\$ 7,069,851</u>	<u>\$ (3,706,909)</u>	<u>\$ 107,545,192</u>	<u>\$ 9,617,567</u>

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

**NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

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

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

At year end the balance of the General Stabilization Fund is \$2,224,621 and is reported as unassigned fund balance within the General Fund.

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



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

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

As of June 30, 2013, the governmental fund balances consisted of the following:

	Governmental Funds					Total Governmental Funds
	General	Community Preservation Fund	High School Capital Projects	Other Capital Projects	Nonmajor Governmental Funds	
Fund Balances						
Nonspendable:						
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	1,150,207	\$ 1,150,207
Restricted for:						
Community preservation fund.....	-	3,035,790	-	-	-	3,035,790
High School Capital projects.....	-	-	3,906,205	-	-	3,906,205
School state and federal grants.....	-	-	-	-	795,163	795,163
Town state and federal grants.....	-	-	-	-	165,964	165,964
Town general revolving.....	-	-	-	-	578,056	578,056
School general revolving.....	-	-	-	-	283,399	283,399
Other.....	-	-	-	-	824,399	824,399
Permanent funds.....	-	-	-	-	1,066,010	1,066,010
Debt exclusion.....	3,279,293	-	-	-	-	3,279,293
Committed to:						
Postemployment benefits.....	-	-	-	-	63,209	63,209
Assigned to:						
General government.....	2,923	-	-	-	-	2,923
Public safety.....	1,084	-	-	-	-	1,084
Education.....	105,107	-	-	-	-	105,107
Public works.....	9,979	-	-	-	-	9,979
Human services.....	10,000	-	-	-	-	10,000
Unemployment compensation.....	6,753	-	-	-	-	6,753
Employee benefits.....	20,050	-	-	-	-	20,050
Utilities.....	6,811	-	-	-	-	6,811
Unclassifieds.....	980	-	-	-	-	980
Unassigned.....	4,614,690	-	-	(1,167,964)	(240,980)	3,205,746
Total Fund Balances (Deficits).....	\$ 8,057,670	\$ 3,035,790	\$ 3,906,205	\$ (1,167,964)	\$ 4,685,427	\$ 18,517,128



**NOTE 9 – RISK FINANCING**

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

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

In the event of the dissolution of the JPA or if the assets of the JPA are insufficient to pay claims which occur, the Town remains liable for its proportionate share. At June 30, 2012 (based on the most recent audited information available), the Mayflower Municipal Health Group had an ending net position of approximately \$21 million which appears sufficient to support its on-going claim liabilities.

**NOTE 10 – PENSION PLAN**

*Plan Description* - The Town contributes to the Plymouth County Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled \$10,232,000 for the fiscal year ended June 30, 2013, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

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 234, 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, 2013, 2012, and 2011 were \$4,284,050, \$3,734,965, and \$3,767,038 respectively, which equaled its required contribution for each fiscal year.



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

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

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

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

At June 30, 2013, the Plan's membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	393
Current active members.....	<u>866</u>
Total.....	<u><u>1,259</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, 2013, 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 \$1,960,000 during fiscal year 2013 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.....	\$ 4,869,389
Interest on net OPEB obligation.....	789,280
Adjustments to annual required contribution.....	<u>(77,487)</u>
Annual OPEB cost/expense.....	5,581,182
Contributions made.....	<u>(1,959,866)</u>
Increase/(Decrease) in net OPEB obligation.....	3,621,316
Net OPEB obligation - beginning of year.....	<u>19,731,993</u>
Net OPEB obligation - end of year.....	<u>\$ 23,353,309</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 2013 and the two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 5,581,182	35%	\$ 23,353,309
6/30/2012	5,712,604	42%	19,731,993
6/30/2011	5,429,874	40%	16,415,462

*Funded Status and Funding Progress* — the funded status of the Plan as of the most recent actuarial valuation date, July 1, 2012, is as follows:

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2012	\$ -	\$ 72,909,973	\$ 72,869,091	0.00%	\$ 53,243,257	136.94%

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



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

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

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

**Actuarial Assumptions:**

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

## **NOTE 12 – LANDFILL CLOSURE**

State and federal laws and regulations require the Town to construct a final capping system on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town closed and capped its landfill in fiscal 1995. The Town has reflected a \$465,300 post-closure care liability at June 30, 2013 as an obligation of the solid waste enterprise fund. This amount is based upon estimates of what it would cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Its cost was estimated based on semi-annual sampling for the current monitoring network at the site and estimated costs to maintain the integrity of the landfill cap during the post-closure period.

## **NOTE 13 – COMMITMENTS**

During fiscal year 2013, the Town authorized \$16.3 million in new debt for capital projects. This authorization includes \$3.5 million for a new fire station, \$4.3 million for seawall design, and construction and \$620,000 for bridge repairs.

Additionally, the Town authorized \$2.7 million for emergency expenditures resulting from the state of emergency declared in February 2013 relevant to the Blizzard of 2013 also known as Nemo. The Town expects a portion of the debt authorization for the emergency expenditures to be offset by federal and state emergency assistance revenue from both the Massachusetts Emergency Management Administration (MEMA) and the Federal Emergency Management Administration (FEMA).

The Town is in the process of constructing a new high school. The Town voted to authorize \$101.4 million for the project and has been approved by the Massachusetts School building Authority (MSBA) for reimbursement of 55.61% of the eligible costs associated with these projects. The project is estimated to have a final cost of \$53.6 million. During fiscal 2013 the Town spent approximately \$42.6 million and issued \$27.9 million of long term bonds.



**NOTE 14 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2013, 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, 2013, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2013.

**NOTE 15 – RESTATEMENT OF NET POSITION**

During fiscal year 2013 the Town completed the process of installing a new capital asset accounting module. As part of that process the beginning net position for the Governmental Activities and Business-type Activities were restated in the amount of approximately (\$2.1) million and \$1 million, respectively to reclassify and correct certain capital assets previously duplicated.

**NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2013, the following GASB pronouncements were implemented:

- GASB Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #61, *The Financial Reporting Entity: Omnibus*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Financial statement changes include net assets changing to net position and invested in capital assets, net of related debt changing to net investment in capital assets. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.
- GASB Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The implementation of this pronouncement did not impact the basic financial statements.

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

- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in fiscal year 2015.



- The GASB issued Statement #69, Government Combinations and Disposals of Government Operations, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, which is required to be implemented in fiscal year 2014.

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



## ***Required Supplementary Information***



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

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



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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 50,668,248	\$ 50,668,248	\$ 50,153,451	\$ -	\$ (514,797)
Tax liens.....	-	-	522,818	-	522,818
Motor vehicle and other excise taxes.....	2,938,500	2,938,500	3,241,603	-	303,103
Charges for services.....	950,000	950,000	999,266	-	49,266
Penalties and interest on taxes.....	303,216	303,216	362,061	-	58,845
Payments in lieu of taxes.....	31,000	-	-	-	-
Intergovernmental.....	17,072,026	17,072,026	17,354,413	-	282,387
Departmental and other.....	957,000	957,000	1,088,496	-	131,496
Investment income.....	31,000	31,000	41,489	-	10,489
<b>TOTAL REVENUES.....</b>	<b>72,950,990</b>	<b>72,919,990</b>	<b>73,763,597</b>	<b>-</b>	<b>843,607</b>
<b>EXPENDITURES:</b>					
<b>GENERAL GOVERNMENT</b>					
Moderator.....	92	92	92	-	-
Selectmen:					
Salaries.....	257,132	251,347	247,801	-	3,546
Expenditures.....	220,460	226,244	226,244	-	-
Elected officials.....	3,417	3,417	3,417	-	-
Town COLA'S.....	-	60,000	60,000	-	-
<b>TOTAL.....</b>	<b>481,009</b>	<b>541,008</b>	<b>537,462</b>	<b>-</b>	<b>3,546</b>
Facilities Manager					
Salaries.....	250,000	418,311	387,030	2,923	28,358
Town Accountant:					
Salaries.....	175,197	178,858	178,858	-	-
Expenditures.....	3,939	3,939	3,939	-	-
<b>TOTAL.....</b>	<b>179,136</b>	<b>182,797</b>	<b>182,797</b>	<b>-</b>	<b>-</b>
Assessors:					
Salaries.....	214,111	218,886	218,886	-	-
Expenditures.....	69,831	69,831	69,810	-	21
Elected officials.....	3,687	3,687	3,687	-	-
<b>TOTAL.....</b>	<b>287,629</b>	<b>292,404</b>	<b>292,383</b>	<b>-</b>	<b>21</b>
Treasurer/Collector:					
Salaries.....	339,556	339,556	338,198	-	1,358
Expenditures.....	35,079	35,079	34,834	-	245
Tax title.....	-	20,313	20,313	-	-
<b>TOTAL.....</b>	<b>374,635</b>	<b>394,948</b>	<b>393,345</b>	<b>-</b>	<b>1,603</b>
Annual Audit:					
Expenditures.....	60,000	60,000	60,000	-	-
Legal:					
Expenditures.....	170,000	95,346	95,346	-	-
Information Technology:					
Salaries.....	148,490	156,656	156,656	-	-
Expenditures.....	158,023	158,023	154,110	-	3,913
<b>TOTAL.....</b>	<b>306,513</b>	<b>314,679</b>	<b>310,766</b>	<b>-</b>	<b>3,913</b>
Town Clerk:					
Salaries.....	51,732	53,169	48,209	-	4,960
Expenditures.....	4,110	4,110	3,815	-	295
Elected officials.....	54,490	54,490	54,490	-	-
<b>TOTAL.....</b>	<b>110,332</b>	<b>111,769</b>	<b>106,514</b>	<b>-</b>	<b>5,255</b>
Elections:					
Expenditures.....	65,450	65,450	64,563	-	887
Conservation Commission:					
Salaries.....	98,885	109,526	109,526	-	-
Expenditures.....	8,580	8,580	8,580	-	-
<b>TOTAL.....</b>	<b>107,465</b>	<b>118,106</b>	<b>118,106</b>	<b>-</b>	<b>-</b>
Planning Board:					
Salaries.....	121,284	122,439	122,402	-	37
Expenditures.....	1,898	1,898	1,898	-	-
Elected officials.....	1,120	1,120	937	-	183
<b>TOTAL.....</b>	<b>124,302</b>	<b>125,457</b>	<b>125,237</b>	<b>-</b>	<b>220</b>

(Continued)



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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Zoning Board of Appeals:					
Salaries.....	27,589	27,589	26,709	-	880
Expenditures.....	1,880	1,880	1,235	-	645
TOTAL.....	29,469	29,469	27,944	-	1,525
Reserve Fund.....	100,000	5,527	-	-	5,527
Total General Government.....	2,646,032	2,755,363	2,701,585	2,923	50,855
PUBLIC SAFETY					
Police:					
Salaries.....	3,713,254	4,048,053	4,008,554	-	39,499
Expenditures.....	252,596	290,610	288,978	720	912
TOTAL.....	3,965,850	4,338,663	4,297,532	720	40,411
Fire:					
Salaries.....	4,142,326	4,258,589	4,179,886	-	78,703
Expenditures.....	373,134	448,195	442,554	364	5,277
TOTAL.....	4,515,460	4,706,784	4,622,440	364	83,980
Building Inspection:					
Salaries.....	237,079	257,079	254,647	-	2,432
Expenditures.....	7,184	7,184	6,905	-	279
TOTAL.....	244,263	264,263	261,552	-	2,711
Sealer of Weights/Measures:					
Expenditures.....	5,000	5,000	5,000	-	-
Animal Control:					
Salaries.....	48,373	49,636	48,514	-	1,122
Expenditures.....	10,064	10,064	9,014	-	1,050
TOTAL.....	58,437	59,700	57,528	-	2,172
Animal Inspector:					
Salaries.....	1,800	1,800	1,800	-	-
Harbor Master:					
Salaries.....	93,000	93,000	93,000	-	-
Expenditures.....	50,500	50,500	49,730	-	770
TOTAL.....	143,500	143,500	142,730	-	770
Total Public Safety.....	8,934,310	9,519,710	9,388,582	1,084	130,044
EDUCATION					
Public Schools:					
Salaries and Expenditures.....	41,433,196	41,614,001	41,481,699	105,107	27,195
PUBLIC WORKS					
Department of Public Works:					
Salaries.....	1,588,775	1,637,902	1,599,721	-	38,181
Expenditures.....	595,701	595,702	561,420	9,979	24,303
Elected officials.....	2,180	2,180	1,481	-	699
TOTAL.....	2,186,656	2,235,784	2,162,622	9,979	63,183
Snow and Ice:					
Salaries.....	105,000	105,000	157,723	-	(52,723)
Expenditures.....	317,594	464,235	388,918	-	75,317
TOTAL.....	422,594	569,235	546,641	-	22,594
Automotive Fuel:					
Expenditures.....	405,374	441,942	441,942	-	-
Total Public Works.....	3,014,624	3,246,961	3,151,205	9,979	85,777
HUMAN SERVICES					
Health:					
Salaries.....	183,775	185,438	172,603	-	12,835
Expenditures.....	24,117	24,117	24,044	-	73
Elected officials.....	1,460	1,460	1,460	-	-
TOTAL.....	209,352	211,015	198,107	-	12,908
Council on Aging:					
Salaries.....	182,335	183,507	174,170	-	9,337
Expenditures.....	22,351	22,351	22,351	-	-
TOTAL.....	204,686	205,858	196,521	-	9,337

(Continued)



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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Veterans:					
Salaries.....	70,104	76,308	76,702	-	(394)
Expenditures.....	405,065	405,065	327,163	10,000	67,902
TOTAL.....	475,169	481,373	403,865	10,000	67,508
Total Human Services.....	889,207	898,246	798,493	10,000	89,753
CULTURE AND RECREATION					
Library:					
Salaries.....	510,880	517,508	517,508	-	-
Expenditures.....	115,750	115,750	114,442	-	1,308
TOTAL.....	626,630	633,258	631,950	-	1,308
Recreation:					
Salaries.....	65,865	75,022	75,022	-	-
Expenditures.....	1,532	1,532	1,495	-	37
TOTAL.....	67,397	76,554	76,517	-	37
Trustees of Soldiers Memorial:					
Expenditures.....	9,580	9,580	9,580	-	-
Historical Commission:					
Expenditures.....	3,780	3,780	2,620	-	1,160
Clam Flats:					
Salaries.....	2,000	2,000	2,000	-	-
Expenditures.....	1,000	1,000	1,000	-	-
TOTAL.....	3,000	3,000	3,000	-	-
Total Culture and Recreation.....	710,387	726,172	723,667	-	2,505
Business insurance.....	747,205	678,234	677,091	-	1,143
Unemployment Compensation.....	150,036	100,036	74,278	6,753	19,005
Retirement.....	4,285,250	4,285,250	4,285,250	-	-
Employee Benefits.....	5,586,655	5,564,450	5,479,141	20,050	65,259
Medicare.....	675,000	675,000	665,129	-	9,871
State and County Assessment.....	735,255	735,255	735,255	-	-
Utilities.....	397,558	424,047	417,236	6,811	-
Unclassified:					
Salaries.....	1,000	1,000	807	-	193
Expenditures.....	30,876	30,876	27,884	980	2,012
TOTAL.....	31,876	31,876	28,691	980	2,205
Debt Service Principal.....	3,979,614	3,979,614	3,979,614	-	-
Debt Service Interest.....	793,386	764,386	837,153	-	(72,767)
TOTAL EXPENDITURES.....	75,009,591	75,998,601	75,424,069	163,687	410,845
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,058,601)	(3,078,611)	(1,660,472)	(163,687)	1,254,452
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	3,576,363	-	(3,576,363)
Transfers in.....	1,793,845	1,793,845	1,793,845	-	-
Transfers out.....	(29,250)	(978,375)	(978,375)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	1,764,595	815,470	4,391,833	-	(3,576,363)
NET CHANGE IN FUND BALANCE.....	(294,006)	(2,263,141)	2,731,361	(163,687)	4,830,815
BUDGETARY FUND BALANCE, Beginning of year.....	2,878,661	2,878,661	2,878,661	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 2,584,655	\$ 615,520	\$ 5,610,022	\$ (163,687)	\$ 4,830,815

See notes to required supplementary information.

(Concluded)



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

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

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

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



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

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2012	\$ -	\$ 72,909,973	\$ 72,909,973	0.00%	\$ 53,243,257	136.94%
6/30/2011	-	82,246,204	82,246,204	0.00%	51,297,584	160.33%
12/31/2009	-	82,656,569	82,636,401	0.00%	50,324,651	164.25%
6/30/2008	-	62,050,000	62,050,000	0.00%	43,781,000	141.73%

**Schedule of Employer Contributions**

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2013	\$ 4,869,389	\$ 1,959,866	40.2%
2012	5,593,642	2,396,073	42.8%
2011	5,334,440	2,183,210	40.9%
2010	5,752,977	2,160,174	37.5%
2009	6,437,000	1,479,719	23.0%
2008	6,060,000	1,411,481	23.3%

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

See notes to required supplementary information.



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

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Actuarial Methods:

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

Actuarial Assumptions:

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

Plan Membership:

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

See notes to required supplementary information.



# ***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)
01/01/13	\$ 666,899,774	\$ 1,319,764,989	\$ 652,865,215	50.5%	\$ 238,655,485	273.6%
01/01/11	666,730,812	1,187,447,414	520,716,602	56.1%	228,289,638	228.1%
01/01/10	673,709,456	1,132,847,379	459,137,923	59.5%	227,507,647	201.8%
01/01/09	579,877,224	1,159,210,636	579,333,412	50.0%	264,541,078	219.0%
01/01/08	683,819,938	1,056,020,215	372,200,277	64.8%	252,682,832	147.3%
01/01/07	606,629,089	987,840,418	381,211,329	61.4%	244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%

The Town's share of the UAAL from the January 1, 2013 actuarial valuation is approximately \$52.5 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	
2013	\$ 54,966,177	\$ 54,966,177	100%	\$ 4,284,050	7.79%	
2012	52,815,431	52,815,431	100%	3,734,965	7.07%	
2011	46,850,764	46,850,764	100%	3,767,038	8.04%	
2010	42,708,712	42,708,712	100%	3,297,646	7.72%	
2009	41,286,384	41,286,384	100%	3,191,916	7.73%	
2008	38,854,868	38,854,868	100%	3,057,826	7.87%	
2007	34,085,524	34,085,524	100%	2,480,898	7.28%	
2006	30,795,767	30,795,767	100%	2,220,919	7.21%	

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

See notes to required supplementary information.



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

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

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

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

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2013 approved budget authorized approximately \$75 million in appropriations and other amounts to be raised.

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

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2013, is presented below:

Net change in fund balance, budgetary basis.....	\$ 2,731,361
<u>Perspective difference:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	(79,840)
<u>Basis of accounting differences:</u>	
Net change in recording revenue accruals.....	(29,404)
Net change in recording tax refunds payable.....	(126,937)
Net change in expenditure accruals.....	171,096
Recognition of revenue for on-behalf payments.....	10,232,000
Recognition of expenditures for on-behalf payments.....	<u>(10,232,000)</u>
Net change in fund balance - GAAP basis.....	\$ <u><u>2,666,276</u></u>



Appropriation Deficits

During fiscal year 2013, the Town reported appropriation deficits in the public works department snow and ice budget, in human services department veteran's budget, and in debt service interest. These deficits will be raised on the Town's 2014 tax recapitulation sheet.

**NOTE B – PENSION PLAN**

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

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

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

## Actuarial Methods and Assumptions:

Valuation Date.....	January 1, 2013
Actuarial Cost Method.....	Entry Age Normal Cost Method
Amortization Method.....	Increasing at 4.0% per year
Remaining Amortization Period.....	21 years remaining as of January 1, 2013.
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 of assets is determined using a five-year smoothing of assets returns greater than or less than the assumed rate of return, with a 20% corridor.

## Actuarial Assumptions:

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

## Plan Membership:

Retired participants and beneficiaries receiving benefits.....	3,228
Inactive participants.....	2,108
Disabled.....	360
Active participants.....	<u>5,729</u>
Total.....	<u><u>11,425</u></u>



**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

Projections of benefits for financial reporting purposes are based on the substantive plan and included the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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



## ***Combining Statements***



## Nonmajor Governmental Funds

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

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

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

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

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

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

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

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

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

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

### ***Permanent Funds***

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

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



**NONMAJOR GOVERNMENTAL FUNDS**  
COMBINING BALANCE SHEET

JUNE 30, 2013

	<b>Special Revenue Funds</b>			
	School State & Federal Grants	Town State & Federal Grants	Airport	Town General Revolving
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 886,819	\$ 170,728	\$ -	\$ 447,622
Investments.....	-	-	-	-
Receivables, net of uncollectibles:				
Intergovernmental.....	-	-	17,433	-
Due from other funds.....	-	-	-	143,287
<b>TOTAL ASSETS.....</b>	<b>\$ 886,819</b>	<b>\$ 170,728</b>	<b>\$ 17,433</b>	<b>\$ 590,909</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Warrants payable.....	\$ 18,412	\$ 4,255	\$ 204,167	\$ 9,394
Accrued payroll.....	73,244	509	-	3,459
Deferred revenues.....	-	-	17,433	-
Due to other funds.....	-	-	36,813	-
<b>TOTAL LIABILITIES.....</b>	<b>91,656</b>	<b>4,764</b>	<b>258,413</b>	<b>12,853</b>
<b>FUND BALANCES:</b>				
Nonspendable.....	-	-	-	-
Restricted.....	795,163	165,964	-	578,056
Committed.....	-	-	-	-
Unassigned.....	-	-	(240,980)	-
<b>TOTAL FUND BALANCES.....</b>	<b>795,163</b>	<b>165,964</b>	<b>(240,980)</b>	<b>578,056</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 886,819</b>	<b>\$ 170,728</b>	<b>\$ 17,433</b>	<b>\$ 590,909</b>



<b>Special Revenue Funds</b>							Total Nonmajor Governmental Funds
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	Permanent Fund		
\$ 304,784	\$ -	\$ 63,209	\$ 853,273	\$ 2,726,435	\$ 2,011,798	\$	4,738,233
-	-	-	-	-	205,382		205,382
-	1,648,502	-	-	1,665,935	-		1,665,935
-	-	-	-	143,287	-		143,287
<u>\$ 304,784</u>	<u>\$ 1,648,502</u>	<u>\$ 63,209</u>	<u>\$ 853,273</u>	<u>\$ 4,535,657</u>	<u>\$ 2,217,180</u>	<u>\$</u>	<u>6,752,837</u>
\$ 15,616	\$ -	\$ -	\$ 11,955	\$ 263,799	\$ 963	\$	264,762
5,769	-	-	16,919	99,900	-		99,900
-	1,542,028	-	-	1,559,461	-		1,559,461
-	106,474	-	-	143,287	-		143,287
<u>21,385</u>	<u>1,648,502</u>	<u>-</u>	<u>28,874</u>	<u>2,066,447</u>	<u>963</u>		<u>2,067,410</u>
-	-	-	-	-	1,150,207		1,150,207
283,399	-	-	824,399	2,646,981	1,066,010		3,712,991
-	-	63,209	-	63,209	-		63,209
-	-	-	-	(240,980)	-		(240,980)
<u>283,399</u>	<u>-</u>	<u>63,209</u>	<u>824,399</u>	<u>2,469,210</u>	<u>2,216,217</u>		<u>4,685,427</u>
<u>\$ 304,784</u>	<u>\$ 1,648,502</u>	<u>\$ 63,209</u>	<u>\$ 853,273</u>	<u>\$ 4,535,657</u>	<u>\$ 2,217,180</u>	<u>\$</u>	<u>6,752,837</u>



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

FISCAL YEAR ENDED JUNE 30, 2013

	<b>Special Revenue Funds</b>			
	<u>School State &amp; Federal Grants</u>	<u>Town State &amp; Federal Grants</u>	<u>Airport</u>	<u>Town General Revolving</u>
<b>REVENUES:</b>				
Charges for services.....	\$ -	\$ -	\$ 29,725	\$ -
Intergovernmental.....	2,572,796	484,922	997,926	435,739
Departmental and other.....	-	-	-	518,386
Contributions.....	-	-	-	-
Investment income.....	-	-	-	-
<b>TOTAL REVENUES.....</b>	<u>2,572,796</u>	<u>484,922</u>	<u>1,027,651</u>	<u>954,125</u>
<b>EXPENDITURES:</b>				
Current:				
General government.....	-	4,727	1,157,116	157,551
Public safety.....	-	98,917	-	391,961
Education.....	2,475,884	-	-	-
Public works.....	-	398,970	-	4,272
Health and human services.....	-	36,001	-	17,308
Culture and recreation.....	-	26,758	-	300,710
<b>TOTAL EXPENDITURES.....</b>	<u>2,475,884</u>	<u>565,373</u>	<u>1,157,116</u>	<u>871,802</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<u>96,912</u>	<u>(80,451)</u>	<u>(129,465)</u>	<u>82,323</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in.....	-	96,668	-	-
Transfers out.....	-	(13,781)	-	(395,116)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<u>-</u>	<u>82,887</u>	<u>-</u>	<u>(395,116)</u>
<b>NET CHANGE IN FUND BALANCES (Deficits).....</b>	<u>96,912</u>	<u>2,436</u>	<u>(129,465)</u>	<u>(312,793)</u>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<u>698,251</u>	<u>163,528</u>	<u>(111,515)</u>	<u>890,849</u>
<b>FUND BALANCES AT END OF YEAR.....</b>	<u>\$ 795,163</u>	<u>\$ 165,964</u>	<u>\$ (240,980)</u>	<u>\$ 578,056</u>



<b>Special Revenue Funds</b>						
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	Permanent Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 29,725	\$ -	\$ 29,725
241,980	574,912	-	115,031	5,423,306	-	5,423,306
1,270,964	-	-	712,394	2,501,744	-	2,501,744
-	-	-	310,151	310,151	72,598	382,749
-	-	2,622	-	2,622	38,163	40,785
<u>1,512,944</u>	<u>574,912</u>	<u>2,622</u>	<u>1,137,576</u>	<u>8,267,548</u>	<u>110,761</u>	<u>8,378,309</u>
-	-	-	38,070	1,357,464	26,543	1,384,007
-	-	-	21,613	512,491	31,084	543,575
1,525,206	-	-	379,009	4,380,099	-	4,380,099
-	574,912	-	39,259	1,017,413	-	1,017,413
-	-	-	88,677	141,986	-	141,986
-	-	-	280,412	607,880	-	607,880
<u>1,525,206</u>	<u>574,912</u>	<u>-</u>	<u>847,040</u>	<u>8,017,333</u>	<u>57,627</u>	<u>8,074,960</u>
(12,262)	-	2,622	290,536	250,215	53,134	303,349
-	-	20,000	366,430	483,098	94,100	577,198
-	-	-	(178,668)	(587,565)	(98,212)	(685,777)
-	-	20,000	187,762	(104,467)	(4,112)	(108,579)
(12,262)	-	22,622	478,298	145,748	49,022	194,770
<u>295,661</u>	<u>-</u>	<u>40,587</u>	<u>346,101</u>	<u>2,323,462</u>	<u>2,167,195</u>	<u>4,490,657</u>
<u>\$ 283,399</u>	<u>\$ -</u>	<u>\$ 63,209</u>	<u>\$ 824,399</u>	<u>\$ 2,469,210</u>	<u>\$ 2,216,217</u>	<u>\$ 4,685,427</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, 2013**

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	Agency Accounts June 30, 2012	Additions	Deletions	Agency Accounts June 30, 2013
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 1,386,200	\$ 22,387,037	\$ (22,402,240)	\$ 1,370,997
<b>LIABILITIES</b>				
Liabilities due depositors.....	\$ 1,386,200	\$ 22,387,037	\$ (22,402,240)	\$ 1,370,997



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# *Statistical Section*



*The Town purchased eight acres of forest land with Community Preservation funds which directly abuts the several hundred acre Carolina Hills Conservation area.*



## **Statistical Section**

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

### ***Financial Trends***

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

### ***Revenue Capacity***

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

### ***Debt Capacity***

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

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

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

### ***Operating Information***

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

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



**Net Position By Component**

**Last Ten Fiscal Years**

		Fiscal Year									
		2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities											
Net investment in capital assets.....	\$	78,634,176	\$ 78,517,309	\$ 83,996,510	\$ 85,996,195	\$ 71,485,319	\$ 80,444,484	\$ 85,564,870	\$ 86,773,388	\$ 88,902,106	\$ 100,821,726
Restricted.....		11,752,859	13,816,642	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582	6,846,578
Unrestricted.....		<u>33,692,756</u>	<u>26,159,516</u>	<u>22,966,926</u>	<u>14,025,892</u>	<u>5,593,969</u>	<u>(5,684,079)</u>	<u>(8,723,517)</u>	<u>(11,104,441)</u>	<u>(14,043,367)</u>	<u>(13,432,592)</u>
Total governmental activities net position.....	\$	<u>124,079,791</u>	<u>\$ 118,493,467</u>	<u>\$ 123,906,259</u>	<u>\$ 124,014,048</u>	<u>\$ 87,966,239</u>	<u>\$ 84,047,221</u>	<u>\$ 82,999,635</u>	<u>\$ 80,299,779</u>	<u>\$ 80,908,321</u>	<u>\$ 94,235,712</u>
Business-type activities											
Net investment in capital assets.....	\$	22,847,022	\$ 23,209,064	\$ 22,578,281	\$ 24,653,351	\$ 49,444,954	\$ 50,245,420	\$ 49,329,223	\$ 48,218,953	\$ 49,201,878	\$ 50,833,175
Unrestricted.....		<u>7,303,270</u>	<u>7,537,305</u>	<u>8,207,945</u>	<u>9,087,958</u>	<u>18,181,012</u>	<u>16,787,324</u>	<u>16,134,891</u>	<u>16,695,970</u>	<u>14,622,191</u>	<u>12,758,096</u>
Total business-type activities net position.....	\$	<u>30,150,292</u>	<u>\$ 30,746,369</u>	<u>\$ 30,786,226</u>	<u>\$ 33,741,309</u>	<u>\$ 67,625,966</u>	<u>\$ 67,032,744</u>	<u>\$ 65,464,114</u>	<u>\$ 64,914,923</u>	<u>\$ 63,824,069</u>	<u>\$ 63,591,271</u>
Primary government											
Net investment in capital assets.....	\$	101,481,198	\$ 101,726,373	\$ 106,574,791	\$ 110,649,546	\$ 120,930,273	\$ 130,689,904	\$ 134,894,093	\$ 134,992,341	\$ 138,103,984	\$ 151,654,901
Restricted.....		11,752,859	13,816,642	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582	6,846,578
Unrestricted.....		<u>40,996,026</u>	<u>33,696,821</u>	<u>31,174,871</u>	<u>23,113,850</u>	<u>23,774,981</u>	<u>11,103,245</u>	<u>7,411,374</u>	<u>5,591,529</u>	<u>578,824</u>	<u>(674,496)</u>
Total primary government net position.....	\$	<u>154,230,083</u>	<u>\$ 149,239,836</u>	<u>\$ 154,692,485</u>	<u>\$ 157,755,357</u>	<u>\$ 155,592,205</u>	<u>\$ 151,079,965</u>	<u>\$ 148,463,749</u>	<u>\$ 145,214,702</u>	<u>\$ 144,732,390</u>	<u>\$ 157,826,983</u>

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



**Changes in Net Position**

**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 3,698,908	\$ 3,844,076	\$ 3,842,256	\$ 4,359,161	\$ 4,434,575	\$ 3,965,070	\$ 3,334,481	\$ 3,913,502	\$ 3,973,477	\$ 4,920,094
Public safety.....	9,929,103	10,898,431	10,970,904	11,439,519	12,662,170	13,771,086	13,507,314	14,514,764	14,658,407	15,526,807
Education.....	47,110,502	51,709,660	52,053,518	54,276,952	60,078,051	61,604,106	62,158,553	63,483,086	63,704,682	65,277,828
Public works.....	6,259,126	8,826,081	7,663,712	7,799,074	4,789,661	5,128,289	5,274,797	5,948,666	5,087,136	5,856,808
Health and human services.....	685,678	663,781	883,835	806,865	1,099,074	1,232,271	1,163,764	1,221,811	1,237,194	1,210,350
Culture and recreation.....	1,605,560	1,089,893	1,548,688	1,475,089	1,773,229	1,886,359	2,063,873	1,926,877	2,017,701	1,995,595
Community preservation.....	-	-	-	151,858	176,948	262,790	300,969	146,273	398,581	623,138
Interest.....	2,021,432	1,888,162	1,675,950	1,821,404	1,288,074	1,260,103	949,620	787,632	876,894	965,928
Total governmental activities expenses.....	71,310,309	78,920,084	78,638,863	82,129,922	86,301,782	89,110,074	88,773,371	91,942,611	91,954,072	96,376,548
Business-type activities:										
Sewer.....	-	-	-	-	3,825,132	3,717,598	3,530,589	3,514,018	3,494,294	3,627,666
Water.....	2,991,356	2,637,481	2,928,422	3,045,954	3,323,888	3,645,200	3,512,862	3,508,484	3,460,273	3,639,881
Solid waste.....	3,398,155	3,133,316	3,683,237	3,336,314	3,245,294	3,186,993	2,850,197	2,663,547	2,608,972	2,816,781
Total business-type activity expenses.....	6,389,511	5,770,797	6,611,659	6,382,268	10,394,314	10,549,791	9,893,648	9,686,049	9,563,539	10,084,328
Total primary government expenses.....	<u>\$ 77,699,820</u>	<u>\$ 84,690,881</u>	<u>\$ 85,250,522</u>	<u>\$ 88,512,190</u>	<u>\$ 96,696,096</u>	<u>\$ 99,659,865</u>	<u>\$ 98,667,019</u>	<u>\$ 101,628,660</u>	<u>\$ 101,517,611</u>	<u>\$ 106,460,876</u>
<b>Program Revenues</b>										
Governmental activities:										
Public safety charges for services.....	\$ 649,519	\$ 1,513,401	\$ 1,388,709	\$ 1,489,822	\$ 1,662,618	\$ 1,470,734	\$ 1,833,254	\$ 1,636,627	\$ 1,860,575	\$ 1,937,559
Education charges for services.....	1,012,834	1,195,364	1,162,379	1,450,676	1,329,265	1,633,614	1,582,987	1,591,792	1,683,818	1,455,140
Public works charges for services.....	2,604,803	2,172,660	7,828,621	2,504,563	55,965	140,343	120,255	140,202	162,441	171,624
Other charges for services.....	1,617,960	887,094	942,452	872,612	1,137,163	1,057,287	1,113,914	1,188,719	1,158,333	1,263,264
Operating grants and contributions.....	21,927,806	20,256,840	20,896,283	23,970,172	25,709,451	27,079,730	27,768,573	28,180,829	30,468,638	28,854,321
Capital grants and contributions.....	1,880,964	454,821	368,465	1,285,273	2,603,013	983,632	2,032,817	2,205,026	1,277,419	20,149,784
Total government activities program revenues.....	29,693,886	26,480,180	32,588,909	31,573,118	32,497,475	32,365,340	34,451,800	34,944,195	36,611,224	53,831,692
Business-type activities:										
Charges for services:										
Sewer.....	-	-	-	-	2,880,162	2,470,233	2,408,283	2,541,836	2,475,768	2,544,816
Water.....	3,419,994	3,249,185	2,509,017	3,444,008	3,187,661	3,376,027	3,065,944	3,702,149	3,337,136	3,579,496
Solid Waste.....	3,299,925	2,975,934	3,817,833	3,771,280	3,738,315	2,904,608	2,526,818	2,513,195	2,448,477	2,617,061
Operating grants and contributions.....	73,845	141,755	324,666	183,063	190,072	200,659	136,036	253,462	116,903	108,770
Capital grants and contributions.....	-	-	-	-	-	-	39,423	21,461	17,841	61,918
Total business-type activities program revenues.....	6,793,764	6,366,874	6,651,516	7,398,351	9,996,210	8,951,527	8,176,504	9,032,103	8,396,125	8,913,061
Total primary government program revenues.....	<u>\$ 36,487,650</u>	<u>\$ 32,847,054</u>	<u>\$ 39,240,425</u>	<u>\$ 38,971,469</u>	<u>\$ 42,493,685</u>	<u>\$ 41,316,867</u>	<u>\$ 42,628,304</u>	<u>\$ 43,976,298</u>	<u>\$ 45,007,349</u>	<u>\$ 62,744,753</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (41,616,423)	\$ (52,439,904)	\$ (46,049,954)	\$ (50,556,804)	\$ (53,804,307)	\$ (56,744,734)	\$ (54,321,571)	\$ (56,998,416)	\$ (55,342,848)	\$ (42,544,856)
Business-type activities.....	404,253	596,077	39,857	1,016,083	(398,104)	(1,598,264)	(1,717,144)	(653,946)	(1,167,414)	(1,171,267)
Total primary government net expense.....	<u>\$ (41,212,170)</u>	<u>\$ (51,843,827)</u>	<u>\$ (46,010,097)</u>	<u>\$ (49,540,721)</u>	<u>\$ (54,202,411)</u>	<u>\$ (58,342,998)</u>	<u>\$ (56,038,715)</u>	<u>\$ (57,652,362)</u>	<u>\$ (56,510,262)</u>	<u>\$ (43,716,123)</u>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable.....	\$ 33,992,431	\$ 36,480,385	\$ 37,363,518	\$ 38,754,561	\$ 42,730,586	\$ 44,204,433	\$ 46,009,189	\$ 47,625,628	\$ 49,273,498	\$ 50,687,398
Motor vehicle and other excise taxes.....	3,196,830	3,458,124	3,496,136	3,158,003	3,285,913	3,077,468	3,035,945	3,035,952	3,098,572	3,383,172
Community preservation tax.....	-	-	830,355	871,114	970,338	945,317	986,430	1,019,934	1,055,074	1,088,776
Penalties and interest on taxes.....	205,069	255,291	255,015	258,823	295,273	336,323	337,685	306,690	347,002	365,170
Court settlements.....	-	-	-	-	-	-	834,229	-	-	-
Grants and contributions not restricted to specific programs.....	5,443,606	5,253,422	4,654,593	5,793,710	3,131,096	2,870,178	2,370,183	2,075,272	1,938,122	2,202,627
Unrestricted investment income.....	609,612	694,329	1,028,278	1,474,859	820,875	364,352	208,415	115,259	91,398	97,302
Miscellaneous.....	798,479	712,029	331,701	353,523	227,849	215,185	326,138	119,825	147,724	37,112
Transfers.....	(24,717)	-	-	-	-	(21,769)	-	-	-	125,000
Total governmental activities.....	44,221,310	46,853,580	47,959,596	50,664,593	51,461,930	52,825,716	53,273,985	54,298,560	55,951,390	57,986,557
Business-type activities:										
Court settlements.....	-	-	-	-	-	480,000	-	-	-	-
Unrestricted investment income.....	-	-	-	-	577,329	503,273	148,514	104,755	76,560	62,671
Transfers.....	24,717	-	-	-	-	21,769	-	-	-	(125,000)
Total business-type activities.....	24,717	-	-	-	577,329	1,005,042	148,514	104,755	76,560	(62,329)
Total primary government.....	<u>\$ 44,246,027</u>	<u>\$ 46,853,580</u>	<u>\$ 47,959,596</u>	<u>\$ 50,664,593</u>	<u>\$ 52,039,259</u>	<u>\$ 53,830,758</u>	<u>\$ 53,422,499</u>	<u>\$ 54,403,315</u>	<u>\$ 56,027,950</u>	<u>\$ 57,924,228</u>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 2,604,887	\$ (5,586,324)	\$ 1,909,642	\$ 107,789	\$ (2,342,377)	\$ (3,919,018)	\$ (1,047,586)	\$ (2,699,856)	\$ 608,542	\$ 15,441,701
Business-type activities.....	428,970	596,077	39,857	1,016,083	179,225	(593,222)	(1,568,630)	(549,191)	(1,090,854)	(1,233,596)
Total primary government.....	<u>\$ 3,033,857</u>	<u>\$ (4,990,247)</u>	<u>\$ 1,949,499</u>	<u>\$ 1,123,872</u>	<u>\$ (2,163,152)</u>	<u>\$ (4,512,240)</u>	<u>\$ (2,616,216)</u>	<u>\$ (3,249,047)</u>	<u>\$ (482,312)</u>	<u>\$ 14,208,105</u>

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



**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved.....	\$ 3,079,174	\$ 1,735,706	\$ 962,993	\$ 1,102,746	\$ 622,584	\$ 393,885	\$ 663,244	\$ -	\$ -	\$ -
Unreserved.....	6,100,057	4,920,301	5,639,433	3,685,942	4,658,860	4,385,596	3,688,741	-	-	-
Restricted.....	-	-	-	-	-	-	-	-	-	3,279,293
Assigned.....	-	-	-	-	-	-	-	307,888	281,950	163,687
Unassigned.....	-	-	-	-	-	-	-	4,716,619	5,109,444	4,614,690
Total general fund.....	\$ <u>9,179,231</u>	\$ <u>6,656,007</u>	\$ <u>6,602,426</u>	\$ <u>4,788,688</u>	\$ <u>5,281,444</u>	\$ <u>4,779,481</u>	\$ <u>4,351,985</u>	\$ <u>5,024,507</u>	\$ <u>5,391,394</u>	\$ <u>8,057,670</u>
All Other Governmental Funds										
Reserved.....	\$ 139,509	\$ 95,113	\$ 1,333,578	\$ 1,848,727	\$ 377,466	\$ 463,731	\$ 497,723	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	16,608,548	14,073,000	10,196,721	11,891,488	10,139,920	10,004,469	7,856,675	-	-	-
Capital projects funds.....	1,364,864	2,540,489	352,910	864,234	(922,300)	1,285,269	(398,021)	-	-	-
Permanent funds.....	1,027,593	1,054,007	1,080,574	1,193,345	888,128	866,241	872,684	-	-	-
Nonspendable.....	-	-	-	-	-	-	-	1,043,270	1,096,182	1,150,207
Restricted.....	-	-	-	-	-	-	-	6,264,680	10,795,737	10,654,986
Committed.....	-	-	-	-	-	-	-	30,290	40,587	63,209
Unassigned.....	-	-	-	-	-	-	-	-	(2,854,861)	(1,408,944)
Total all other governmental funds....	\$ <u>19,140,514</u>	\$ <u>17,762,609</u>	\$ <u>12,963,783</u>	\$ <u>15,797,794</u>	\$ <u>10,483,214</u>	\$ <u>12,619,710</u>	\$ <u>8,829,061</u>	\$ <u>7,338,240</u>	\$ <u>9,077,645</u>	\$ <u>10,459,458</u>

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

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



**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Revenues:</b>										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 34,599,324	\$ 36,306,867	\$ 37,548,388	\$ 38,256,831	\$ 42,893,443	\$ 43,896,810	\$ 46,231,120	\$ 47,255,875	\$ 49,251,843	\$ 50,519,928
Motor vehicle and other excise taxes.....	3,177,685	3,398,151	3,478,381	3,201,171	3,273,198	3,136,448	2,996,478	2,963,732	3,134,838	3,241,603
Penalties and interest on taxes.....	205,069	255,291	255,015	258,823	295,273	336,323	337,685	306,690	347,002	365,170
Charges for services.....	3,781,716	4,677,078	5,806,836	5,578,452	823,808	896,372	987,974	1,032,776	1,048,550	1,028,991
Court settlements.....	-	-	-	-	-	834,229	-	-	-	-
Intergovernmental.....	24,777,670	26,611,991	27,224,134	31,264,380	32,768,863	31,388,745	32,374,981	32,526,944	33,827,922	51,339,663
Departmental and other.....	2,370,719	2,199,763	1,615,155	1,699,661	3,441,177	4,031,497	4,014,469	3,450,322	3,691,831	3,590,240
Community preservation taxes.....	-	-	830,355	871,114	943,616	948,528	994,940	1,017,700	1,060,170	1,088,591
Contributions.....	-	-	-	-	471,577	433,519	474,687	244,974	238,977	382,749
Investment income.....	606,641	692,726	1,028,278	1,417,437	820,875	364,352	208,415	115,259	91,398	97,302
<b>Total Revenue.....</b>	<b>69,518,824</b>	<b>74,141,867</b>	<b>77,786,542</b>	<b>82,547,869</b>	<b>85,731,830</b>	<b>86,266,823</b>	<b>88,620,749</b>	<b>88,914,272</b>	<b>92,692,531</b>	<b>111,654,237</b>
<b>Expenditures:</b>										
General government.....	9,188,091	8,176,301	7,819,324	11,181,605	3,685,500	2,589,184	2,609,472	2,487,410	2,322,835	3,577,490
Public safety.....	7,843,581	7,543,894	6,712,207	7,760,428	8,172,255	9,035,006	8,644,135	9,082,725	8,679,772	9,587,168
Education.....	43,336,782	43,117,621	39,981,242	46,470,674	50,762,547	50,303,198	49,860,090	53,138,359	55,787,658	57,022,941
Public works.....	7,836,899	7,463,545	6,169,708	5,811,645	1,893,018	2,778,556	4,015,920	5,012,258	3,007,215	2,474,937
Human and human services.....	2,188,749	675,431	697,459	741,516	877,038	657,156	419,019	506,933	383,654	481,056
Culture and recreation.....	1,489,949	1,690,251	1,039,130	1,698,038	1,218,016	1,080,131	766,502	755,207	753,628	888,466
Pension benefits.....	n/a	n/a	n/a	n/a	3,059,026	3,193,116	3,298,846	3,768,238	3,736,165	4,285,250
Property and liability insurance.....	n/a	n/a	n/a	n/a	916,566	763,597	642,704	565,489	579,991	677,091
Employee benefits.....	n/a	n/a	n/a	n/a	5,088,361	5,256,480	5,542,176	5,973,191	6,386,222	5,611,488
Community preservation.....	n/a	n/a	n/a	n/a	176,948	2,319,107	3,271,886	1,011,397	470,208	1,230,198
State and county charges.....	707,303	826,165	721,720	682,912	643,063	593,075	605,335	671,652	664,596	735,255
Capital outlay.....	7,701,237	7,018,218	13,720,593	4,464,480	4,616,185	5,237,093	9,221,535	7,410,609	9,518,420	52,009,404
Debt service										
Principal.....	3,469,092	3,607,241	4,012,274	3,852,445	3,856,058	3,756,463	4,083,194	3,935,896	3,900,384	3,979,614
Interest.....	1,895,361	1,805,329	1,765,292	1,770,277	1,363,126	1,244,359	969,564	766,207	896,491	837,153
<b>Total Expenditures.....</b>	<b>85,657,044</b>	<b>81,923,996</b>	<b>82,638,949</b>	<b>84,434,020</b>	<b>86,327,707</b>	<b>88,806,521</b>	<b>93,950,378</b>	<b>95,085,571</b>	<b>97,087,239</b>	<b>143,397,511</b>
Excess of revenues over (under) expenditures.....	(16,138,220)	(7,782,129)	(4,852,407)	(1,886,151)	(595,877)	(2,539,698)	(5,329,629)	(6,171,299)	(4,394,708)	(31,743,274)
<b>Other Financing Sources (Uses)</b>										
Premium from issuance of bonds.....	11,879	-	-	57,424	-	-	-	-	-	-
Proceeds from issuance of long-term debt.....	1,230,000	3,881,000	-	2,849,000	-	4,196,000	965,000	5,353,000	6,501,000	32,090,000
Issuance of refunding bonds.....	-	-	-	-	-	-	12,728,840	-	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	1,268,616	-	-	3,576,363
Payment to refunded bond escrow agent.....	-	-	-	-	-	-	(13,850,972)	-	-	-
Transfers in.....	3,382,743	3,365,944	3,759,046	3,014,784	1,348,253	1,046,203	1,704,316	465,650	1,138,594	2,108,257
Transfers out.....	(3,407,460)	(3,365,944)	(3,759,046)	(3,014,784)	(1,348,253)	(1,067,972)	(1,704,316)	(465,650)	(1,138,594)	(1,983,257)
<b>Total other financing sources (uses).....</b>	<b>1,217,162</b>	<b>3,881,000</b>	<b>-</b>	<b>2,906,424</b>	<b>-</b>	<b>4,174,231</b>	<b>1,111,484</b>	<b>5,353,000</b>	<b>6,501,000</b>	<b>35,791,363</b>
<b>Net change in fund balance.....</b>	<b>\$ (14,921,058)</b>	<b>\$ (3,901,129)</b>	<b>\$ (4,852,407)</b>	<b>\$ 1,020,273</b>	<b>\$ (595,877)</b>	<b>\$ 1,634,533</b>	<b>\$ (4,218,145)</b>	<b>\$ (818,299)</b>	<b>\$ 2,106,292</b>	<b>\$ 4,048,089</b>
Debt service as a percentage of noncapital expenditures.....	6.88%	7.23%	8.38%	7.03%	6.39%	5.98%	5.96%	5.36%	5.48%	5.27%

n/a - Information is not available.

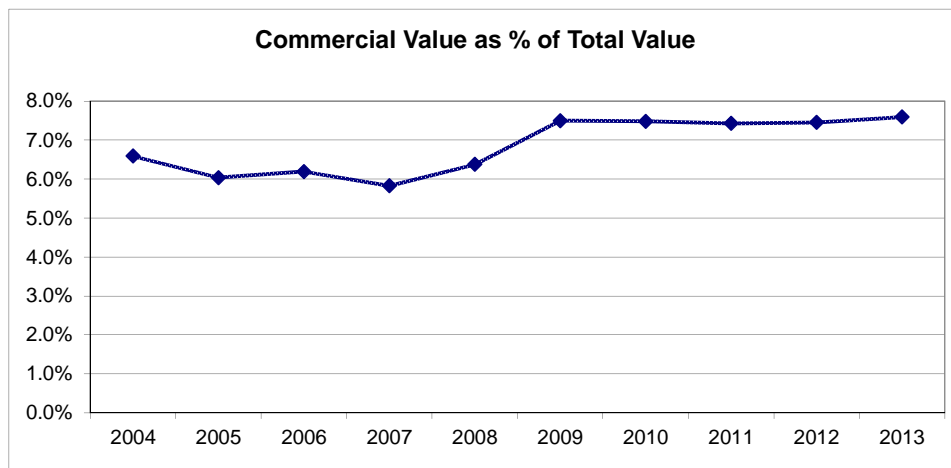
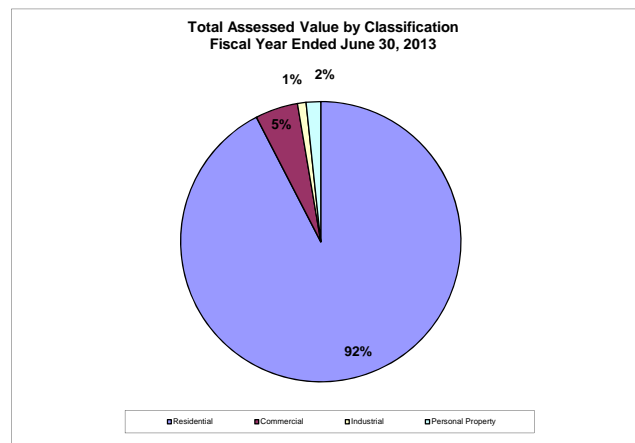
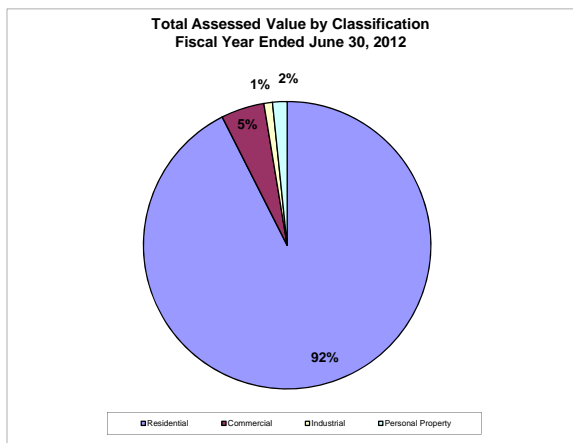
For the fiscal years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Funds.



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

## Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2004	\$3,301,240,417	\$9.71	\$167,899,483	\$29,396,000	\$35,635,943	\$232,931,426	\$9.71	6.6%	\$ 9.71	\$3,534,171,843
2005	(1) \$3,881,280,251	\$8.65	\$181,680,049	\$30,762,000	\$36,817,458	\$249,259,507	\$8.65	6.0%	\$ 8.65	\$4,130,539,758
2006	\$4,223,128,973	\$8.31	\$206,830,234	\$35,490,300	\$36,381,261	\$278,701,795	\$8.31	6.2%	\$ 8.31	\$4,501,830,768
2007	\$4,507,128,337	\$8.14	\$205,483,115	\$36,562,100	\$36,960,539	\$279,005,754	\$8.14	5.8%	\$ 8.14	\$4,786,134,091
2008	(1) \$4,586,786,110	\$8.72	\$223,328,575	\$43,622,000	\$45,423,853	\$312,374,428	\$8.72	6.4%	\$ 8.72	\$4,899,160,538
2009	\$4,099,485,652	\$9.99	\$227,507,906	\$42,942,900	\$61,765,017	\$332,215,823	\$9.99	7.5%	\$ 9.99	\$4,431,701,475
2010	\$3,967,268,613	\$10.75	\$215,560,402	\$41,011,300	\$64,264,470	\$320,836,172	\$10.75	7.5%	\$ 10.75	\$4,288,104,785
2011	(1) \$3,916,336,332	\$11.29	\$201,661,048	\$41,142,600	\$71,346,760	\$314,150,408	\$11.29	7.4%	\$ 11.29	\$4,230,486,740
2012	\$3,892,976,366	\$11.76	\$203,681,840	\$40,844,500	\$69,032,560	\$313,558,900	\$11.76	7.5%	\$ 11.76	\$4,206,535,266
2013	\$3,866,211,027	\$12.21	\$206,162,921	\$40,878,000	\$70,559,500	\$317,600,421	\$12.21	7.6%	\$ 12.21	\$4,183,811,448



(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	2013			2004		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Winslow Woods, LLC	Assisted Living	\$ 38,879,300	1	0.93%	\$ -	-	-
Home Properties of Marshfield, LLP	Apartment Complex	24,774,900	2	0.59%	-	-	-
Verizon	Utility	22,944,650	3	0.55%	7,611,700	4	0.22%
Curtlo, LLC	Shopping Plaza	18,090,000	4	0.43%	15,640,900	1	0.44%
Beacon Shore LTD	Apartment Complex	13,756,600	5	0.33%	-	-	-
Columbia Gas of MA	Utility	11,726,680	6	0.28%	-	-	-
OMDB Realty, LLC	Supermarket	8,696,800	7	0.21%	-	-	-
Mariners Hill Limited	Apartments & Over 55	7,576,800	8	0.18%	6,124,285	5	0.17%
Chestnut Hill	Single Family Subdivision	6,579,600	9	0.16%	-	-	-
VRT Corp	Commercial Property	6,544,900	10	0.16%	-	-	-
Fox Run Apartments	Apartment Complex	-	-	-	14,425,745	2	0.41%
Nstar	Utility	-	-	-	8,600,174	3	0.24%
Bay State Gas	Utility	-	-	-	6,110,790	6	0.17%
Marshfield Country Club	Golf Course	-	-	-	5,398,599	7	0.15%
83 Enterprise Drive LLC	Office Building	-	-	-	4,251,000	8	0.12%
K & E Realty Trust	Single Family Residence	-	-	-	3,682,100	9	0.10%
Del Berrada	Single Family Residence	-	-	-	3,594,300	10	0.10%
<b>Totals</b>		<u>\$ 159,570,230</u>		<u>3.81%</u>	<u>\$ 75,439,593</u>		<u>2.13%</u>

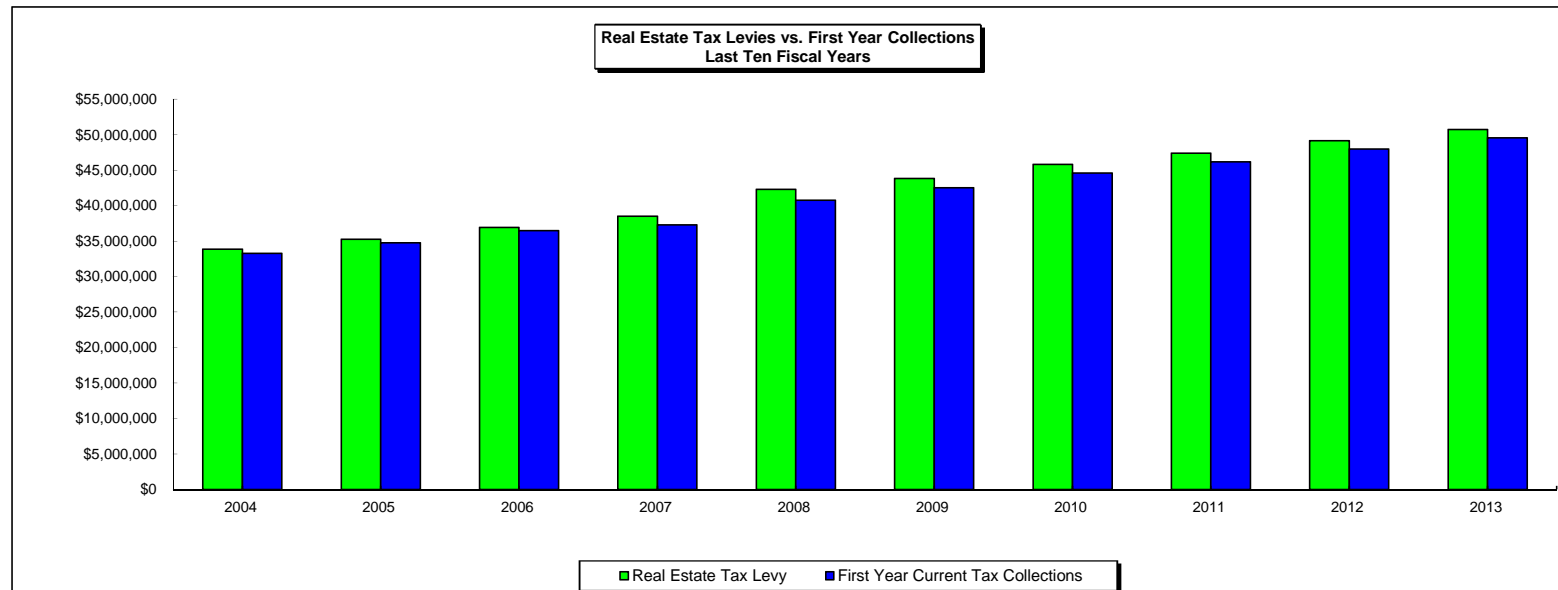
Source: Official Statements, Town of Marshfield



# Property Tax Levies and Collections

## Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2004	\$34,316,809	\$465,327	\$33,851,482	98.64%	\$33,244,779	98.21%	\$486,837	\$33,731,616	99.65%
2005	\$35,729,169	\$488,834	\$35,240,335	98.63%	\$34,770,020	98.67%	\$440,720	\$35,210,740	99.92%
2006	\$37,410,214	\$473,121	\$36,937,093	98.74%	\$36,481,022	98.77%	\$422,696	\$36,903,718	99.91%
2007	\$38,959,132	\$477,450	\$38,481,682	98.77%	\$37,286,024	96.89%	\$411,763	\$37,697,787	97.96%
2008	\$42,720,680	\$421,121	\$42,299,559	99.01%	\$40,756,510	96.35%	\$911,599	\$41,668,109	98.51%
2009	\$44,339,965	\$501,293	\$43,838,672	98.87%	\$42,508,902	96.97%	\$854,586	\$43,363,488	98.92%
2010	\$46,097,126	\$317,162	\$45,779,964	99.31%	\$44,593,567	97.41%	\$835,398	\$45,428,965	99.23%
2011	\$47,762,195	\$364,736	\$47,397,459	99.24%	\$46,172,819	97.42%	\$797,326	\$46,970,145	99.10%
2012	\$49,475,863	\$347,777	\$49,128,086	99.30%	\$47,948,166	97.60%	\$807,255	\$48,755,421	99.24%
2013	\$51,084,810	\$371,796	\$50,713,014	99.27%	\$49,546,242	97.70%	\$0	\$49,546,242	97.70%



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

2004	24,817	\$ 784,597,902	\$ 3,534,171,843	\$42,922,453	\$1,730	5.47%	1.21%
2005	24,890	\$ 857,727,346	\$ 4,130,539,758	\$43,212,849	\$1,736	5.04%	1.05%
2006	24,836	\$ 915,777,119	\$ 4,501,830,768	\$39,200,575	\$1,578	4.28%	0.87%
2007	24,576	\$ 961,988,000	\$ 4,786,134,091	\$38,197,130	\$1,554	3.97%	0.80%
2008	24,735	\$ 946,327,000	\$ 4,899,160,538	\$27,906,194	\$1,128	2.95%	0.57%
2009	24,947	\$ 882,087,000	\$ 4,431,701,475	\$28,345,731	\$1,136	3.21%	0.64%
2010	25,184	\$ 958,798,000	\$ 4,288,104,785	\$25,141,377	\$998	2.62%	0.59%
2011	25,185	\$ 1,020,714,000	\$ 4,230,486,740	\$26,558,481	\$1,055	2.60%	0.63%
2012	25,132	\$ 1,054,397,562	\$ 4,206,535,266	\$29,159,097	\$1,160	2.77%	0.69%
2013	24,378	\$ 1,094,464,669	\$ 4,183,811,448	\$60,845,846	\$2,496	5.56%	1.45%

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

2004	\$ 1,345,000	\$44,267,453	\$1,784	5.64%	1.25%
2005	\$ 980,000	\$44,192,849	\$1,776	5.15%	1.07%
2006	\$ 725,000	\$39,925,575	\$1,608	4.36%	0.89%
2007	\$ 2,701,000	\$40,898,130	\$1,664	4.25%	0.85%
2008	\$ 8,199,291	\$36,105,485	\$1,460	3.82%	0.74%
2009	\$ 9,797,097	\$38,142,828	\$1,529	4.32%	0.86%
2010	\$ 8,872,554	\$34,013,931	\$1,351	3.55%	0.79%
2011	\$ 11,929,472	\$38,487,953	\$1,528	3.77%	0.91%
2012	\$ 12,556,963	\$41,716,060	\$1,660	3.96%	0.99%
2013	\$ 18,405,068	\$79,250,914	\$3,251	7.24%	1.89%

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, 2013**

<u>Town of Marshfield, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Plymouth County.....	\$ 3,025,000	4.57%	\$ 138,243
Town direct debt.....			<u>60,845,846</u>
Total direct and overlapping debt.....			<u>\$ 60,984,089</u>

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

Source: Plymouth County Treasurer

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



**Computation of Legal Debt Margin**

**Last Ten Fiscal Years**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Equalized Valuation.....	\$ 3,790,610,200	\$ 3,790,610,200	\$ 4,787,007,000	\$ 4,787,007,000	\$ 5,158,780,200	\$ 5,158,780,200	\$ 4,678,944,800	\$ 4,678,944,800	\$ 4,524,078,200	\$ 4,524,078,200
Debt Limit -5% of Equalized Valuation.....	\$ 189,530,510	\$ 189,530,510	\$ 239,350,350	\$ 239,350,350	\$ 257,939,010	\$ 257,939,010	\$ 233,947,240	\$ 233,947,240	\$ 226,203,910	\$ 226,203,910
Less:										
Outstanding debt applicable to limit.....	21,422,452	22,987,848	20,250,575	31,762,252	27,906,194	28,345,731	25,141,377	26,558,481	29,159,097	60,845,846
Authorized and unissued debt.....	4,413,920	3,770,920	8,329,420	6,393,420	11,294,000	6,042,000	7,383,000	15,331,000	119,925,839	93,547,603
Legal debt margin.....	\$ 163,694,138	\$ 162,771,742	\$ 210,770,355	\$ 201,194,678	\$ 218,738,816	\$ 223,551,279	\$ 201,422,863	\$ 192,057,759	\$ 77,118,974	\$ 71,810,461
Total debt applicable to the limit as a percentage of the limit.....	13.63%	14.12%	11.94%	15.94%	15.20%	13.33%	13.90%	17.91%	65.91%	68.25%

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
2004	24,817	\$ 784,597,902	\$ 31,615	37	4,621	3.50%
2005	24,890	\$ 857,727,346	\$ 34,461	37	4,639	3.80%
2006	24,836	\$ 915,777,119	\$ 36,873	37	4,693	4.30%
2007	24,576	\$ 961,988,000	\$ 39,143	37	4,730	4.60%
2008	24,735	\$ 946,327,000	\$ 38,259	37	4,739	6.20%
2009	24,947	\$ 882,087,000	\$ 35,358	37	4,742	7.70%
2010	25,184	\$ 958,798,000	\$ 35,936	37	4,738	7.20%
2011	25,185	\$ 1,020,714,000	\$ 40,529	37	4,744	6.40%
2012	25,132	\$ 1,054,397,562	\$ 41,954	40	4,577	6.80%
2013	24,378	\$ 1,094,464,669	\$ 44,896	43	4,523	6.30%

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	2013			2004		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Town of Marshfield	Municipal Government	1,092	1	8.20%	1,184	1	9.07%
Road to Responsibility	Retail & Service	472	2	3.55%	-	-	-
Roche Brothers	Supermarket	286	3	2.15%	-	-	-
Star Market	Supermarket	163	4	1.22%	217	2	1.03%
Windslow Woods	Assisted Living Facility	106	5	0.80%	-	-	-
Marshfield Country Club	Golf Course	96	6	0.72%	60	8	0.44%
Kirwan Surgical Products LLC	Manufacturer	93	7	0.70%	85	5	0.62%
Cask & Flagon	Restaurant	80	8	0.60%	-	-	-
Marshfield Tavern	Restaurant	76	9	0.57%	-	-	-
Fairview Inn	Restaurant & Inn	70	10	0.53%	70	7	0.51%
Jamies Grille	Restaurant	-	-	-	137	3	1.01%
Bridgwaye Inn	Restaurant & Inn	-	-	-	100	4	0.73%
Image Art	Manufacturer	-	-	-	80	6	0.62%
US Post Office	Postal Service	-	-	-	57	9	0.42%
Marshall's	Retail	-	-	-	52	10	0.38%
		<u>2,534</u>		<u>19.04%</u>	<u>2,042</u>		<u>14.83%</u>

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

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



## Full-time Equivalent Town Employees by Function

### Last Ten Fiscal Years

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
General government.....	40	42	42	40	41	39	38	38	37	37
Police.....	48	48	45	48	48	45	45	45	44	46
Fire.....	55	55	55	52	55	55	52	51	53	53
Education.....	565	567	618	639	628	643	640	628	681	660
Water.....	20	20	20	20	21	19	19	19	19	18
Sewer.....	13	14	14	13	14	12	13	13	13	13
Solid waste.....	7	7	7	7	7	7	7	7	5	6
Public works.....	36	36	40	40	40	36	34	34	41	41
Human services.....	16	18	19	18	19	17	17	17	15	15
Culture and recreation.....	30	28	30	30	30	29	28	28	28	28
Total .....	<u>830</u>	<u>835</u>	<u>890</u>	<u>907</u>	<u>903</u>	<u>902</u>	<u>893</u>	<u>880</u>	<u>936</u>	<u>917</u>

Source: Town personnel records and various Town departments.



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

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Population.....	24,817	24,890	24,836	24,576	24,735	24,947	25,184	25,185	25,132	24,378
Registered voters, annual town election.....	12,403	13,708	14,304	15,367	16,531	17,713	17,867	17,966	18,234	18,544
Town Clerk										
Births.....	312	309	253	286	255	220	229	216	207	188
Marriages.....	119	107	99	109	98	103	75	114	69	87
Deaths.....	163	166	166	167	174	186	166	214	209	191
Police										
Accidents covered by an officer.....	409	395	386	503	515	380	331	377	859	407
Citations issued.....	1,474	1,230	926	1,205	513	1,206	1,140	854	1,338	980
Arrests.....	344	638	765	753	660	790	826	494	413	360
Larcenies.....	232	246	224	208	104	300	547	354	420	378
Fire										
Rescue assist.....	499	368	370	360	387	414	332	340	354	15
False alarm.....	47	43	55	40	32	433	201	229	18	4
Public assist.....	170	240	226	198	240	407	472	604	239	201
Emergency responses/ambulance.....	1,748	1,734	1,730	1,951	1,974	2,025	2,072	2,230	2,346	2,416
Building Department										
Residential building permits issued.....	837	658	814	731	716	858	844	707	708	687
Non-Residential building permits issued.....	26	13	39	33	36	23	48	49	59	69
Education										
Public school enrollment.....	4,621	4,639	4,693	4,730	4,739	4,742	4,750	4,713	4,575	4,523
Public Works										
Cemetery										
Lots sold.....	139	158	94	62	106	61	84	67	64	76
Interments.....	125	120	92	103	78	72	89	89	62	109
Water										
Service connections.....	9,718	9,718	9,804	9,826	9,894	9,907	9,912	10,690	10,740	10,807
Consumption in billions of gallons.....	1,167	1,114	887	1,026	1,027	1,069	834	854	764	763
Daily consumption in millions of gallons.....	3.3	3.0	2.5	2.8	2.8	2.8	2.3	2.3	2.1	2.1
Sewer										
Service connections.....	4,289	4,456	4,468	4,470	4,479	4,502	4,650	4,222	4,247	4,285
Daily average collection (MGD).....	1.25	1.29	1.33	1.22	1.41	1.43	1.59	0.66	0.61	0.54
Highway										
Miles of public road.....	170	170	170	170	170	170	170	170	171	171
Human Services										
Board of Health										
Permits issued.....	1,009	994	809	742	669	688	663	696	721	755
Variances.....	61	62	58	44	26	24	21	24	32	29
Council on Aging										
Home delivered meals.....	9,445	11,797	12,655	14,995	13,921	13,189	11,375	12,447	10,665	12,272
Transportation.....	10,852	9,902	10,163	10,604	11,325	11,646	11,807	11,442	10,937	11,965
Volunteer service hours.....	33,331	36,631	26,385	23,159	23,441	20,417	30,061	30,242	33,337	34,329
Fitness/exercise program participants.....	2,692	2,934	5,176	5,271	5,166	6,333	7,074	6,696	7,355	7,812
Recreation/social event participants.....	7,692	10,960	10,876	13,810	14,191	14,404	15,355	14,651	15,320	27,107
Libraries										
Volumes in collection.....	70,880	72,507	73,013	76,334	76,202	75,602	80,466	70,166	70,689	71,372
Circulation.....	274,000	268,337	280,448	268,000	273,951	244,362	280,621	260,155	260,155	197,639
Program attendance.....	7,512	8,340	7,273	5,919	6,023	5,726	5,829	8,761	5,379	7,002

Source: Various Town Departments



**Capital Asset Statistics by Function/Program**

**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Airport	1	1	1	1	1	1	1	1	1	1
General Government (1)										
Number of buildings.....	2	2	2	2	2	3	3	3	3	3
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	3	3	3	3	3	3	3	3	3	3
Number of vehicles.....	14	15	15	15	15	15	16	16	14	
Education										
Number of elementary schools.....	5	5	5	5	5	5	5	5	5	5
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles).....	195	198	198	200	200	200	201	201	201	202
Fire hydrants.....	1,337	1,375	1,375	1,383	1,388	1,390	1,398	1,399	1,399	1,401
Sanitary sewers (miles).....	41	41	41	41	41	41	41	41	41	41
Number of wells.....	16	16	16	16	17	17	17	17	17	17
Number of water storage tanks.....	3	3	3	3	4	4	4	4	4	4
Number of pump stations.....	15	15	15	15	16	16	16	16	17	15
Human Services										
Senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building.....	-	-	-	-	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

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