

THE TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR
JULY 1, 2007 – JUNE 30, 2008**



MARSHFIELD TOWN HALL



On the cover:

The exterior of the town hall was refurbished through a prisoner work program overseen by the Plymouth County Sheriff's Department in the summer of 2007 for the cost of materials and meals.



In October 2006, town meeting approved the purchase of 27 acres of land on Plain Street in Marshfield that contained beautiful woodlands and a cranberry bog. The purchase was financed with \$1,630,000 in Community Preservation funds.

TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2008



Prepared by:

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

TOWN OF MARSHFIELD, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2008

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Introductory Section



The Marshfield Senior Center opened its doors to the elder population in Marshfield in 2003. The newly constructed building was funded with a \$600,000 Community Development Block Grant and \$3,125,000 in general obligation bonds. The \$9,424,000 bond issue in which the senior center was financed was changed from a 20 year maturity to a 10 year maturity to maximize the advantageous borrowing costs at the time which saved the Town an estimated \$1,800,000 in interest costs.

Introductory Section



Nancy Holt
Treasurer / Collector

Town of Marshfield

Treasurer / Collector

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Letter of Transmittal

January 29, 2009

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, 2008 for your review.

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

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

The Town of Marshfield's financial statements have been audited by Powers & Sullivan, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Marshfield for the fiscal year ended June 30, 2008, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town of Marshfield's financial statements for the fiscal year ended June 30, 2008, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Marshfield was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal

requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town of Marshfield's separately issued Single Audit Report.

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

Profile of Town

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

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

Local school affairs are administered by a school committee of five persons. Local taxes are assessed by a board of three assessors; all elected for staggered three-year terms on an at large basis. A three member Board of Public Works, similarly elected, oversees the Town's principally self-supporting Sewer, Water, and Solid Waste enterprise funds in addition to general fund functions of the department of public works.

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

The Town of Marshfield's commitment to open space, historical preservation and community housing is evidenced by 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 107 acres of open space preserving and protecting aquifers, habitats, woodlands, marshland and meadows.

Factors Affecting Economic Condition

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

The Town established a planned mixed use district adjacent to an existing industrial park which has lead to the establishment of a small subdivision of single family homes and over 55 age restricted units and a supermarket. Further development has already commenced on a 200,000 square foot health care facility and pedestrian friendly shopping area with small shops and restaurants. This zoning change dovetails with the work done by the Downtown Revitalization Committee to improve the aesthetic appeal, access and business opportunities in the downtown area. These endeavors not only strengthen the commercial tax base but also contain commercial development in specific areas to keep the residential nature of the Town intact.

The Town continues to manage its financial affairs in a prudent manner. It has maintained its excellent bond rating of AA- by incorporating long range planning tools such as a five year Capital Improvement Program;

maintaining 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.

The Town plans to rebuild it's Stabilization Fund after having used the fund over the last 6 years to support the general fund budget; and did not propose it's use to support the FY09 operating budget. Management is still establishing parameters for what level is most prudent for the Town to maintain in that reserve.

Internal Controls

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

Budgetary Controls

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

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

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

Cash Management

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

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

Debt Management

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

Long Term Financial Planning

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

The Town examines past revenue trends in predicting future available revenue streams. In the past, management had utilized a five year less 10% formula to forecast local receipts, a level state aid approach as updated by the Governor's Budget and the maximum tax revenue as allowed by proposition 2-1/2. These practices have been fiscally prudent and will be part of a codification of fiscal policies to be accomplished in the coming years.

Risk Management

The Town of Marshfield manages its risk through premium-based coverage with commercial insurance carriers. The Town is exposed to various risks of loss related to general liability, property and casualty, workers' compensation and unemployment compensation claims. Buildings and property are fully insured against fire, theft and natural disaster to the extent that losses exceed the Town's deductible per incident. These deductibles vary by type of incident.

Pension and other post-employment benefits

The Town of Marshfield contributes to the Plymouth County Retirement System (the System), a cost sharing, and defined benefit pension plan administered by the Plymouth County Retirement Board. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the Town of Marshfield must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a requirement by law, the Town of Marshfield fully funds each year's annual required contribution to the pension plan as determined by the actuary. The remaining unfunded amount is being systematically funded over 20 years as part of the annual required contribution calculated by the actuary. The current funding schedule will see the System fully funded in 2025, three years prior to the state mandate.

The Town also provides post retirement health care benefits for certain retirees and their dependents. As of June 30, 2008, there were 888 employees, retirees, beneficiaries, and dependents receiving these benefits, which are financed on a pay-as-you-go basis. Recently the GASB issued Statement #43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans and Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which are required to be implemented in fiscal years 2008 and 2009, respectively. The Town has early implemented GASB Statement #45 for fiscal year end 2008 and GASB Statement #43 is not applicable to the Town since a separate trust has not been established.

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

Acknowledgements

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

Respectfully submitted,



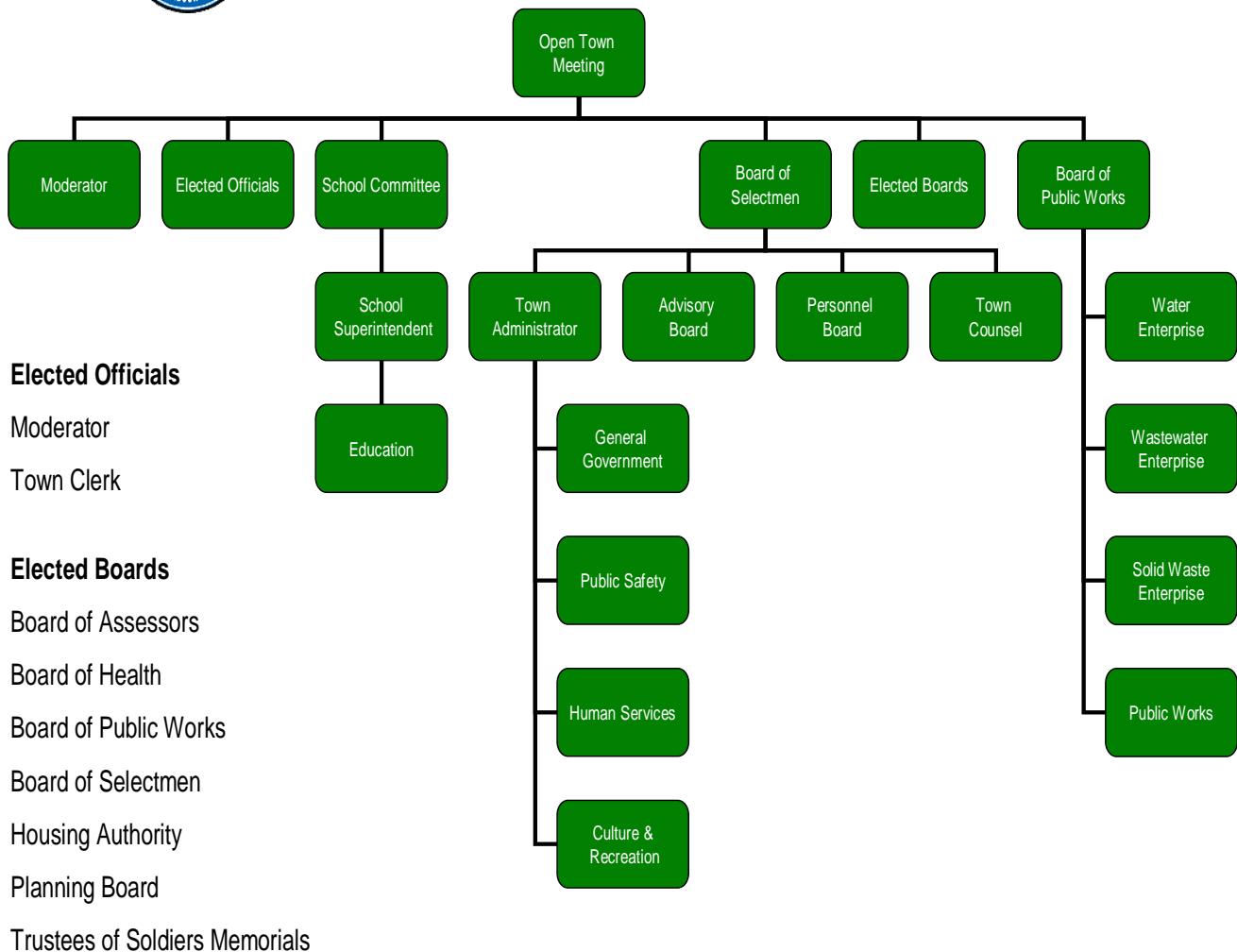
Rocco J. Longo
Town Administrator



Nancy Holt
Treasurer/Collector



Town of Marshfield



Principal Town Officials

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Katharine N. O'Donnell, Chairperson Michael A. Maresco, Vice Chairperson Patricia J. Reilly, Secretary	2008 2009 2010
Moderator Town Clerk	James J. Fitzgerald Patricia A. Picco	2011 2009
School Committee	Marti Morrison, Chairperson Matt McDonough, Vice Chairperson Nancy Currie, Secretary Dennis M. Scollins Carol Shrand	2009 2010 2010 2009 2011

Appointed Officials

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

Financial Section

Old Downtown



New Downtown



Marshfield's downtown is reaching the end of a concerted revitalization effort by public and private entities. The Downtown Revitalization Committee and two major land owners have worked for several years to upgrade existing structures, improve traffic patterns, enhance the aesthetic appeal of the area and add pedestrian friendly access. The infrastructure for these improvements included extension of the Town's sewer system to the downtown. The \$9,200,000 sewer extension project was financed through an \$8,010,580 Massachusetts Water Pollution Abatement Trust loan and \$1,000,000 in general obligation bonds. The extension of the sewer system also provided service to 600 homeowners in environmentally challenged areas. The pictures shown above are of a dilapidated block of stores that was razed and replaced with new construction in fiscal year 2008.

Financial Section

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Independent Auditors' Report

To the Honorable Board of Selectmen
Town of Marshfield, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of and for the fiscal year ended June 30, 2008 which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Marshfield, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Town of Marshfield, Massachusetts, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2009, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Wakefield, Massachusetts
January 29, 2009

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, 2008. This is the sixth year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The Town maintains 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Marshfield, assets exceeded liabilities by \$156 million at the close of the fiscal year 2008.

Government-wide net assets of \$121 million (78%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that

the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Marshfield's net assets, \$10.9 million (7%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$23.8 million (15%), may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Marshfield is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

Governmental activities. The governmental activities net assets decreased by (\$2.3) million during the current fiscal year as compared to a decrease in net assets of (\$127,000) during the prior fiscal year. The key element of the change for FY2008 relates mainly to the implementation of GASB Statement No. 45 and the related expense accrual in the amount of (\$4.4) million. Revenue sources have been predictable and the Town experienced an overall 6% increase in revenue primarily from operating school grants and real estate tax collections. Expenses increased in virtually all functional categories with the largest increases being in education and public safety.

Governmental Activities Condensed Statement of Net Assets

	FY2008	FY2007
Assets:		
Current assets.....	\$ 26,504,309	\$ 25,855,259
Noncurrent assets (excluding capital).....	10,092,905	11,562,419
Capital assets, not being depreciated.....	20,275,648	19,937,237
Capital assets, net of accumulated depreciation.....	73,739,428	73,880,435
Total assets.....	130,612,290	131,235,350
Liabilities:		
Current liabilities (excluding debt).....	4,052,378	3,833,785
Noncurrent liabilities (excluding debt).....	7,845,479	5,330,697
Current debt.....	6,604,722	3,855,062
Noncurrent debt.....	24,143,472	27,907,190
Total liabilities.....	42,646,051	40,926,734
Net Assets:		
Capital assets net of related debt.....	71,485,319	62,170,482
Restricted.....	10,886,951	14,112,242
Unrestricted.....	5,593,969	14,025,892
Total net assets.....	\$ 87,966,239	\$ 90,308,616

Noncurrent liabilities include an accrued liability for other post-employment benefits in the amount of \$4.4 million in fiscal year 2008. This is the result of the Town's implementation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB). Current debt includes approximately \$2.8 million of multi-purpose bond anticipation notes payable in fiscal year 2008.

Governmental Activities Condensed Statement of Activities

	FY2008	FY2007
Program revenues:		
Charges for services.....	\$ 4,185,011	\$ 3,607,446
Operating grants and contributions.....	25,709,451	23,605,126
Capital grants and contributions.....	2,603,013	1,285,273
General revenues:		
Real estate, personal property taxes, and tax liens.....	42,730,586	38,754,562
Motor vehicle and other excise taxes.....	3,285,913	3,158,003
Community preservation taxes.....	970,338	871,114
Penalties and interest on taxes.....	295,273	258,823
Nonrestricted grants and contributions.....	3,131,096	5,793,710
Unrestricted investment income.....	820,875	1,268,498
Miscellaneous.....	227,849	294,812
Total revenues.....	83,959,405	78,897,367
Expenses:		
General government.....	4,434,575	3,892,889
Public safety.....	12,662,170	11,548,303
Education.....	60,078,051	54,793,098
Public works.....	4,789,661	4,886,087
Health and human services.....	1,099,074	784,219
Culture and recreation.....	1,773,229	1,441,123
Community preservation.....	176,948	151,858
Interest.....	1,288,074	1,527,209
Total expenses.....	86,301,782	79,024,785
Change in net assets.....	\$ (2,342,377)	\$ (127,418)

Other financial notes related to governmental activities:

- Charges for services represented 5% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 31% percent of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their General Fund operating budget.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 51% of current resources.
- Other taxes and other revenues comprised a total of 13% percent of the governmental activities resources. These primarily include capital grants, excise taxes, nonrestricted grants, and investment earnings.
- Education is by far the largest governmental activity of the Town. Approximately \$35 million in taxes and other revenue were needed to cover its Fiscal 2008 operating expenses. A pension contribution of approximately \$7.2 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 \$10.6 million and \$3.8 million, respectively, of taxes and other revenue were needed to cover their Fiscal 2008 operating expenses.

Business-type activities. Business-type activities increased the Town's net assets by \$179,000 compared to an increase of \$1.3 million during the previous fiscal year. Key elements of this change relate mainly to a decline in current year operating grants and contributions combined with an increase in operating expenses of approximately \$907,000 or 9.5%. The operations of the sewer department contributed mostly to the overall decline as it absorbed significant increases in operating expenses during the year.

As shown below, business-type activities assets exceeded liabilities by \$67.6 million at the close of fiscal year 2008. Capital assets net of related debt was \$49.4 million (73%) while unrestricted net assets were \$18.2 million (27%). These results continue to reflect management's goal of maintaining the systems while only charging users for the cost of operations.

Business-type Condensed Statement of Net Assets

	FY2008	FY2007
Assets:		
Current assets.....	\$ 16,384,051	\$ 15,618,952
Noncurrent assets (excluding capital).....	4,728,829	5,260,917
Capital assets, not being depreciated.....	4,203,420	5,759,572
Capital assets, net of accumulated depreciation.....	<u>52,997,141</u>	<u>51,110,432</u>
Total assets.....	78,313,441	77,749,873
Liabilities:		
Current liabilities (excluding debt).....	994,044	472,416
Noncurrent liabilities (excluding debt).....	866,140	694,838
Current debt.....	1,539,583	937,583
Noncurrent debt.....	<u>7,287,708</u>	<u>8,198,295</u>
Total liabilities.....	10,687,475	10,303,132
Net Assets:		
Capital assets net of related debt.....	49,444,954	48,479,064
Unrestricted.....	18,181,012	18,967,677
Total net assets.....	\$ 67,625,966	\$ 67,446,741

Business-type Condensed Statement of Activities

	FY2008	FY2007
Program revenues:		
Charges for services.....	\$ 9,806,138	\$ 9,634,295
Operating grants and contributions.....	190,072	548,109
General Revenues:		
Unrestricted investment income.....	577,329	556,292
Total revenues.....	10,573,539	10,738,696
Expenses:		
Sewer.....	3,825,132	3,105,411
Water.....	3,323,888	3,045,954
Solid waste.....	3,245,294	3,336,314
Total expenses.....	10,394,314	9,487,679
Change in net assets.....	\$ 179,225	\$ 1,251,017

Financial Analysis of the Government's Major Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$15.8 million, a decrease of (\$596,000) for the year. The decrease is mainly related to general fund expenditures exceeding revenues before transfers and to the timing of grant expenditures in the nonmajor funds where the expenditures follow revenues received in prior fiscal periods.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$4.7 million, while the total fund balance was \$5.3 million. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. The unreserved fund balance represents 6.1% of total general fund expenditures, while the total fund balance represents 6.9% of that same amount.

Fund balance of the General Fund increased by \$493,000 during fiscal year 2008. This is primarily due to management's ability to monitor budgetary results during the year and its goal of maintaining the Town's strong financial position.

Stabilization Major Fund

The stabilization fund is a special revenue fund used to account of the accumulation of resources to be used for general and/or capital purposes upon approval of Town Meeting. The fund decreased by (\$1.2) million in fiscal 2008 from transfers to the general fund. The fund experienced investment income of \$36,000.

In April of 2008, Town Meeting voted to transfer approximately \$506,000 from the general fund to the stabilization fund during the 2009 budget year.

Community Preservation Major Fund

The community preservation fund had a fund balance at June 30, 2008 of \$6.3 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The fund increased \$1.4 million during fiscal year 2008 from taxes and matching state grants that are set aside for future projects.

Capital Projects Major Fund

The Town accounts for major capital additions within the capital projects major fund. Capital project funds under the modified accrual basis of accounting normally have significant fluctuations as projects are constructed. During FY2008, the Town issued \$2,842,000 in bond anticipation notes for various capital projects. The fund had expenditures of \$2.1 million leaving an ending fund balance (deficit) of approximately (\$922,000).

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

General Fund Budgetary Highlights

The original general fund budget appropriations were approximately \$17,000 higher than the final budget.

Total general fund revenues were slightly higher than budgeted amounts mainly relating to unbudgeted tax liens imposed and intergovernmental revenues exceeding budget. Actual expenditures, including carryovers, were less than budgeted amounts by approximately \$1.6 million or 2.2%.

Capital Asset and Debt Administration

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

Governmental capital assets at year end were \$94 million which represented an increase of \$197,000 from the prior year. Major current additions included land acquisitions, various building and improvement projects, and infrastructure additions all totaling approximately \$4.6 million. Depreciation of \$4.4 million was recorded in FY2008.

Enterprise capital assets were valued at \$57.2 million at year end. The most significant activity during FY2008 amounted to approximately \$2 million of sewer and water infrastructure improvements. Depreciation of \$1.7 million was recorded in FY2008.

Outstanding long-term debt of the general government, as of June 30, 2008, totaled \$27.9 million, of which, \$18.3 million is related to school projects, \$3.9 million is related to the general government's 40% share of sewer debt, \$2.3 million is related to sea wall and harbor projects, leaving a balance of \$3.4 million for infrastructure and other Town projects.

The enterprise funds have \$8.2 million in sewer, water, and solid waste debt that is fully supported by the rates and do not rely on a general fund subsidy beyond the Town's bylaw that splits the debt service requirements of certain sewer projects on a ratio of 60% from the sewer fund and 40% from the general fund.

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

Requests for Information

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

Basic Financial Statements

STATEMENT OF NET ASSETS

JUNE 30, 2008

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 19,329,689	\$ 12,691,553	\$ 32,021,242
Investments.....	93,111	-	93,111
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals.....	1,510,998	-	1,510,998
Tax liens.....	516,611	-	516,611
Motor vehicle and other excise taxes.....	432,902	-	432,902
User charges.....	-	3,376,754	3,376,754
Departmental and other.....	731,554	-	731,554
Special assessments.....	1,904	267,602	269,506
Intergovernmental.....	3,541,241	48,142	3,589,383
Tax foreclosures.....	346,299	-	346,299
Total Current Assets.....	<u>26,504,309</u>	<u>16,384,051</u>	<u>42,888,360</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	3,705,287	3,705,287
Intergovernmental.....	10,092,905	1,023,542	11,116,447
Capital assets, non depreciable.....	20,275,648	4,203,420	24,479,068
Capital assets, net of accumulated depreciation.....	<u>73,739,428</u>	<u>52,997,141</u>	<u>126,736,569</u>
Total Noncurrent Assets.....	<u>104,107,981</u>	<u>61,929,390</u>	<u>166,037,371</u>
TOTAL ASSETS	<u>130,612,290</u>	<u>78,313,441</u>	<u>208,925,731</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	1,069,273	692,194	1,761,467
Accrued payroll.....	538,329	49,097	587,426
Tax refunds payable.....	154,566	-	154,566
Accrued interest.....	119,387	98,202	217,589
Payroll withholdings.....	504,361	-	504,361
Advance collections.....	45,462	-	45,462
Landfill closure.....	-	28,200	28,200
Compensated absences.....	1,621,000	126,351	1,747,351
Bonds and notes payable.....	<u>6,604,722</u>	<u>1,539,583</u>	<u>8,144,305</u>
Total Current Liabilities.....	<u>10,657,100</u>	<u>2,533,627</u>	<u>13,190,727</u>
NONCURRENT:			
Landfill closure.....	-	578,100	578,100
Compensated absences.....	3,426,000	59,000	3,485,000
Other post-employment benefits.....	4,419,479	229,040	4,648,519
Bonds and notes payable.....	<u>24,143,472</u>	<u>7,287,708</u>	<u>31,431,180</u>
Total Noncurrent Liabilities.....	<u>31,988,951</u>	<u>8,153,848</u>	<u>40,142,799</u>
TOTAL LIABILITIES	<u>42,646,051</u>	<u>10,687,475</u>	<u>53,333,526</u>
NET ASSETS			
Invested in capital assets, net of related debt.....	71,485,319	49,444,954	120,930,273
Restricted for:			
Permanent funds:			
Expendable.....	888,128	-	888,128
Nonexpendable.....	377,466	-	377,466
Grants and gifts.....	2,573,314	-	2,573,314
Community preservation.....	7,048,043	-	7,048,043
Unrestricted.....	<u>5,593,969</u>	<u>18,181,012</u>	<u>23,774,981</u>
TOTAL NET ASSETS	<u>\$ 87,966,239</u>	<u>\$ 67,625,966</u>	<u>\$ 155,592,205</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2008

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 4,434,575	\$ 433,204	\$ 454,128	\$ 897,203	\$ (2,650,040)
Public safety.....	12,662,170	1,662,618	407,457	-	(10,592,095)
Education.....	60,078,051	1,329,265	23,996,131	152,834	(34,599,821)
Public works.....	4,789,661	55,965	37,575	860,421	(3,835,700)
Health and human services.....	1,099,074	77,873	-	-	(1,021,201)
Culture and recreation.....	1,773,229	626,086	-	-	(1,147,143)
Community preservation.....	176,948	-	-	692,555	515,607
Interest.....	1,288,074	-	814,160	-	(473,914)
Total Governmental Activities.....	<u>86,301,782</u>	<u>4,185,011</u>	<u>25,709,451</u>	<u>2,603,013</u>	<u>(53,804,307)</u>
<i>Business-Type Activities:</i>					
Sewer.....	3,825,132	2,880,162	153,665	-	(791,305)
Water.....	3,323,888	3,187,661	-	-	(136,227)
Solid waste.....	3,245,294	3,738,315	36,407	-	529,428
Total Business-Type Activities.....	<u>10,394,314</u>	<u>9,806,138</u>	<u>190,072</u>	<u>-</u>	<u>(398,104)</u>
Total Primary Government.....	<u>\$ 96,696,096</u>	<u>\$ 13,991,149</u>	<u>\$ 25,899,523</u>	<u>\$ 2,603,013</u>	<u>\$ (54,202,411)</u>

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net assets:			
Net (expense) revenue from previous page.....	\$ (53,804,307)	\$ (398,104)	\$ (54,202,411)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds.....	42,649,824	-	42,649,824
Tax liens.....	80,762	-	80,762
Motor vehicle and other excise taxes.....	3,285,913	-	3,285,913
Community preservation tax.....	970,338	-	970,338
Penalties and interest on taxes.....	295,273	-	295,273
Grants and contributions not restricted to specific programs.....	3,131,096	-	3,131,096
Unrestricted investment income.....	820,875	577,329	1,398,204
Miscellaneous.....	<u>227,849</u>	<u>-</u>	<u>227,849</u>
Total general revenues and transfers.....	<u>51,461,930</u>	<u>577,329</u>	<u>52,039,259</u>
Change in net assets.....	(2,342,377)	179,225	(2,163,152)
<i>Net Assets:</i>			
Beginning of year.....	<u>90,308,616</u>	<u>67,446,741</u>	<u>157,755,357</u>
End of year.....	<u>\$ 87,966,239</u>	<u>\$ 67,625,966</u>	<u>\$ 155,592,205</u>

See notes to basic financial statements.

(Concluded)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2008

ASSETS			Community Preservation Fund		Capital Projects		Nonmajor Governmental Funds		Total Governmental Funds	
	General	Stabilization Fund								
Cash and cash equivalents.....	\$ 6,932,283	\$ 629,704	\$ 6,373,934	\$ 1,999,870	\$ 3,393,898	\$ 19,329,689				
Investments.....	-	-	-	-	93,111	93,111				
Receivables, net of uncollectibles:										
Real estate, personal property and tax deferrals	1,510,998	-	-	-	-	-	1,510,998			
Tax liens.....	516,611	-	-	-	-	-	516,611			
Motor vehicle and other excise taxes.....	432,902	-	-	-	-	-	432,902			
Departmental and other.....	704,832	-	26,722	-	-	-	731,554			
Special assessments.....	1,904	-	-	-	-	-	1,904			
Intergovernmental.....	11,003,995	-	692,555	-	1,937,596	13,634,146				
Tax foreclosures.....	346,299	-	-	-	-	-	346,299			
Due from other funds.....	-	-	-	-	862,437	862,437				
TOTAL ASSETS.....	\$ 21,449,824	\$ 629,704	\$ 7,093,211	\$ 1,999,870	\$ 6,287,042	\$ 37,459,651				
LIABILITIES										
LIABILITIES:										
Warrants payable.....	\$ 862,840	\$ -	\$ 41,378	\$ 79,767	\$ 85,288	\$ 1,069,273				
Accrued payroll.....	484,854	-	2,292	403	50,780	538,329				
Payroll withholdings.....	504,361	-	-	-	-	504,361				
Tax refunds payable.....	154,566	-	-	-	-	154,566				
Deferred revenues and advance collections.....	14,161,759	-	720,775	-	841,493	15,724,027				
Due to other funds.....	-	-	-	-	862,437	862,437				
Notes payable.....	-	-	-	2,842,000	-	2,842,000				
TOTAL LIABILITIES.....	16,168,380	-	764,445	2,922,170	1,839,998	21,694,993				
FUND BALANCES:										
Reserved for:										
Encumbrances and continuing appropriations.....	622,584	-	-	-	-	-	622,584			
Perpetual permanent funds.....	-	-	-	-	-	377,466	377,466			
Unreserved:										
Undesignated, reported in:										
General fund.....	4,658,860	-	-	-	-	-	4,658,860			
Special revenue funds.....	-	629,704	6,328,766	-	3,181,450	10,139,920				
Capital projects funds.....	-	-	-	(922,300)	-	(922,300)				
Permanent funds.....	-	-	-	-	888,128	888,128				
TOTAL FUND BALANCES.....	5,281,444	629,704	6,328,766	(922,300)	4,447,044	15,764,658				
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 21,449,824	\$ 629,704	\$ 7,093,211	\$ 1,999,870	\$ 6,287,042	\$ 37,459,651				

See notes to basic financial statements.

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

June 30, 2008

Total governmental fund balances.....	\$ 15,764,658
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	94,015,076
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....	15,678,565
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(119,387)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds and notes payable.....	(27,906,194)
Other post-employment benefits.....	(4,419,479)
Compensated absences.....	<u>(5,047,000)</u>
Net effect of reporting long-term liabilities.....	<u>(37,372,673)</u>
Net assets of governmental activities.....	<u>\$ 87,966,239</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2008

	General	Stabilization Fund	Community Preservation Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 42,507,260	\$ -	\$ -	\$ -	\$ -	\$ 42,507,260
Tax liens.....	386,183	-	-	-	-	386,183
Motor vehicle and other excise taxes.....	3,273,198	-	-	-	-	3,273,198
Penalties and interest on taxes.....	256,878	-	38,395	-	-	295,273
Charges for services.....	823,808	-	-	-	-	823,808
Intergovernmental.....	26,538,488	-	880,921	289,262	5,060,192	32,768,863
Departmental and other.....	971,533	-	-	-	2,469,644	3,441,177
Community preservation taxes.....	-	-	943,616	-	-	943,616
Contributions.....	-	-	-	-	471,577	471,577
Investment income.....	570,592	35,536	186,987	-	27,760	820,875
TOTAL REVENUES.....	75,327,940	35,536	2,049,919	289,262	8,029,173	85,731,830
EXPENDITURES:						
Current:						
General government.....	2,935,770	-	-	391,083	1,322,294	4,649,147
Public safety.....	7,981,308	-	-	178,000	257,686	8,416,994
Education.....	46,903,065	-	-	324,068	3,858,585	51,085,718
Public works.....	1,858,835	-	-	936,721	1,256,266	4,051,822
Health and human services.....	812,049	-	-	5,220	59,769	877,038
Culture and recreation.....	763,782	-	-	241,918	632,836	1,638,536
Pension benefits.....	3,059,026	-	-	-	-	3,059,026
Property and liability insurance.....	916,566	-	-	-	-	916,566
Employee benefits.....	5,088,361	-	-	-	-	5,088,361
Community preservation.....	-	-	682,252	-	-	682,252
State and county charges.....	643,063	-	-	-	-	643,063
Debt service:						
Principal.....	3,856,058	-	-	-	-	3,856,058
Interest.....	1,363,126	-	-	-	-	1,363,126
TOTAL EXPENDITURES.....	76,181,009	-	682,252	2,077,010	7,387,436	86,327,707
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....						
	(853,069)	35,536	1,367,667	(1,787,748)	641,737	(595,877)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	1,347,039	-	-	1,214	-	1,348,253
Transfers out.....	(1,214)	(1,200,000)	-	-	(147,039)	(1,348,253)
TOTAL OTHER FINANCING SOURCES (USES).....	1,345,825	(1,200,000)	-	1,214	(147,039)	-
NET CHANGE IN FUND BALANCES.....	492,756	(1,164,464)	1,367,667	(1,786,534)	494,698	(595,877)
FUND BALANCES AT BEGINNING OF YEAR.....	4,788,688	1,794,168	4,961,099	864,234	3,952,346	16,360,535
FUND BALANCES AT END OF YEAR.....	\$ 5,281,444	\$ 629,704	\$ 6,328,766	\$ (922,300)	\$ 4,447,044	\$ 15,764,658

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, 2008

Net change in fund balances - total governmental funds.....	\$ (595,877)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay.....	4,616,185
Depreciation expense.....	<u>(4,418,781)</u>
Net effect of reporting capital assets.....	197,404
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.....	(1,772,428)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.	
Debt service principal payments.....	<u>3,856,058</u>
Net effect of reporting long-term debt.....	3,856,058
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Net change in compensated absences accrual.....	316,893
Net change in accrued interest on long-term debt.....	75,052
Net change in other post-employment benefits accrual.....	<u>(4,419,479)</u>
Net effect of recording long-term liabilities.....	<u>(4,027,534)</u>
Change in net assets of governmental activities.....	\$ (2,342,377)

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2008

Business-type Activities - Enterprise Funds					
	Sewer	Water	Solid Waste	Total	
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 4,988,536	\$ 5,534,437	\$ 2,168,580	\$ 12,691,553	
Receivables, net of allowance for uncollectibles:					
User charges.....	1,061,040	1,220,675	1,095,039	3,376,754	
Special assessments.....	267,602	-	-	267,602	
Intergovernmental.....	48,142	-	-	48,142	
Total current assets.....	<u>6,365,320</u>	<u>6,755,112</u>	<u>3,263,619</u>	<u>16,384,051</u>	
NONCURRENT:					
Receivables, net of allowance for uncollectibles:					
Intergovernmental.....	1,023,542	-	-	1,023,542	
Special assessments.....	3,705,287	-	-	3,705,287	
Capital assets, nondepreciable.....	439,349	3,672,262	91,809	4,203,420	
Capital assets, net of accumulated depreciation.....	28,442,890	23,201,687	1,352,564	52,997,141	
Total noncurrent assets.....	<u>33,611,068</u>	<u>26,873,949</u>	<u>1,444,373</u>	<u>61,929,390</u>	
TOTAL ASSETS.....	<u>39,976,388</u>	<u>33,629,061</u>	<u>4,707,992</u>	<u>78,313,441</u>	
LIABILITIES					
CURRENT:					
Warrants payable.....	97,593	403,233	191,368	692,194	
Accrued payroll.....	15,981	23,091	10,025	49,097	
Accrued interest.....	87,719	10,483	-	98,202	
Landfill closure.....	-	-	28,200	28,200	
Compensated absences.....	43,351	71,000	12,000	126,351	
Bonds and notes payable.....	1,199,583	310,000	30,000	1,539,583	
Total current liabilities.....	<u>1,444,227</u>	<u>817,807</u>	<u>271,593</u>	<u>2,533,627</u>	
NONCURRENT:					
Landfill closure.....	-	-	578,100	578,100	
Compensated absences.....	-	49,000	10,000	59,000	
Other post-employment benefits.....	76,679	108,545	43,816	229,040	
Bonds and notes payable.....	5,292,708	1,995,000	-	7,287,708	
Total noncurrent liabilities.....	<u>5,369,387</u>	<u>2,152,545</u>	<u>631,916</u>	<u>8,153,848</u>	
TOTAL LIABILITIES.....	<u>6,813,614</u>	<u>2,970,352</u>	<u>903,509</u>	<u>10,687,475</u>	
NET ASSETS					
Invested in capital assets, net of related debt.....	23,461,632	24,568,949	1,414,373	49,444,954	
Unrestricted.....	9,701,142	6,089,760	2,390,110	18,181,012	
TOTAL NET ASSETS.....	<u>\$ 33,162,774</u>	<u>\$ 30,658,709</u>	<u>\$ 3,804,483</u>	<u>\$ 67,625,966</u>	

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2008

Business-type Activities - Enterprise Funds				
	Sewer	Water	Solid Waste	Total
<u>OPERATING REVENUES:</u>				
Charges for services	\$ 2,880,162	\$ 3,187,661	\$ 3,738,315	\$ 9,806,138
<u>OPERATING EXPENSES:</u>				
Salaries, wages, and fringe benefits.....	969,652	1,459,057	543,516	2,972,225
Maintenance and operations.....	1,468,811	1,198,355	2,645,755	5,312,921
Depreciation.....	1,090,043	551,845	53,860	1,695,748
TOTAL OPERATING EXPENSES	3,528,506	3,209,257	3,243,131	9,980,894
OPERATING INCOME (LOSS).....	(648,344)	(21,596)	495,184	(174,756)
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Investment income.....	248,647	265,933	62,749	577,329
Interest expense.....	(296,626)	(114,631)	(2,163)	(413,420)
Intergovernmental.....	153,665	-	36,407	190,072
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	105,686	151,302	96,993	353,981
CHANGE IN NET ASSETS.....	(542,658)	129,706	592,177	179,225
NET ASSETS AT BEGINNING OF YEAR.....	33,705,432	30,529,003	3,212,306	67,446,741
NET ASSETS AT END OF YEAR.....	\$ 33,162,774	\$ 30,658,709	\$ 3,804,483	\$ 67,625,966

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 4,080,789	\$ 3,583,621	\$ 3,168,593	\$ 10,833,003
Payments to vendors.....	(1,425,333)	(924,714)	(2,616,522)	(4,966,569)
Payments to employees.....	(866,837)	(1,283,286)	(480,076)	(2,630,199)
NET CASH FROM OPERATING ACTIVITIES.....	<u>1,788,619</u>	<u>1,375,621</u>	<u>71,995</u>	<u>3,236,235</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Intergovernmental operating grants received.....	-	-	36,407	36,407
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets.....	(456,629)	(1,569,676)	-	(2,026,305)
Principal payments on bonds and notes.....	(570,587)	(311,000)	(55,000)	(936,587)
Interest expense.....	(301,576)	(104,148)	(3,144)	(408,868)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	<u>(1,328,792)</u>	<u>(1,984,824)</u>	<u>(58,144)</u>	<u>(3,371,760)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	<u>248,647</u>	<u>265,933</u>	<u>62,749</u>	<u>577,329</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	<u>708,474</u>	<u>(343,270)</u>	<u>113,007</u>	<u>478,211</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	<u>4,280,062</u>	<u>5,877,707</u>	<u>2,055,573</u>	<u>12,213,342</u>
CASH AND CASH EQUIVALENTS, END OF YEAR.....	<u>\$ 4,988,536</u>	<u>\$ 5,534,437</u>	<u>\$ 2,168,580</u>	<u>\$ 12,691,553</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (648,344)	\$ (21,596)	\$ 495,184	\$ (174,756)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	1,090,043	551,845	53,860	1,695,748
Changes in assets and liabilities:				
User charges.....	907,015	395,960	(569,722)	733,253
Special assessments.....	293,612	-	-	293,612
Warrants payable.....	43,478	273,641	57,433	374,552
Accrued payroll.....	15,981	23,091	10,025	49,097
Landfill closure.....	-	-	(28,200)	(28,200)
Compensated absences.....	10,155	44,135	22,000	76,290
Other post-employment benefits.....	76,679	108,545	31,415	216,639
Total adjustments.....	<u>2,436,963</u>	<u>1,397,217</u>	<u>(423,189)</u>	<u>3,410,991</u>
NET CASH FROM OPERATING ACTIVITIES.....	<u>\$ 1,788,619</u>	<u>\$ 1,375,621</u>	<u>\$ 71,995</u>	<u>\$ 3,236,235</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Intergovernmental interest subsidies received.....	\$ 153,665	\$ -	\$ -	\$ 153,665

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2008

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents.....	\$ 211,915	\$ 602,526
LIABILITIES		
Liabilities due depositors.....	-	602,526
NET ASSETS		
Held in trust for other purposes.....	\$ 211,915	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2008

	Private Purpose Trust Funds
<u>ADDITIONS:</u>	
Interest.....	\$ 11,061
<u>DEDUCTIONS:</u>	
Educational scholarships.....	<u>2,750</u>
CHANGE IN NET ASSETS.....	8,311
NET ASSETS AT BEGINNING OF YEAR.....	<u>203,604</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 211,915</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 included police and fire protection, parks, library, recreation, public works, education, and general administrative services. In addition, the Town owns and operates a water system, sewer system and a solid waste transfer station.

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

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

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and sewer, water and golf 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., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

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

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

The following major governmental funds are reported:

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

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

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

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

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

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

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

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

The following major proprietary funds are reported:

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

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

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

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

The following fiduciary fund types are reported:

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

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

Government-Wide and Fund Financial Statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

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

User Charges

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

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

Departmental and Other

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

Special Assessments

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

Intergovernmental

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

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

F. Inventories

Government-Wide and Fund Financial Statements

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

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

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

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

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

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

Governmental Fund Financial Statements

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

H. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

I. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Deferred Revenue

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

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

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

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

Net assets have been "restricted for" the following:

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

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

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

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

Fund Financial Statements (Fund Balances)

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

Fund balances have been "reserved for" the following:

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

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

L. Long-term debt*Government-Wide and Proprietary Fund Financial Statements*

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

Governmental Fund Financial Statements

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

M. Investment Income

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

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

N. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

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

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

P. Fund Deficits

There are several individual sub-fund deficits within the Special Revenue and Capital Project Funds. These deficits will be funded by available funds and federal and state grants.

Q. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Marshfield's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of deposits totaled \$23,585,027 and the bank balance totaled \$26,440,116. Of the bank balance, \$756,995 was covered by Federal Depository Insurance, \$16,893,760 was collateralized and \$8,789,361 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2008, the Town had the following investments:

Equity Securities.....	\$ 93,111
Money Market Mutual Funds.....	921,761
MMDT.....	<u>8,328,895</u>
Total Investments.....	<u>\$ 9,343,767</u>

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's investments, \$93,111 in equity securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3 – RECEIVABLES

At June 30, 2008, receivables for the individual major, non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Real estate, personal property and tax deferrals	\$ 1,510,998	\$ -	\$ 1,510,998
Tax liens.....	516,611	-	516,611
Motor vehicle and other excise taxes.....	516,623	(83,721)	432,902
Departmental and other.....	802,891	(71,337)	731,554
Special assessments.....	1,904	-	1,904
Intergovernmental.....	<u>13,634,146</u>	<u>-</u>	<u>13,634,146</u>
 Total.....	 <u>\$ 16,983,173</u>	 <u>\$ (155,058)</u>	 <u>\$ 16,828,115</u>

At June 30, 2008, receivables for the sewer, water, and solid waste enterprise funds consist of the following:

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
User charges.....	\$ 3,376,754	\$ -	\$ 3,376,754
Special assessments.....	3,972,889	-	3,972,889
Intergovernmental.....	1,071,684	-	1,071,684
 Total.....	 <u>\$ 8,421,327</u>	 <u>\$ -</u>	 <u>\$ 8,421,327</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:

<u>Receivable and other asset type:</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Real estate and personal property taxes.....	\$ 1,291,726	\$ -	\$ 1,291,726
Tax liens.....	516,611	-	516,611
Motor vehicle and other excise.....	432,902	-	432,902
Departmental and other.....	704,832	26,722	731,554
Special assessments.....	1,904	-	1,904
Intergovernmental.....	<u>10,867,485</u>	<u>1,535,546</u>	<u>12,403,031</u>
Tax foreclosures.....	<u>346,299</u>	<u>-</u>	<u>346,299</u>
 Total.....	 <u>\$ 14,161,759</u>	 <u>\$ 1,562,268</u>	 <u>\$ 15,724,027</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 18,882,120	\$ 725,620	\$ -	\$ 19,607,740
Construction in progress.....	<u>1,055,117</u>	<u>340,473</u>	<u>(727,682)</u>	<u>667,908</u>
Total capital assets not being depreciated.....	<u>19,937,237</u>	<u>1,066,093</u>	<u>(727,682)</u>	<u>20,275,648</u>
<u>Capital assets being depreciated:</u>				
Improvements other than buildings.....	358,490	-	-	358,490
Buildings and improvements.....	44,609,327	1,438,016	-	46,047,343
Machinery and equipment.....	12,662,819	315,723	-	12,978,542
Vehicles.....	1,514,383	384,192	-	1,898,575
Books, software and other.....	3,216,300	460,818	-	3,677,118
Infrastructure.....	<u>49,478,376</u>	<u>1,679,025</u>	<u>-</u>	<u>51,157,401</u>
Total capital assets being depreciated.....	<u>111,839,695</u>	<u>4,277,774</u>	<u>-</u>	<u>116,117,469</u>
<u>Less accumulated depreciation for:</u>				
Improvements other than buildings.....	(89,622)	(59,748)	-	(149,370)
Buildings and improvements.....	(13,796,774)	(1,899,863)	-	(15,696,637)
Machinery and equipment.....	(8,222,555)	(714,059)	-	(8,936,614)
Vehicles.....	(1,157,998)	(158,565)	-	(1,316,563)
Books, software and other.....	(2,515,686)	(135,862)	-	(2,651,548)
Infrastructure.....	<u>(12,176,625)</u>	<u>(1,450,684)</u>	<u>-</u>	<u>(13,627,309)</u>
Total accumulated depreciation.....	<u>(37,959,260)</u>	<u>(4,418,781)</u>	<u>-</u>	<u>(42,378,041)</u>
Total capital assets being depreciated, net.....	<u>73,880,435</u>	<u>(141,007)</u>	<u>-</u>	<u>73,739,428</u>
Total governmental activities capital assets, net.....	\$ <u>93,817,672</u>	\$ <u>925,086</u>	\$ <u>(727,682)</u>	\$ <u>94,015,076</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 3,255,768	\$ 299,914	\$ -	\$ 3,555,682
Construction in progress.....	<u>2,503,804</u>	<u>-</u>	<u>(1,856,066)</u>	<u>647,738</u>
Total capital assets not being depreciated.....	<u>5,759,572</u>	<u>299,914</u>	<u>(1,856,066)</u>	<u>4,203,420</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	11,161,106	168,428	-	11,329,534
Machinery and equipment.....	5,629,758	7,000	-	5,636,758
Vehicles.....	761,222	-	-	761,222
Infrastructure.....	<u>68,797,125</u>	<u>3,407,029</u>	<u>-</u>	<u>72,204,154</u>
Total capital assets being depreciated.....	<u>86,349,211</u>	<u>3,582,457</u>	<u>-</u>	<u>89,931,668</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(4,966,961)	(239,420)	-	(5,206,381)
Machinery and equipment.....	(4,535,019)	(132,795)	-	(4,667,814)
Vehicles.....	(405,422)	(88,200)	-	(493,622)
Infrastructure.....	<u>(25,331,377)</u>	<u>(1,235,333)</u>	<u>-</u>	<u>(26,566,710)</u>
Total accumulated depreciation.....	<u>(35,238,779)</u>	<u>(1,695,748)</u>	<u>-</u>	<u>(36,934,527)</u>
Total capital assets being depreciated, net.....	<u>51,110,432</u>	<u>1,886,709</u>	<u>-</u>	<u>52,997,141</u>
Total business-type activities capital assets, net.....	<u>\$ 56,870,004</u>	<u>\$ 2,186,623</u>	<u>\$ (1,856,066)</u>	<u>\$ 57,200,561</u>

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

Governmental Activities:

General government.....	\$ 74,549
Public safety.....	404,184
Education.....	1,847,887
Public works.....	1,875,484
Culture and recreation.....	<u>216,677</u>
Total depreciation expense - governmental activities.....	<u>\$ 4,418,781</u>

Business-Type Activities:

Sewer.....	\$ 1,090,043
Water.....	551,845
Solid waste.....	<u>53,860</u>
Total depreciation expense - business-type activities.....	<u>\$ 1,695,748</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund receivables and payables between funds at June 30, 2008, are summarized as follows:

Receivable Fund	Payable Fund	Amount
Land Use & Conservation Fund	Airport Fund	\$ 25,187 (1)
State Aid Fund	Public Safety Fund	<u>837,250 (1)</u>
		\$ <u>862,437</u>

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

Interfund transfers for the fiscal year ended June 30, 2008, are summarized as follows:

Transfers Out:	Transfers In:		
	General Fund	Capital Projects	Total
General Fund.....	\$ -	\$ 1,214	\$ 1,214 (1)
Stabilization Fund.....	1,200,000	-	1,200,000 (2)
Nonmajor Governmental Funds.....	<u>147,039</u>	<u>-</u>	<u>147,039 (3)</u>
Total.....	\$ <u>1,347,039</u>	\$ <u>1,214</u>	\$ <u>1,348,253</u>

(1) Represents a budgeted transfer from General Fund to Capital Project Fund for HVAC replacement.

(2) Represents a budgeted transfer from the Stabilization Fund to General Fund.

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

NOTE 6 – SHORT-TERM FINANCING

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

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

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

Details related to the Town's outstanding short-term indebtedness at June 30, 2008, and the debt service requirements follow.

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2007	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2008
Governmental funds							
BAN	Multipurpose.....	3.50%	6/12/2008	\$ -	\$ 2,457,000	\$ 2,457,000	\$ -
BAN	Multipurpose.....	2.25%	3/12/2009	_____ -	_____ 2,842,000	_____ -	_____ 2,842,000
	Total governmental funds.....			_____ -	_____ 5,299,000	_____ 2,457,000	_____ 2,842,000
Business-type funds							
BAN	Sewer.....	3.50%	6/12/2008	_____ -	628,000	628,000	-
BAN	Sewer.....	2.25%	3/12/2009	_____ -	628,000	_____ -	628,000
	Total business-type funds.....			_____ -	1,256,000	628,000	628,000
	Total Short Term Debt.....			\$ _____ -	\$ 6,555,000	\$ 3,085,000	\$ 3,470,000

NOTE 7 - LONG-TERM DEBT

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

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

Details related to the Town's outstanding general obligation indebtedness at June 30, 2008, and the debt service requirements follow.

General Obligation Bonds and Notes Payable Schedule – Governmental Funds

Project	Interest Rate (%)	Outstanding at June 30, 2007	Issued	Redeemed	Outstanding at June 30, 2008
School Buildings.....	2.65 - 4.64	\$ 17,735,000	\$ -	\$ 1,300,000	\$ 16,435,000
School Repairs and Upgrades.....	1.93 - 4.64	2,322,000	-	497,000	1,825,000
Buildings.....	2.35	1,865,000	-	315,000	1,550,000
Sewer Bonds.....	0 - 4.64	4,183,252	-	327,058	3,856,194
Public Safety.....	1.93 - 4.61	310,000	-	110,000	200,000
Departmental Equipment.....	2.35 - 3.70	905,000	-	280,000	625,000
Sea Walls.....	1.93 - 4.64	2,220,000	-	460,000	1,760,000
Dredging.....	1.93 - 3.70	236,000	-	76,000	160,000
Road and Sidewalk Construction.....	1.93 - 3.70	810,000	-	250,000	560,000
Coast Guard Renovation.....	3.32	480,000	-	60,000	420,000
Traffic Study.....	3.32 - 3.70	200,000	-	55,000	145,000
Financial Software.....	3.70	100,000	-	20,000	80,000
Land Acquisition.....	3.70	135,000	-	35,000	100,000
Skate Park.....	3.70	31,000	-	6,000	25,000
Highway Garage Repairs.....	3.70	50,000	-	5,000	45,000
Library HVAC Upgrade.....	3.32	25,000	-	5,000	20,000
Bridge Program.....	4.61	20,000	-	10,000	10,000
Thomas Webster Estate.....	4.61	20,000	-	10,000	10,000
EPA Stormwater II Plan.....	1.93	20,000	-	10,000	10,000
Floor Drain Replacement.....	3.32	95,000	-	25,000	70,000
Total		\$ 31,762,252	\$ -	\$ 3,856,058	\$ 27,906,194

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

Fiscal Year	Principal	Interest	Total
2009	\$ 3,762,722	\$ 1,182,168	\$ 4,944,890
2010	3,262,706	1,048,646	4,311,352
2011	3,003,640	927,913	3,931,553
2012	2,400,620	817,660	3,218,280
2013	2,361,721	708,654	3,070,375
2014	1,827,044	610,263	2,437,307
2015	1,807,846	528,650	2,336,496
2016	1,588,649	447,693	2,036,342
2017	1,546,353	372,994	1,919,347
2018	1,497,156	302,251	1,799,407
2019	1,502,860	232,839	1,735,699
2020	1,510,563	152,862	1,663,425
2021	1,448,367	81,427	1,529,794
2022	191,071	13,880	204,951
2023	194,876	4,658	199,534
Total	\$ 27,906,194	\$ 7,432,558	\$ 35,338,752

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 \$712,455 and interest costs for \$728,129. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$2,485,413. The principal subsidies are guaranteed and therefore a \$712,455 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 2008 principal and interest subsidies totaled \$30,483 and \$102,443, 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 2008, approximately \$1,507,000 of such assistance was received. Approximately \$15,625,000 will be received in future fiscal years. Of this amount, approximately \$5,470,000 represents reimbursement of long-term interest costs, and approximately \$10,155,000 represents reimbursement of approved construction costs. Accordingly, \$10,155,000 intergovernmental receivable and corresponding deferred revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

Bonds and Notes Payable Schedule – Sewer Enterprise Fund

Project	Interest Rate (%)	Outstanding at June 30, 2007	Issued	Redeemed	Outstanding at June 30, 2008
Grit Chamber.....	4.61	\$ 30,000	\$ -	\$ 15,000	\$ 15,000
Sewer Outfall/UV Disinfection - MWPAT.....	0.00	754,901	-	48,386	706,515
Sewer Residuals & WWTF Upgrades.....	4.64	696,000	-	69,000	627,000
Sewer 2000 - Extension.....	4.64	210,000	-	15,000	195,000
Sewer Meadowview Extension.....	4.64	84,000	-	21,000	63,000
Sewer 2000 MWPAT.....	2.35	3,848,977	-	196,201	3,652,776
Sewer WWTF Upgrades.....	2.35	180,000	-	30,000	150,000
Sewer Building Modifications.....	1.93	30,000	-	15,000	15,000
Sewer Master Plan Update.....	1.93	12,000	-	6,000	6,000
Operations Building - Exterior Repairs.....	3.32	96,000	-	12,000	84,000
Sewer 2000 - Extension.....	3.32	240,000	-	30,000	210,000
Vactor Jet Truck Replacement.....	3.32	93,000	-	33,000	60,000
Sewer Treatment Facility Repairs.....	3.70	160,000	-	80,000	80,000
Total bonds payable.....		\$ 6,434,878	\$ -	\$ 570,587	\$ 5,864,291

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
2009	\$ 571,583	\$ 263,098	\$ 834,681
2010	461,558	240,982	702,540
2011	440,461	216,880	657,341
2012	398,431	199,430	597,861
2013	407,582	184,162	591,744
2014	385,565	152,105	537,670
2015	394,270	131,682	525,952
2016	357,973	113,461	471,434
2017	369,530	95,484	465,014
2018	378,234	81,377	459,611
2019	386,790	70,633	457,423
2020	398,348	44,043	442,391
2021	335,051	30,265	365,316
2022	286,607	20,820	307,427
2023	292,308	6,988	299,296
Total	\$ 5,864,291	\$ 1,851,410	\$ 7,715,701

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 \$1,068,684 and interest costs for \$1,092,196. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$3,728,114. The principal subsidies are guaranteed and therefore a \$1,068,684 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 2008 principal and interest subsidies totaled \$45,724 and \$153,665, respectively.

Bonds and Notes Payable Schedule – Water Enterprise Fund

Project	Interest Rate (%)	Outstanding at June 30, 2007	Issued	Redeemed	Outstanding at June 30, 2008
Water Meters.....	4.61	\$ 10,000	\$ -	\$ 5,000	\$ 5,000
Water Mains - Settlers Path/Pioneer Trail....	4.61	10,000	-	5,000	5,000
Water Mains - Ocean /Old Ocean St.....	4.64	195,000	-	50,000	145,000
Water Mains - Summer St.....	3.32	270,000	-	35,000	235,000
Church St Land Acquisition.....	3.70	631,000	-	66,000	565,000
FB Pump Station #1 Const.....	3.70	900,000	-	90,000	810,000
South River St Water Main.....	3.70	600,000	-	60,000	540,000
Total bonds payable.....		\$ 2,616,000	\$ -	\$ 311,000	\$ 2,305,000

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

Fiscal Year	Principal	Interest	Total
2009	\$ 310,000	\$ 90,910	\$ 400,910
2010	300,000	78,703	378,703
2011	295,000	66,965	361,965
2012	250,000	55,338	305,338
2013	250,000	45,600	295,600
2014	240,000	35,775	275,775
2015	240,000	26,325	266,325
2016	210,000	16,800	226,800
2017	210,000	8,400	218,400
Total	\$ 2,305,000	\$ 424,816	\$ 2,729,816

Bonds and Notes Payable Schedule – Solid Waste Enterprise Fund

Project	Interest Rate (%)	Outstanding at June 30, 2007	Issued	Redeemed	Outstanding at June 30, 2008
Landfill.....	5.15	\$ 25,000	\$ -	\$ 25,000	\$ -
Loader.....	1.93	60,000	-	30,000	30,000
Total bonds payable.....		\$ 85,000	\$ -	\$ 55,000	\$ 30,000

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

Fiscal Year	Principal	Interest	Total
2009	\$ 30,000	\$ -	\$ 30,000

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, 2008, the Town had the following authorized and unissued debt:

Purpose	Amount
WWTF Building Repairs.....	\$ 628,000
Water Tank Design&Constr.....	1,700,000
Pumping Station #2.....	800,000
Ambulance.....	178,000
Lawnmower.....	67,000
Seawalls & Riprap.....	500,000
Rexhame/Fieldston Drainage.....	230,000
Telegraph Hill Drainage.....	360,000
Road Reconstruction.....	200,000
Roof Replacement - EWS.....	500,000
Wide Area Network.....	274,000
Library Roof Replacement.....	148,000
Library Roof Replacement.....	110,000
School Food Service Equipmt.....	96,000
Feasibility Study OB Fire Stn.....	30,000
Fire Engine 5 replacement.....	380,000
Forest Fire 3 Rehab.....	45,000
Wireless WAN.....	203,000
Library computer upgrades.....	31,000
Vehicle #160 replacement.....	85,000
Seawalls & riprap.....	250,000
Road reconstruction.....	300,000
Highway Garage repairs.....	25,000
Menzi Muck excavator.....	66,000
Vehicle #37 replacement.....	38,000
Vehicle #101 replacement.....	150,000
GW School Modernization.....	2,400,000
Library Renovation-Design.....	450,000
Inner Harbor Dredging.....	599,000
Pump station upgrades.....	70,000
Aeration system upgrade.....	250,000
Replace effluent pump w/ SCADA....	<u>131,000</u>
Total.....	<u>\$ 11,294,000</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2008, the following changes occurred in long-term liabilities:

	Balance June 30, 2007	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2008	Due Within One Year
Governmental Activities:							
Long-Term Bonds and Notes.....	\$ 31,762,252	\$ -	\$ (3,856,058)	\$ -	\$ -	\$ 27,906,194	\$ 3,762,722
Other post-employment benefits.....	-	-	-	4,419,479	-	4,419,479	-
Compensated Absences.....	5,363,893	-	-	78,398	(395,291)	5,047,000	1,621,000
Total Governmental Activities.....	<u>37,126,145</u>	<u>-</u>	<u>(3,856,058)</u>	<u>4,497,877</u>	<u>(395,291)</u>	<u>37,372,673</u>	<u>5,383,722</u>
Business Type Activities:							
Long-Term Bonds and Notes.....	9,135,878	-	(936,587)	-	-	8,199,291	911,583
Other post-employment benefits.....	-	-	-	229,040	-	229,040	-
Compensated Absences.....	121,462	-	-	638,589	(574,700)	185,351	126,351
Total Business Type Activities.....	<u>9,257,340</u>	<u>-</u>	<u>(936,587)</u>	<u>867,629</u>	<u>(574,700)</u>	<u>8,613,682</u>	<u>1,037,934</u>
Total.....	<u>\$ 46,383,485</u>	<u>\$ -</u>	<u>\$ (4,792,645)</u>	<u>\$ 5,365,506</u>	<u>\$ (969,991)</u>	<u>\$ 45,986,355</u>	<u>\$ 6,421,656</u>

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

NOTE 8 – RISK FINANCING

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

The Town participates in a health insurance risk pool trust administered by the County of Plymouth, Massachusetts (the County), a municipal corporation that obtains health insurance for member governments at costs eligible to larger groups. The County, through the Plymouth County Claims Trust Fund (Trust), offers a variety of premium based plans to its members with each participating governmental unit being charged a premium for coverage based on rates established by the County. The Town is obligated to pay the County its required premiums and, in the event the County is terminated, its pro-rata share of a deficit, should one exist. At June 30, 2008, the Trust Fund had an unaudited ending fund balance of approximately \$13.6 million.

NOTE 9 – PENSION PLAN

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

does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled \$7,229,932 for the fiscal year ended June 30, 2008, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures/expenses.

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

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll on a closed basis. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town contributions to the System for the fiscal years ended June 30, 2008, 2007, and 2006 were \$3,057,826, \$2,480,898, and \$2,220,919, respectively, which equaled its required contribution for each fiscal year.

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

NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

Plan Description -The Town maintains a single employer defined benefit healthcare plan. The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the Plymouth County Claims Trust Fund. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, and Delta Dental. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period.

At June 30, 2008, the Plan's membership consisted of the following:

Current retirees, beneficiaries, and dependants.....	362
Current active members.....	<u>526</u>
Total.....	<u><u>888</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, 2008, plan members contribute approximately \$1,411,000 through their required contributions. The Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town also contributed approximately \$1,411,000 during fiscal year 2008 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 post employment 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:

Normal Cost.....	\$ 2,710,000
Amortization of unfunded actuarial accrued liability.....	<u>3,350,000</u>
Annual OPEB cost/expense.....	6,060,000
Contributions made.....	<u>(1,411,481)</u>
Increase/(Decrease) in net OPEB obligation.....	4,648,519
Net OPEB obligation - beginning of year.....	<u>-</u>
Net OPEB obligation - end of year.....	<u>\$ 4,648,519</u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$ 6,060,000	23%	\$ 4,648,519

Funded Status and Funding Progress — The funded status of the Plan as of the most recent actuarial valuation date, June 30, 2008, 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)
6/30/2008	\$ -	\$ 62,050,000	\$ 62,050,000	0.00%	\$ 43,781,000	141.73%

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

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

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

Valuation date.....	June 30, 2008
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.75%
Remaining amortization period.....	29 years as of July 1, 2008, closed
Actuarial Assumptions:	
Investment rate of return.....	3.75%, pay-as-you-go scenario
Inflation rate.....	3.2%
Projected salary increases.....	4.0%
Medical/drug cost trend rate.....	7.2% decreasing to 6.2% in year 2040

NOTE 11 – LANDFILL CLOSURE

State and federal laws and regulations require the Town to construct a final capping system on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town closed its landfill in fiscal 1995. The Town has reflected a \$606,300 post-closure care liability at June 30, 2008 as an obligation of the solid waste enterprise fund. This amount is based upon estimates of what it would cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Its cost was estimated based on semi-annual sampling for the current monitoring network at the site and estimated costs to maintain the integrity of the landfill cap during the post-closure period.

NOTE 12 – COMMITMENTS

The Town's major capital projects are related to school renovations and expansions, library projects, harbor dredging and seawalls, and various governmental equipment replacements as well as the completion of on-going sewer and water projects. The Town has authorized approximately \$11.3 million of new debt for these and other on-going projects.

NOTE 13 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2008, 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, 2008, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2008.

NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2008, the following GASB pronouncements were implemented:

- The GASB issued Statement #43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which has been implemented in fiscal year 2008. This GASB has not impacted the basic financial statements.
- The GASB issued Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which has been early implemented in fiscal year 2008. This GASB has changed the Town's disclosures related to post-retirement benefits.
- The GASB issued Statement # 50, Pension Disclosure – An amendment of GASB Statements No. 25 and No. 27, which has been implemented in fiscal year 2008. This GASB has changed the Town's current disclosures related to pensions.

- The GASB issued Statement # 52, Land and Other Real Estate Held as Investments by Endowments, which has been implemented in fiscal year 2008. The standards in this statement require all investments in land and real estate in permanent and similar funds to be reported at fair value. This GASB has not impacted the basic financial statements.
- The GASB issued Statement # 53, Accounting and Financial Reporting for Derivative Instruments, which has been implemented in fiscal year 2008. The standards in this statement require all derivative instruments be reported at fair value. This GASB has not impacted 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, 2008

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 42,168,368	\$ 42,168,368	\$ 41,531,206	\$ -	(637,162)
Tax liens.....	-	386,183	-	-	386,183
Motor vehicle and other excise taxes.....	3,042,824	3,042,824	3,273,198	-	230,374
Hotel/motel tax.....	37,176	37,176	-	-	(37,176)
Charges for services.....	815,000	815,000	823,808	-	8,808
Penalties and interest on taxes.....	200,000	200,000	256,878	-	56,878
Payments in lieu of taxes.....	40,000	40,000	-	-	(40,000)
Intergovernmental.....	18,914,838	18,914,838	19,175,630	-	260,792
Departmental and other.....	979,475	979,475	971,533	-	(7,942)
Investment income.....	675,000	675,000	603,645	-	(71,355)
TOTAL REVENUES.....	66,872,681	66,872,681	67,022,081	-	149,400
EXPENDITURES:					
GENERAL GOVERNMENT					
Moderator.....	92	92	-	-	92
Selectmen:					
Salaries.....	183,326	183,326	179,916	-	3,410
Expenses.....	238,443	252,434	219,654	372	32,408
Town meeting articles.....	747,400	747,400	604,839	70	142,491
TOTAL.....	1,169,169	1,183,160	1,004,409	442	178,309
Town Accountant:					
Salaries.....	139,526	139,526	123,654	9,900	5,972
Expenses.....	4,550	4,550	2,364	-	2,186
TOTAL.....	144,076	144,076	126,018	9,900	8,158
Assessors:					
Salaries.....	193,699	193,699	187,259	-	6,440
Expenses.....	81,621	81,621	77,110	3,100	1,411
TOTAL.....	275,320	275,320	264,369	3,100	7,851
Treasurer/Collector:					
Salaries.....	324,243	324,243	323,628	-	615
Expenses.....	41,800	41,800	41,395	-	405
Tax title.....	38,970	38,970	33,870	460	4,640
TOTAL.....	405,013	405,013	398,893	460	5,660
Annual Audit:					
Expenses.....	62,500	62,500	42,500	-	20,000
Legal:					
Expenses.....	240,000	275,000	266,691	-	8,309
Information Technology:					
Salaries.....	71,656	71,656	71,656	-	-
Expenses.....	167,197	167,197	163,462	3,012	723
TOTAL.....	238,853	238,853	235,118	3,012	723
Town Clerk:					
Salaries.....	99,148	100,179	99,440	-	739
Expenses.....	8,609	8,609	3,667	-	4,942
TOTAL.....	107,757	108,788	103,107	-	5,681
Elections:					
Expenses.....	57,494	57,494	55,114	-	2,380
Conservation Commission:					
Salaries.....	90,763	90,763	90,763	-	-
Expenses.....	2,719	2,719	2,278	476	(35)
TOTAL.....	93,482	93,482	93,041	476	(35)
Planning Board:					
Salaries.....	109,875	109,875	109,875	-	-
Expenses.....	2,568	2,568	2,108	-	460
TOTAL.....	112,443	112,443	111,983	-	460
Zoning Board of Appeals:					
Salaries.....	25,798	25,798	24,883	-	915
Expenses.....	2,200	2,200	1,562	-	638
TOTAL.....	27,998	27,998	26,445	-	1,553

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Reserve Fund.....	100,000	278	-	-	278
Total General Government.....	3,034,105	2,984,497	2,727,688	17,390	239,327
PUBLIC SAFETY					
Police:					
Salaries.....	3,342,756	3,342,756	3,339,613	-	3,143
Expenses.....	245,055	245,055	189,602	5,829	49,624
TOTAL.....	3,587,811	3,587,811	3,529,215	5,829	52,767
Fire:					
Salaries.....	3,854,168	3,854,168	3,737,657	4,563	111,948
Expenses.....	245,897	245,897	241,779	-	4,118
TOTAL.....	4,100,065	4,100,065	3,979,436	4,563	116,066
Building Inspection:					
Salaries.....	225,703	225,703	222,942	-	2,761
Expenses.....	6,156	6,156	6,156	-	-
TOTAL.....	231,859	231,859	229,098	-	2,761
Sealer of Weights/Measures:					
Expenses.....	5,000	5,000	5,000	-	-
Animal Control:					
Salaries.....	58,660	58,660	53,219	-	5,441
Expenses.....	10,750	10,750	10,210	-	540
TOTAL.....	69,410	69,410	63,429	-	5,981
Animal Inspector:					
Salaries.....	1,800	1,800	1,650	-	150
Expenses.....	1,000	1,000	-	-	1,000
TOTAL.....	2,800	2,800	1,650	-	1,150
Harbor Master:					
Salaries.....	93,000	93,000	91,870	-	1,130
Expenses.....	83,622	83,622	81,515	649	1,458
TOTAL.....	176,622	176,622	173,385	649	2,588
Total Public Safety.....	8,173,567	8,173,567	7,981,213	11,041	181,313
EDUCATION					
Public Schools:					
Salaries and Expenses.....	40,239,752	40,239,752	39,673,133	488,334	78,285
PUBLIC WORKS					
Department of Public Works:					
Salaries.....	1,632,820	1,632,593	1,575,555	-	57,038
Expenses.....	826,276	826,276	640,595	53,081	132,600
TOTAL.....	2,459,096	2,458,869	2,216,150	53,081	189,638
Snow and Ice:					
Salaries.....	105,000	105,000	104,313	-	687
Expenses.....	245,000	245,000	326,052	-	(81,052)
TOTAL.....	350,000	350,000	430,365	-	(80,365)
Automotive Fuel:					
Expenses.....	450,600	450,600	413,992	35,124	1,484
Total Public Works.....	3,259,696	3,259,469	3,060,507	88,205	110,757
HUMAN SERVICES					
Health:					
Salaries.....	170,646	170,646	170,036	-	610
Expenses.....	34,224	34,224	24,015	4,467	5,742
TOTAL.....	204,870	204,870	194,051	4,467	6,352
Council on Aging:					
Salaries.....	149,268	149,268	145,422	-	3,846
Expenses.....	79,667	69,610	65,795	1,800	2,015
TOTAL.....	228,935	218,878	211,217	1,800	5,861

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2008

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Veterans:					
Salaries.....	58,809	58,809	57,636	-	1,173
Expenses.....	305,597	351,597	349,145	2,000	452
TOTAL.....	364,406	410,406	406,781	2,000	1,625
Total Human Services.....	798,211	834,154	812,049	8,267	13,838
CULTURE AND RECREATION					
Library:					
Salaries.....	498,951	498,951	498,951	-	-
Expenses.....	193,565	192,351	185,181	-	7,170
TOTAL.....	692,516	691,302	684,132	-	7,170
Recreation:					
Salaries.....	60,149	60,149	60,149	-	-
Expenses.....	8,225	8,225	5,948	-	2,277
TOTAL.....	68,374	68,374	66,097	-	2,277
Trustees of Soldiers Memorial:					
Expenses.....	9,580	9,580	9,575	-	5
Historical Commission:					
Expenses.....	5,304	3,780	1,878	50	1,852
Clam Flats:					
Salaries.....	4,000	4,000	1,550	-	2,450
Expenses.....	550	550	550	-	-
TOTAL.....	4,550	4,550	2,100	-	2,450
Total Culture and Recreation.....	780,324	777,586	763,782	50	13,754
Insurance.....					
Insurance Multi Peril.....	975,540	975,540	916,566	-	58,974
Insurance Ch 32B.....	4,742,201	4,742,201	4,480,091	1,774	260,336
Total Insurance.....	5,717,741	5,717,741	5,396,657	1,774	319,310
Unemployment Compensation.....	82,194	82,194	67,245	-	14,949
Retirement.....	3,059,026	3,059,026	3,059,026	-	-
Employee Benefits.....	5,717,741	5,717,741	5,396,657	1,774	319,310
Social Security.....	609,223	609,223	541,025	-	68,198
State and County Assessment.....	711,043	711,043	643,063	-	67,980
Utilities.....	672,162	672,162	462,208	5,623	204,331
Unclassified:					
Salaries.....	2,000	2,000	711	-	1,289
Expenses.....	54,680	54,680	34,665	-	20,015
TOTAL.....	56,680	56,680	35,376	-	21,304
Debt Service Principal.....	3,834,575	3,834,575	3,825,575	-	9,000
Debt Service Interest.....	1,365,890	1,365,890	1,260,683	1,900	103,307
TOTAL EXPENDITURES.....	72,394,189	72,377,559	70,309,230	622,584	1,445,653
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(5,521,508)	(5,504,878)	(3,287,149)	(622,584)	1,595,145
OTHER FINANCING SOURCES (USES):					
Transfers in.....	2,838,244	2,838,244	2,838,244	-	-
Transfers out.....	(1,214)	(1,214)	(1,214)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	2,837,030	2,837,030	2,837,030	-	-
NET CHANGE IN FUND BALANCE.....	(2,684,478)	(2,667,848)	(450,119)	(622,584)	1,595,145
BUDGETARY FUND BALANCE, Beginning of year.....	5,621,429	5,621,429	5,621,429	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 2,936,951	\$ 2,953,581	\$ 5,171,310	\$ (622,584)	\$ 1,595,145

See notes to required supplementary information.

(Concluded)

Other Post-Employment 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 Actuarial Methods and Assumptions presents factors that significantly affect the identification of trends in the amounts reported.

OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

JUNE 30, 2008

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2008	\$ -	\$ 62,050,000	\$ 62,050,000	0.00%	\$ 43,781,000	141.73%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
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 POST-EMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

June 30, 2008

Actuarial Methods:

Valuation date.....	June 30, 2008
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 3.75%
Remaining amortization period.....	29 years as of July 1, 2008, closed

Actuarial Assumptions:

Investment rate of return.....	3.75%, pay-as-you-go scenario
Inflation rate.....	3.2%
Projected salary increases.....	4.0%
Medical/drug cost trend rate.....	7.2% decreasing to 6.2% in year 2040

Plan Membership:

Current retirees, beneficiaries, and dependents.....	362
Current active members.....	<u>526</u>
Total	<u><u>888</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)
01/01/07	\$ 606,629,089	\$ 987,840,418	\$ 381,211,329	61.4%	\$ 244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%
01/01/04	520,104,805	802,158,453	282,053,648	64.8%	208,312,002	135.4%
01/01/02	466,325,660	733,198,204	266,872,544	63.6%	205,039,686	130.2%
01/01/00	450,210,619	611,204,058	160,993,439	73.7%	178,010,731	90.4%
01/01/98	316,253,566	492,303,777	176,050,211	64.2%	148,264,981	118.7%

The Town's share of the UAAL as of January 1, 2007 is approximately 6.39%.

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		(B/A) Town's Percentage of System Wide Actual Contributions
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions		
2004	\$ 25,695,625	\$ 25,695,625	100%	\$ 1,908,741		7.43%
2005	30,795,767	30,795,767	100%	1,975,532		6.41%
2006	34,085,524	34,085,524	100%	2,220,919		6.52%
2007	38,854,868	38,854,868	100%	2,480,898		6.39%

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 2008 approved budget authorized approximately \$72,395,000 million in appropriations and other amounts to be raised. During fiscal year 2008, the Town approved supplemental appropriations totaling approximately \$17,000.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2008, is presented below:

Net change in fund balance, budgetary basis.....	\$ (450,119)
<u>Basis of accounting differences:</u>	
Net change in recording revenue accruals.....	264,734
Net change in recording tax refunds payable.....	711,320
Net change in expenditure accruals.....	(33,179)
Recognition of revenue for on-behalf payments.....	7,229,932
Recognition of expenditures for on-behalf payments.....	<u>(7,229,932)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 492,756</u>

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2008, expenditures exceeded appropriations for conservation commission, and snow and ice, in the amounts of \$35 and \$81,052, respectively. These over-expenditures will be funded by available funds during fiscal year 2009.

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, 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.

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, 2007
Actuarial Cost Method.....Entry Age Normal Cost Method
Amortization Method.....Increasing at 4.3% per year
Remaining Amortization Period.....21 years remaining as of January 1, 2007
Asset Valuation Method.....Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value is based on a 5 year smoothing of realized and unrealized investment earning greater than or less than the expected return. The result must be within 10% of market value

Actuarial Assumptions:

Investment rate of return.....8.50%
Projected salary increases.....3.5 - 4.5%
Cost of living adjustments.....3.0% for the first \$12,000 of retirement income

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	2,816
Inactive participants.....	1,830
Disabled.....	333
Active participants.....	<u>7,088</u>
Total.....	<u><u>12,067</u></u>

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

Land Use and Conservation Fund—accounts for funds used for wetland protection.

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

Public Safety Fund —accounts for police, fire, harbor and animal control activities.

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

State Aid Fund— These funds account for grants received from the State mainly in relation to maintaining the Town's streets and sidewalks.

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

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, 2008

Special Revenue Funds

ASSETS	School	Gifts and Grants	Land Use & Conservation	Airport	Public Safety	DPW
Cash and cash equivalents.....	\$ 918,652	\$ 150,796	\$ 367,168	\$ -	\$ 113,191	\$ 119,909
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Intergovernmental.....	200,216	-	-	55,810	1,400	-
Due from other funds.....	-	-	25,187	-	837,250	-
TOTAL ASSETS.....	<u>\$ 1,118,868</u>	<u>\$ 150,796</u>	<u>\$ 392,355</u>	<u>\$ 55,810</u>	<u>\$ 951,841</u>	<u>\$ 119,909</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable.....	\$ 23,438	\$ 3,128	\$ 3,327	\$ 23,432	\$ 10,560	\$ -
Accrued payroll.....	31,586	-	-	-	5,212	-
Deferred revenues.....	-	-	-	-	-	-
Due to other funds.....	-	-	-	25,187	-	-
TOTAL LIABILITIES.....	<u>55,024</u>	<u>3,128</u>	<u>3,327</u>	<u>48,619</u>	<u>15,772</u>	<u>-</u>
FUND BALANCES:						
Reserved for:						
Perpetual permanent funds.....	-	-	-	-	-	-
Unreserved:						
Undesignated, reported in:						
Special revenue funds.....	1,063,844	147,668	389,028	7,191	936,069	119,909
Permanent funds.....	-	-	-	-	-	-
TOTAL FUND BALANCES.....	<u>1,063,844</u>	<u>147,668</u>	<u>389,028</u>	<u>7,191</u>	<u>936,069</u>	<u>119,909</u>
TOTAL LIABILITIES AND FUND BALANCES....	<u>\$ 1,118,868</u>	<u>\$ 150,796</u>	<u>\$ 392,355</u>	<u>\$ 55,810</u>	<u>\$ 951,841</u>	<u>\$ 119,909</u>

Special Revenue Funds				Total Nonmajor Governmental Funds	
State Aid	Other	Sub-total	Permanent Fund		
\$ - \$ 551,699	\$ 2,221,415	\$ 1,172,483	\$ 3,393,898		
- -	-	93,111	93,111		
1,680,170	-	1,937,596	-	1,937,596	
- -	862,437	-	862,437		
<u>\$ 1,680,170</u>	<u>\$ 551,699</u>	<u>\$ 5,021,448</u>	<u>\$ 1,265,594</u>	<u>\$ 6,287,042</u>	
\$ 4,039	\$ 17,364	\$ 85,288	\$ -	\$ 85,288	
- 13,982	-	50,780	-	50,780	
841,493	-	841,493	-	841,493	
<u>837,250</u>	<u>-</u>	<u>862,437</u>	<u>-</u>	<u>862,437</u>	
<u>1,682,782</u>	<u>31,346</u>	<u>1,839,998</u>	<u>-</u>	<u>1,839,998</u>	
- - -	-	377,468	-	377,468	
(2,612)	520,353	3,181,450	-	3,181,450	
- - -	-	-	888,126	888,126	
<u>(2,612)</u>	<u>520,353</u>	<u>3,181,450</u>	<u>1,265,594</u>	<u>4,447,044</u>	
<u>\$ 1,680,170</u>	<u>\$ 551,699</u>	<u>\$ 5,021,448</u>	<u>\$ 1,265,594</u>	<u>\$ 6,287,042</u>	

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

FISCAL YEAR ENDED JUNE 30, 2008

	Special Revenue Funds					
	School	Gifts and Grants	Land Use & Conservation	Airport	Public Safety	DPW
REVENUES:						
Intergovernmental.....	\$ 2,613,411	\$ -	\$ -	\$ 897,203	\$ 55,838	\$ -
Departmental and other.....	1,331,310	89,259	100,354	-	300,207	20,290
Contributions.....	-	138,252	-	43,557	25,646	25,422
Investment income.....	-	286	4,679	-	-	-
TOTAL REVENUES.....	3,944,721	227,797	105,033	940,760	381,691	45,712
EXPENDITURES:						
Current:						
General government.....	-	276,875	68,030	976,089	-	-
Public safety.....	-	-	-	-	243,628	-
Education.....	3,858,585	-	-	-	-	-
Public works.....	-	-	-	-	-	34,517
Health and human services.....	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-	-
TOTAL EXPENDITURES.....	3,858,585	276,875	68,030	976,089	243,628	34,517
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....						
	86,136	(49,078)	37,003	(35,329)	138,063	11,195
OTHER FINANCING SOURCES (USES):						
Transfers out.....	-	(23,039)	(26,000)	-	(63,000)	-
NET CHANGE IN FUND BALANCES.....	86,136	(72,117)	11,003	(35,329)	75,063	11,195
FUND BALANCES AT BEGINNING OF YEAR.....	977,708	219,785	378,025	42,520	861,006	108,714
FUND BALANCES AT END OF YEAR.....	\$ 1,063,844	\$ 147,668	\$ 389,028	\$ 7,191	\$ 936,069	\$ 119,909

Special Revenue Funds			Total Nonmajor Governmental Funds	
State Aid	Other	Sub-total	Permanent Fund	
\$ 1,493,740	\$ -	\$ 5,060,192	\$ -	\$ 5,060,192
- 628,224		2,469,644	-	2,469,644
- 138,888		371,765	99,812	471,577
- -		4,965	22,795	27,760
<u>1,493,740</u>	<u>767,112</u>	<u>7,906,566</u>	<u>122,607</u>	<u>8,029,173</u>
- -		1,320,994	1,300	1,322,294
- -		243,628	14,058	257,686
- -		3,858,585	-	3,858,585
1,221,749	-	1,256,266	-	1,256,266
- 59,769		59,769	-	59,769
- 632,836		632,836	-	632,836
<u>1,221,749</u>	<u>692,605</u>	<u>7,372,078</u>	<u>15,358</u>	<u>7,387,436</u>
<u>271,991</u>	<u>74,507</u>	<u>534,488</u>	<u>107,249</u>	<u>641,737</u>
<u>- -</u>	<u>(112,039)</u>	<u>(35,000)</u>	<u>(147,039)</u>	
271,991	74,507	422,449	72,249	494,698
<u>(274,603)</u>	<u>445,846</u>	<u>2,759,001</u>	<u>1,193,345</u>	<u>3,952,346</u>
<u>\$ (2,612)</u>	<u>\$ 520,353</u>	<u>\$ 3,181,450</u>	<u>\$ 1,265,594</u>	<u>\$ 4,447,044</u>

Agency Fund

Fund Description

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, 2008

	Agency Accounts		Agency Accounts
	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>
ASSETS			
Cash and cash equivalents.....	\$ <u>975,594</u>	\$ <u>1,194,119</u>	\$ <u>(1,567,187)</u>
LIABILITIES			
Liabilities due depositors.....	\$ <u>975,594</u>	\$ <u>1,194,119</u>	\$ <u>(1,567,187)</u>
			<u>602,526</u>

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Statistical Section



Marshfield Recreation Center

The new Recreation Center opened on the site of the old Coast Guard station. The project was financed through \$650,000 in general obligation bonds and \$76,500 in Community Preservation funds.

Statistical Section

This part of the Town of Marshfield 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 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Net Assets By Component

Last Six Fiscal Years

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

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

Changes in Net Assets

Last Six Fiscal Years

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
Expenses						
Governmental activities:						
General government.....	\$ 3,226,653	\$ 3,698,908	\$ 3,844,076	\$ 3,842,256	\$ 4,359,161	\$ 4,434,575
Public safety.....	9,213,156	9,929,103	10,898,431	10,970,904	11,439,519	12,662,170
Education.....	43,713,556	47,110,502	51,709,660	52,053,518	54,276,952	60,078,051
Public works.....	4,247,384	6,259,126	8,826,081	7,663,712	7,799,074	4,789,661
Health and human services.....	655,866	685,678	663,781	883,835	806,865	1,099,074
Culture and recreation.....	1,456,363	1,605,560	1,089,893	1,548,688	1,475,089	1,773,229
Community preservation.....	-	-	-	-	151,858	176,948
Interest.....	1,581,496	2,021,432	1,888,162	1,675,950	1,821,404	1,288,074
Total governmental activities expenses.....	<u>64,094,474</u>	<u>71,310,309</u>	<u>78,920,084</u>	<u>78,638,863</u>	<u>82,129,922</u>	<u>86,301,782</u>
Business-type activities:						
Sewer.....	2,442,633	-	-	-	-	3,825,132
Water.....	1,780,129	2,991,356	2,637,481	2,928,422	3,045,954	3,323,888
Solid waste.....	3,405,781	3,398,155	3,133,316	3,683,237	3,336,314	3,245,294
Total business-type activity expenses.....	<u>7,628,543</u>	<u>6,389,511</u>	<u>5,770,797</u>	<u>6,611,659</u>	<u>6,382,268</u>	<u>10,394,314</u>
Total primary government expenses.....	<u>\$ 71,723,017</u>	<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>
Program Revenues						
Governmental activities:						
Public safety charges for services.....	\$ 851,766	\$ 649,519	\$ 1,513,401	\$ 1,388,709	\$ 1,489,822	\$ 1,662,618
Education charges for services.....	1,219,910	1,012,834	1,195,364	1,162,379	1,450,676	1,329,265
Public works charges for services.....	24,917	2,604,803	2,172,660	7,828,621	2,504,563	55,965
Other charges for services.....	1,587,706	1,617,960	887,094	942,452	872,612	1,137,163
Operating grants and contributions.....	18,967,997	21,927,806	20,256,840	20,898,283	23,970,172	25,709,451
Capital grants and contributions.....	2,306,224	1,880,964	454,821	368,465	1,285,273	2,603,013
Total government activities program revenues.....	<u>24,958,520</u>	<u>29,693,886</u>	<u>26,480,180</u>	<u>32,588,909</u>	<u>31,573,118</u>	<u>32,497,475</u>
Business-type activities:						
Charges for services:						
Sewer.....	2,021,810	-	-	-	-	2,880,162
Water.....	3,040,526	3,419,994	3,249,185	2,509,017	3,444,008	3,187,661
Solid Waste.....	3,073,088	3,299,925	2,975,934	3,817,833	3,771,280	3,738,315
Operating grants and contributions.....	142,422	73,845	141,755	324,666	183,063	190,072
Capital grants and contributions.....	121,957	-	-	-	-	-
Total business-type activities program revenues.....	<u>8,399,803</u>	<u>6,793,764</u>	<u>6,366,874</u>	<u>6,651,516</u>	<u>7,398,351</u>	<u>9,996,210</u>
Total primary government program revenues.....	<u>33,358,323</u>	<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>
Net (Expense)/Revenue						
Governmental activities.....	\$ (39,135,954)	\$ (41,616,423)	\$ (52,439,904)	\$ (46,049,954)	\$ (50,556,804)	\$ (53,804,307)
Business-type activities.....	<u>771,260</u>	<u>404,253</u>	<u>596,077</u>	<u>39,857</u>	<u>1,016,083</u>	<u>(398,104)</u>
Total primary government net expense.....	<u>\$ (38,364,694)</u>	<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>
General Revenues and other Changes in Net Assets						
Governmental activities:						
Real estate, personal property taxes and tax liens,						
net of tax refunds payable.....	\$ 33,103,412	\$ 33,992,431	\$ 36,480,385	\$ 37,363,518	\$ 38,754,561	\$ 42,730,586
Motor vehicle and other excise taxes.....	3,127,020	3,196,830	3,458,124	3,496,136	3,158,003	3,285,913
Community preservation tax.....	-	-	-	830,355	871,114	970,338
Penalties and interest on taxes.....	257,550	205,069	255,291	255,015	258,823	295,273
Grants and contributions not restricted to						
specific programs.....	3,132,572	5,443,606	5,253,422	4,654,593	5,793,710	3,131,096
Unrestricted investment income.....	616,002	609,612	694,329	1,028,278	1,474,859	820,875
Miscellaneous.....	227,696	798,479	712,029	331,701	353,523	227,849
Transfers.....	-	(24,717)	-	-	-	-
Total governmental activities.....	<u>40,464,252</u>	<u>44,221,310</u>	<u>46,853,580</u>	<u>47,959,596</u>	<u>50,664,593</u>	<u>51,461,930</u>
Business-type activities:						
Unrestricted investment income.....	-	-	-	-	-	577,329
Transfers.....	-	24,717	-	-	-	-
Total business-type activities.....	-	<u>24,717</u>	-	-	-	<u>577,329</u>
Total primary government.....	<u>\$ 40,464,252</u>	<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>
Changes in Net Assets						
Governmental activities.....	\$ 1,328,298	\$ 2,604,887	\$ (5,586,324)	\$ 1,909,642	\$ 107,789	\$ (2,342,377)
Business-type activities.....	<u>771,260</u>	<u>428,970</u>	<u>596,077</u>	<u>39,857</u>	<u>1,016,083</u>	<u>179,225</u>
Total primary government.....	<u>\$ 2,099,558</u>	<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>

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved.....	\$ 1,717,143	\$ 1,989,223	\$ 3,097,145	\$ 2,842,045	\$ 2,721,313	\$ 3,079,174	\$ 1,735,706	\$ 962,993	\$ 1,102,746	\$ 622,584
Unreserved.....	6,317,830	8,231,966	8,386,277	7,325,657	7,363,859	6,100,057	4,920,301	5,639,433	3,685,942	4,658,860
Total general fund.....	\$ 8,034,973	\$ 10,221,189	\$ 11,483,422	\$ 10,167,702	\$ 10,085,172	\$ 9,179,231	\$ 6,656,007	\$ 6,602,426	\$ 4,788,688	\$ 5,281,444
All Other Governmental Funds										
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,509	\$ 95,113	\$ 1,333,578	\$ 1,848,727
Unreserved, reported in:										
Special revenue funds.....	1,331,837	1,913,420	1,436,217	2,177,401	13,993,734	16,608,548	14,073,000	10,196,721	11,891,488	10,139,920
Capital projects funds.....	(12,101,004)	(23,876,469)	724,496	(1,933,069)	3,318,187	1,364,864	2,540,489	352,910	864,234	(922,300)
Permanent funds.....	-	-	-	-	1,109,389	1,027,593	1,054,007	1,080,574	1,193,345	888,128
Total all other governmental funds....	\$ (10,769,167)	\$ (21,963,049)	\$ 2,160,713	\$ 244,332	\$ 18,421,310	\$ 19,140,514	\$ 17,762,609	\$ 12,963,783	\$ 15,797,794	\$ 10,483,214

Fiscal years 1999 through 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

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.

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds.....	\$ 26,763,062	\$ 28,374,270	\$ 31,186,867	\$ 32,202,891	\$ 33,395,869	\$ 34,599,324	\$ 36,306,867	\$ 37,548,388	\$ 38,256,831	\$ 42,893,443
Motor vehicle and other excise taxes.....	2,155,198	2,627,674	2,929,340	3,004,533	3,196,541	3,177,685	3,398,151	3,478,381	3,201,171	3,273,198
Penalties and interest on taxes.....	312,475	321,982	344,904	376,272	257,550	205,069	255,291	255,015	258,823	295,273
Charges for services.....	-	-	-	-	-	3,781,716	4,677,078	5,806,836	5,578,452	823,808
Intergovernmental.....	14,690,643	19,322,337	20,715,778	22,744,007	23,954,865	24,777,670	26,611,991	27,224,134	31,264,380	32,768,863
Departmental and other.....	2,234,739	2,467,866	3,565,284	4,446,399	4,137,626	2,370,719	2,199,763	1,615,155	1,699,661	3,441,177
Community preservation taxes.....	-	-	-	-	-	-	-	830,355	871,114	943,616
Contributions.....	-	-	-	-	-	-	-	-	-	471,577
Investment income.....	519,492	982,724	1,068,119	600,350	766,274	606,641	692,726	1,028,278	1,417,437	820,875
Total Revenue.....	47,175,995	54,096,853	59,810,292	63,374,452	65,708,725	69,518,824	74,141,867	77,786,542	82,547,869	85,731,830
Expenditures:										
General government.....	6,213,018	6,298,293	7,027,042	8,907,911	7,394,545	2,319,115	8,176,301	7,819,324	11,181,605	3,685,500
Public safety.....	6,570,149	6,749,697	6,924,805	7,896,387	6,783,812	3,591,432	7,543,894	6,712,207	7,760,428	8,172,255
Education.....	38,981,601	42,074,521	35,633,973	37,477,674	37,970,219	21,731,059	43,117,621	39,981,242	46,470,674	50,762,547
Public works.....	2,909,609	3,577,165	3,274,082	4,382,816	2,673,343	3,588,372	7,463,545	6,169,708	5,811,645	1,893,018
Human and human services.....	325,228	420,166	434,219	682,306	2,441,840	1,002,188	675,431	697,459	741,516	877,038
Culture and recreation.....	929,140	899,804	1,062,382	1,387,690	1,138,760	682,220	1,690,251	1,039,130	1,698,038	1,218,016
Pension benefits.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,059,026
Property and liability insurance.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	916,566
Employee benefits.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,088,361
Community preservation.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	176,948
State and county charges.....	645,847	725,021	656,801	593,229	531,973	707,303	826,165	721,720	682,912	643,063
Capital outlay.....	-	n/a	n/a	n/a	4,998,843	-	38,696,665	7,018,218	13,720,593	4,464,480
Debt service.....										
Principal.....	545,826	813,474	720,042	2,012,594	1,950,719	3,469,092	3,607,241	4,012,274	3,852,445	3,856,058
Interest.....	242,743	627,141	2,236,866	1,484,995	1,548,320	1,895,361	1,805,329	1,765,292	1,770,277	1,363,126
Total Expenditures.....	57,363,161	62,185,282	57,970,212	64,825,602	67,432,374	77,682,807	81,923,996	82,638,949	84,434,020	86,327,707
Excess of revenues over (under) expenditures.....	(10,187,166)	(8,088,429)	1,840,080	(1,451,150)	(1,723,649)	(8,163,983)	(7,782,129)	(4,852,407)	(1,886,151)	(595,877)
Other Financing Sources (Uses)										
Premium from issuance of bonds.....	-	-	-	-	-	11,879	-	-	57,424	-
Proceeds from issuance of long-term debt.....	2,274,500	-	25,875,000	-	8,079,000	1,230,000	3,881,000	-	2,849,000	-
Transfers in.....	120,500	265,693	131,944	79,420	1,867,612	3,382,743	3,365,944	3,759,046	3,014,784	1,348,253
Transfers out.....	(2,317,915)	(1,705,257)	(2,461,029)	(1,860,371)	(1,867,612)	(3,407,460)	(3,365,944)	(3,759,046)	(3,014,784)	(1,348,253)
Total other financing sources (uses).....	77,085	(1,439,564)	23,545,915	(1,780,951)	8,079,000	1,217,162	3,881,000	-	2,906,424	-
Net change in fund balance.....	\$ (10,110,081)	\$ (9,527,993)	\$ 25,385,995	\$ (3,232,101)	\$ 6,355,351	\$ (6,946,821)	\$ (3,901,129)	\$ (4,852,407)	\$ 1,020,273	\$ (595,877)
Debt service as a percentage of noncapital expenditures.....	1.37%	2.32%	5.10%	5.40%	5.60%	13.76%	7.23%	8.38%	7.03%	6.39%

n/a - Information is not available.

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.

Other notes:

Fiscal years 1999 through 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

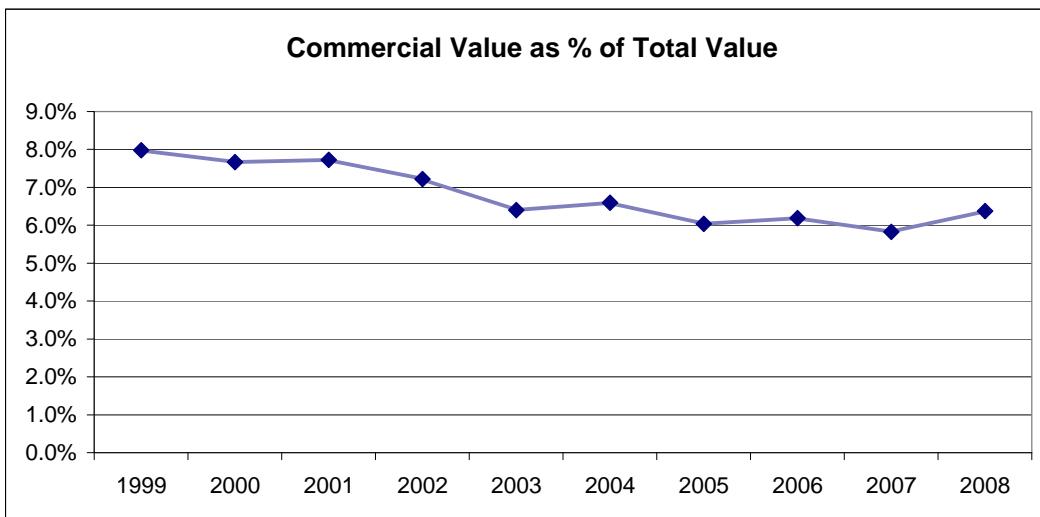
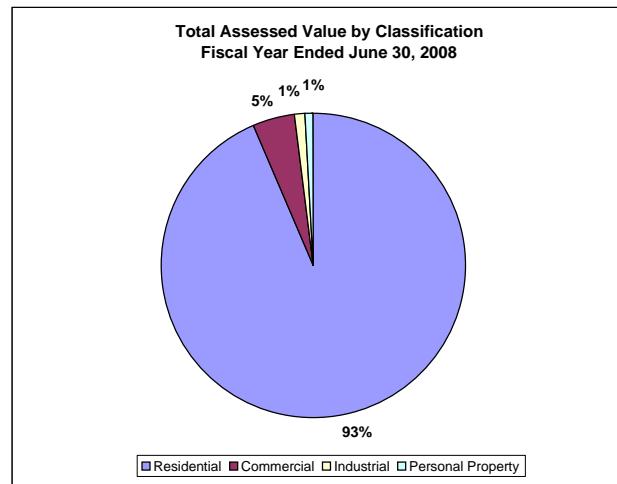
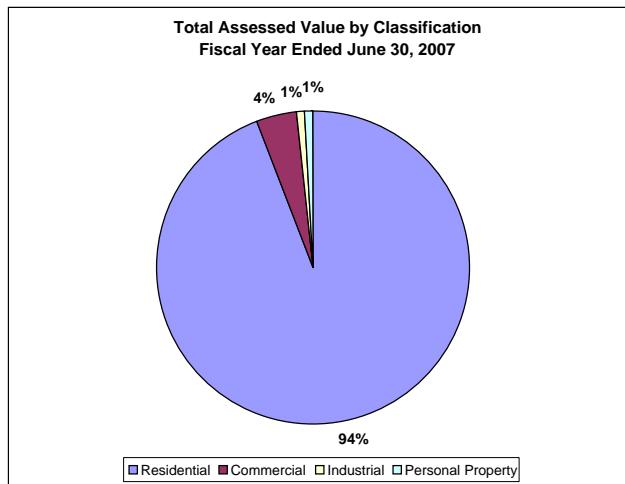
In fiscal year 2001, the on-behalf payments by the Commonwealth for teachers pension benefits were reported for the first time.

From 1997 through 2002, debt service as a percentage of noncapital expenditures included capital expenditures recorded in the functional categories of current expenditures.

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

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Town Value	
1999	(1)	\$1,622,032,281	\$15.16	\$95,840,724	\$15,304,400	\$29,495,976	\$140,641,100	\$15.16	8.0%	\$1,762,673,381
2000		\$1,734,774,524	\$15.06	\$98,347,281	\$15,639,900	\$30,005,483	\$143,992,664	\$15.06	7.7%	\$1,878,767,188
2001		\$1,828,960,096	\$15.63	\$105,024,909	\$17,579,300	\$30,580,731	\$153,184,940	\$15.63	7.7%	\$1,982,145,036
2002	(1)	\$2,305,685,175	\$12.71	\$123,421,125	\$23,585,400	\$32,426,653	\$179,433,178	\$12.71	7.2%	\$2,485,118,353
2003		\$2,730,101,537	\$11.27	\$129,505,663	\$25,164,800	\$32,039,557	\$186,710,020	\$11.27	6.4%	\$2,916,811,557
2004		\$3,301,240,417	\$9.71	\$167,899,483	\$29,396,000	\$35,635,943	\$232,931,426	\$9.71	6.6%	\$3,534,171,843
2005	(1)	\$3,881,280,251	\$8.65	\$181,680,049	\$30,762,000	\$36,817,458	\$249,259,507	\$8.65	6.0%	\$4,130,539,758
2006		\$4,223,128,973	\$8.31	\$206,830,234	\$35,490,300	\$36,381,261	\$278,701,795	\$8.31	6.2%	\$4,501,830,768
2007		\$4,507,128,337	\$8.14	\$205,483,115	\$36,562,100	\$36,960,539	\$279,005,754	\$8.14	5.8%	\$4,786,134,091
2008	(1)	\$4,586,786,110	\$8.72	\$223,328,575	\$43,622,000	\$45,423,853	\$312,374,428	\$8.72	6.4%	\$4,899,160,538



(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

Prior Year and Eight Years Ago

Name	Nature of Business	2007*			Percentage of Total Taxable Assessed Value	1999			Percentage of Total Taxable Assessed Value
		Assessed Valuation	Rank	Assessed Value		Assessed Valuation	Rank	Assessed Value	
Home Properties of Marshfield, LLP	Apartment Complex	\$ 28,942,700	1	0.60%	\$ -	-	-	-	
Curtlo, LLC	Shopping Plaza	13,677,700	2	0.29%	11,179,500	1	0.63%	-	
Proprietors Woods, LLC	Single Family Subdivision & Over 55	11,054,000	3	0.23%	-	-	-	-	
OMDB Realty, LLC	Supermarket	9,767,100	4	0.20%	-	-	-	-	
Commonwealth Electric	Utility	9,178,351	5	0.19%	7,375,655	4	0.42%	-	
Mariners Hill Limited	Marina	8,879,000	6	0.19%	4,313,200	6	0.24%	-	
Verizon	Utility	7,548,500	7	0.16%	8,228,400	3	0.47%	-	
Bay State Gas	Utility	6,597,890	8	0.14%	5,435,000	5	0.31%	-	
VRT Corporation	Industrial Park	6,196,200	9	0.13%	-	-	-	-	
Marina Harbor Corp II	Marina	5,347,700	10	0.11%	-	-	-	-	
Fox Run Apartments	Apartment Complex	-	-	-	8,836,200	2	0.50%	-	
Marshfield Country Club	Golf Course	-	-	-	3,230,700	7	0.18%	-	
Commerce Center Trust	Office Building	-	-	-	3,111,800	8	0.18%	-	
P & S Realty Trust	Builders	-	-	-	3,071,600	9	0.17%	-	
Telegraph Hill Realty Trust	Builders	-	-	-	2,944,100	10	0.17%	-	
Totals		\$ 107,189,141	2.24%	\$ 57,726,155	3.27%				

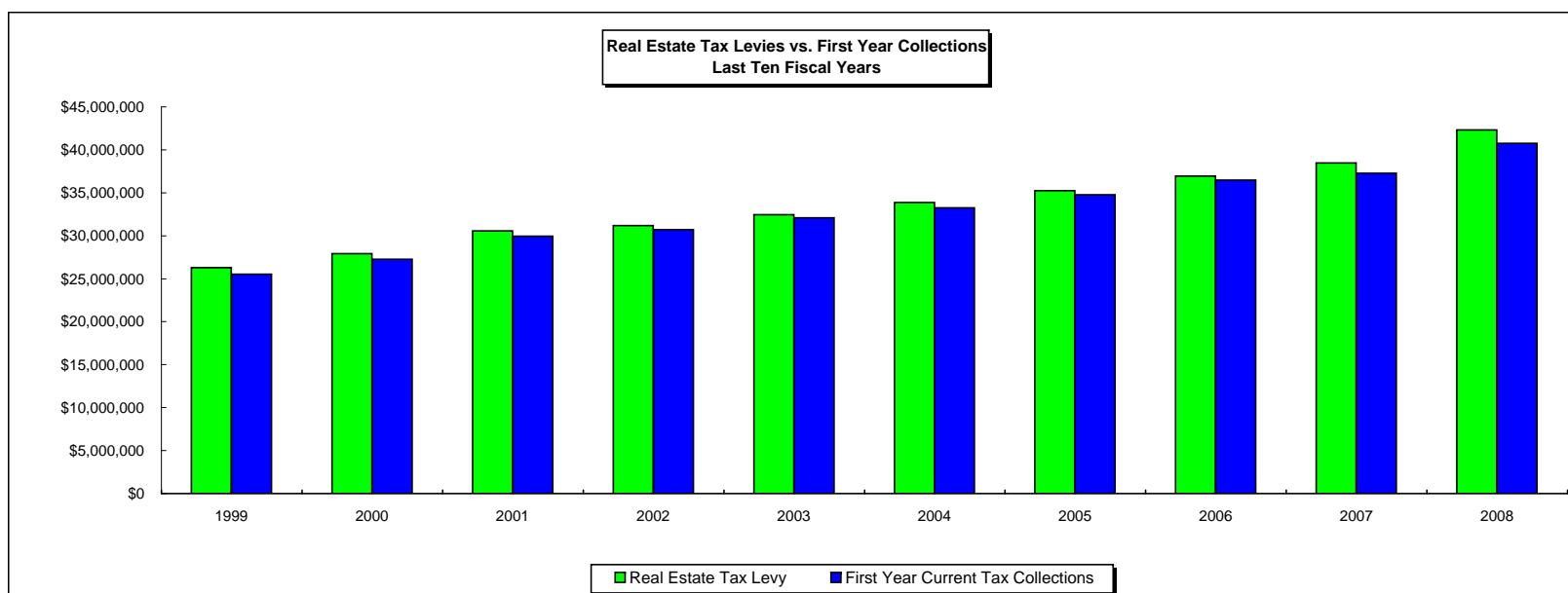
* 2008 Information not available

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
1999	(1)	\$26,722,128	\$438,985	\$26,283,143	98.36%	\$25,538,452	97.17%	\$509,904	\$26,048,356	99.11%
2000		\$28,294,234	\$390,272	\$27,903,962	98.62%	\$27,262,116	97.70%	\$581,222	\$27,843,338	99.78%
2001		\$30,980,927	\$400,496	\$30,580,431	98.71%	\$29,945,994	97.93%	\$553,531	\$30,499,525	99.74%
2002	(1)	\$31,585,854	\$408,913	\$31,176,941	98.71%	\$30,696,794	98.46%	\$311,612	\$31,008,406	99.46%
2003		\$32,872,466	\$406,583	\$32,465,883	98.76%	\$32,076,941	98.80%	\$381,823	\$32,458,764	99.98%
2004		\$34,316,809	\$465,327	\$33,851,482	98.64%	\$33,244,779	98.21%	\$486,837	\$33,731,616	99.65%
2005	(1)	\$35,729,169	\$488,834	\$35,240,335	98.63%	\$34,770,020	98.67%	\$440,720	\$35,210,740	99.92%
2006		\$37,410,214	\$473,121	\$36,937,093	98.74%	\$36,481,022	98.77%	\$422,696	\$36,903,718	99.91%
2007		\$38,959,132	\$477,450	\$38,481,682	98.77%	\$37,286,024	96.89%	\$407,824	\$37,693,848	97.95%
2008	(1)	\$42,720,680	\$421,121	\$42,299,559	99.01%	\$40,756,510	96.35%	\$0	\$40,756,510	96.35%



(1) Revaluation year.

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

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

Fiscal Year	Governmental Activities							
	U. S. Census Population	Personal Income	Assessed Value	General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
1999	23,823	\$ 685,340,064	\$ 1,762,673,381	\$4,144,112	\$0	\$174	0.60%	0.24%
2000	24,324	\$ 727,742,945	\$ 1,878,767,188	\$4,041,254	\$0	\$166	0.56%	0.22%
2001	24,595	\$ 743,209,428	\$ 1,982,145,036	\$30,301,012	\$0	\$1,232	4.08%	1.53%
2002	24,815	\$ 753,606,654	\$ 2,485,118,353	\$28,288,418	\$0	\$1,140	3.75%	1.14%
2003	24,775	\$ 753,144,286	\$ 2,916,811,557	\$37,678,019	\$0	\$1,521	5.00%	1.29%
2004	24,817	\$ 784,597,902	\$ 3,534,171,843	\$42,922,453	\$0	\$1,730	5.47%	1.21%
2005	24,890	\$ 857,727,346	\$ 4,130,539,758	\$43,212,849	\$0	\$1,736	5.04%	1.05%
2006	24,836	\$ 915,777,119	\$ 4,501,830,768	\$39,200,575	\$0	\$1,578	4.28%	0.87%
2007	24,576	\$ 942,437,753	\$ 4,786,134,091	\$38,197,130	\$0	\$1,554	4.05%	0.80%
2008	24,576 (1)	\$ 980,135,263	\$ 4,899,160,538	\$27,906,194	\$0	\$1,136	2.85%	0.57%

Fiscal Year	Business-type Activities		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
1999	\$ 3,694,419	\$0	\$7,838,531	\$329	1.14%	0.44%
2000	\$ 3,641,881	\$0	\$7,683,135	\$316	1.06%	0.41%
2001	\$ 4,991,517	\$0	\$35,292,529	\$1,435	4.75%	1.78%
2002	\$ 4,192,625	\$0	\$32,481,043	\$1,309	4.31%	1.31%
2003	\$ 9,358,526	\$0	\$47,036,545	\$1,899	6.25%	1.61%
2004	\$ 1,345,000	\$0	\$44,267,453	\$1,784	5.64%	1.25%
2005	\$ 980,000	\$0	\$44,192,849	\$1,776	5.15%	1.07%
2006	\$ 725,000	\$0	\$39,925,575	\$1,608	4.36%	0.89%
2007	\$ 2,701,000	\$0	\$40,898,130	\$1,664	4.34%	0.85%
2008	\$ 8,199,291	\$0	\$36,105,485	\$1,469	3.68%	0.74%

Source: Audited Financial Statements, U. S. Census

(1) 2008 Census data is not available

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, 2008

<u>Town of Marshfield, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Plymouth County.....	\$ 1,201,088	6.4%	\$ 76,870
Massachusetts Bay Transportation Authority.....	(1)	N/A	<u>N/A</u>
Subtotal, overlapping debt.....			76,870
Town direct debt.....			<u>27,906,194</u>
Total direct and overlapping debt.....			<u>\$ 27,983,064</u>

Source: Plymouth County and Massachusetts Bay Transportation Authority

- (1) As part of its Fiscal Year 2000 annual appropriations act, Chapter 127 of the Acts of 1999 of the Commonwealth known as "Forward Funding Legislation", The Commonwealth repealed and restated the Prior Act effective July 1, 2001. As of July 1, 2001, the MBTA's 175 member communities are no longer responsible for overlapping debt and are solely responsible for their annual municipal assessment which was \$158,100 for fiscal 2008.

Computation of Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Equalized Valuation.....\$	1,770,864,300	2,093,081,700	2,093,081,700	2,703,305,500	2,703,305,500	3,790,610,200	3,790,610,200	4,787,007,000	4,787,007,000	5,155,216,100
Debt Limit -5% of Equalized Valuation.....\$	88,543,215	104,654,085	104,654,085	135,165,275	135,165,275	189,530,510	189,530,510	239,350,350	239,350,350	257,760,805
Less:										
Outstanding debt applicable to limit.....\$	5,128,531	5,873,135	33,497,529	7,906,043	22,206,545	21,422,452	22,987,848	20,250,575	31,762,252	27,906,194
Authorized and unissued debt.....	31,656,006	41,343,595	17,084,326	18,784,000	1,619,420	4,413,920	3,770,920	8,329,420	6,393,420	11,294,000
Legal debt margin.....\$	51,758,678	57,437,355	54,072,230	108,475,232	111,339,310	163,694,138	162,771,742	210,770,355	201,194,678	218,560,611
Total debt applicable to the limit as a percentage of the limit.....	41.54%	45.12%	48.33%	19.75%	17.63%	13.63%	14.12%	11.94%	15.94%	15.21%

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
1999	23,823	\$ 685,340,064	\$ 28,768	39.3	4,548	2.90%
2000	24,324	(1) \$ 727,742,945	\$ 29,919	41.0	4,584	2.10%
2001	24,595	\$ 743,209,428	\$ 30,218	41.0	4,580	2.70%
2002	24,815	\$ 753,606,654	\$ 30,369	41.0	4,620	4.00%
2003	24,775	\$ 753,144,286	\$ 30,399	41.0	4,699	4.60%
2004	24,817	\$ 784,597,902	\$ 31,615	41.0	4,621	3.50%
2005	24,890	\$ 857,727,346	\$ 34,461	41.0	4,639	3.80%
2006	24,836	\$ 915,777,119	\$ 36,873	41.0	4,693	4.30%
2007	24,576	\$ 942,437,753	\$ 38,348	41.0	4,730	4.60%
2008	24,576	(2) \$ 980,135,263	\$ 39,882	41.0	4,739	4.70%

Source: U. S. Census, Division of Local Services

Median age is based on most recent census data

(1) Most recent U.S. census

(2) 2008 Census data is not available

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2008			Percentage of Total Town Employment	1999			Percentage of Total Town Employment
		Employees	Rank			Employees	Rank		
Town of Marshfield	Municipal Government	1300	1	9.41%	1148	1	8.94%		
Road to Responsibility	Retail & Service	450	2	3.26%	-	-	-	-	
Roche Brothers	Supermarket	275	3	1.99%	-	-	-	-	
Star Market	Supermarket	175	4	1.27%	180	2	1.40%		
CVS	Retail	84	5	0.61%	-	-	-	-	
Marshfield Country Club	Golf Course	83	6	0.60%	75	5	0.58%		
Kirwan Surgical	Manufacturer	80	7	0.58%	-	-	-	-	
Fairview Inn	Restaurant & Inn	70	8	0.51%	-	-	-	-	
Marshall's	Retail	50	9	0.36%	54	7	0.42%		
Waste Solutions	Commercial	48	10	0.35%	-	-	-	-	
Community Newspaper Co.	Newspaper	-	-	-	100	3	0.78%		
Bridgewater Inn	Restaurant & Inn	-	-	-	80	4	0.62%		
U.S. Post Office	Postal Service	-	-	-	60	6	0.47%		
Compass Rose/Marina	Restaurant & Marina	-	-	-	45	8	0.35%		
Lobster Tale	Restaurant	-	-	-	35	9	0.27%		
Lou's 139	Restaurant	-	-	-	30	10	0.23%		

According to the Massachusetts Workforce Development Data, in June 2008 the Town had a total labor force of 14,496 of whom 13,815 were employed and 681 or 4.7% were unemployed.

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

Full-time Equivalent Town Employees by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government.....	39	41	43	43	45	40	42	42	40	41
Police.....	48	46	48	48	48	48	48	45	48	48
Fire.....	46	46	55	55	55	55	55	55	52	55
Education.....	677	703	740	763	810	772	756	857	864	873
Water.....	19	19	19	20	20	20	20	20	20	21
Sewer.....	11	11	11	11	12	13	14	14	13	14
Solid waste.....	7	6	6	6	6	7	7	7	7	7
Public works.....	36	36	39	36	36	36	36	40	40	40
Human services.....	17	15	17	15	16	16	18	19	18	19
Culture and recreation.....	24	27	28	30	30	30	28	30	30	30
Total	<u>924</u>	<u>950</u>	<u>1,006</u>	<u>1,027</u>	<u>1,078</u>	<u>1,037</u>	<u>1,024</u>	<u>1,129</u>	<u>1,132</u>	<u>1,148</u>

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Fiscal Years

Fiscal Year

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Population.....	23,823	24,324	24,595	24,815	24,775	24,817	24,890	24,836	24,576	24,576
Registered voters, annual town election.....	9,066	9,746	10,452	10,879	11,674	12,403	13,708	14,304	15,367	16,531
Town Clerk										
Births.....	359	352	313	326	242	312	309	253	286	255
Marriages.....	148	141	136	111	156	119	107	99	109	98
Deaths.....	142	150	145	186	150	163	166	166	167	174
Police										
Accidents covered by an officer.....	443	457	485	486	457	409	395	386	503	515
Citations issued.....	1,450	1,784	2,429	2,253	1,899	1,474	1,230	926	1,205	513
Arrests.....	775	445	376	396	378	344	638	765	753	660
Larcenies.....	300	271	244	192	189	232	246	224	208	104
Fire										
Rescue assist.....	408	269	404	477	703	499	368	370	360	387
False alarm.....	32	35	54	73	54	47	43	55	40	32
Public assist.....	256	261	248	233	162	170	240	226	198	240
Emergency responses/ambulance.....	1,311	1,338	1,539	1,687	1,611	1,748	1,734	1,730	1,951	1,974
Building Department										
Residential building permits issued.....	715	615	633	704	810	837	658	814	731	716
Non-Residential building permits issued.....	20	45	28	24	21	26	13	39	33	36
Education										
Public school enrollment.....	4,548	4,584	4,580	4,620	4,699	4,621	4,639	4,693	4,730	4,739
Public Works										
Cemetery										
Lots sold.....	162	125	152	191	150	139	158	94	62	106
Interments.....	105	110	137	127	130	125	120	92	103	78
Water										
Service connections.....	9,432	9,508	9,586	9,627	9,584	9,718	9,718	9,804	9,826	9,894
Consumption in billions of gallons.....	1,155	989	1,133	1,119	1,124	1,167	1,114	887	1,026	1,027
Daily consumption in millions of gallons.....	2.5	2.8	2.9	2.9	3.1	3.3	3.0	2.5	2.8	2.8
Sewer										
Daily average collection (MGD).....	1.22	1.26	1.23	0.90	1.29	1.25	1.29	1.33	1.22	1.41
Human Services										
Board of Health										
Permits issued.....	N/A	N/A	662	831	991	1,009	994	809	742	669
Variances.....	N/A	N/A	42	55	79	61	62	58	44	26
Council on Aging										
Home delivered Meals.....	10,015	10,808	9,913	10,319	9,213	9,445	11,797	12,655	14,995	13,921
Transportation.....	11,056	10,574	9,016	9,512	10,230	10,852	9,902	10,163	10,604	11,325
Volunteer service hours.....	9,667	24,581	16,383	15,241	21,080	33,331	36,631	26,385	23,159	23,441
Fitness/exercise program participants.....	724	791	611	1,625	2,362	2,692	2,934	5,176	5,271	5,166
Recreation/social event participants.....	3,664	3,622	4,841	5,183	5,576	7,692	10,960	10,876	13,810	14,191
Libraries										
Volumes in collection.....	66,849	67,836	70,624	69,909	69,278	70,880	72,507	73,013	76,334	76,202
Circulation.....	221,484	233,670	250,000	265,000	283,000	274,000	268,337	280,448	268,000	273,951
Program attendance.....	13,448	14,405	8,687	9,248	10,417	7,512	8,340	7,273	5,919	6,023

Source: Various Town Departments

N/A - information is unavailable

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Airport	1	1	1	1	1	1	1	1	1	1
General Government										
Number of buildings.....	1	1	1	1	1	1	1	1	1	1
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.....	12	12	13	13	14	14	15	15	15	15
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).....	193	194	194	194	194	195	198	198	200	200
Fire hydrants.....	1,299	1,311	1,316	1,323	1,333	1,337	1,375	1,375	1,383	1,388
Sanitary sewers (miles).....	32	32	32	32	32	41	41	41	41	41
Number of wells.....	16	16	16	16	16	16	16	16	16	17
Number of water storage tanks.....	3	3	3	3	3	3	3	3	3	4
Number of pump stations.....	14	15	15	15	15	15	15	15	15	16
Human Services										
Senior center.....	-	-	-	-	-	1	1	1	1	1
Culture and Recreation										
Recreation building.....	-	-	-	-	-	-	-	-	-	1
Library.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments