THE TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR
JULY 1, 2013 – JUNE 30, 2014

On the cover:

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

The North River property preserves the aesthetics in perpetuity and provides all residents with an opportunity to walk or hike through some of the nicest wooded areas and see some of the greatest vistas on the South Shore.

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

TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2014

Prepared by:

The Fiscal Team
Town of Marshfield, Massachusetts

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

TOWN OF MARSHFIELD, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2014

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Introductory Section

Marshfield High School

Introductory Section

Town of Marshfield

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

Rocco J. Longo
Town Administrator

Letter of Transmittal

December 10, 2014

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

State law requires the Town of Marshfield to publish at the close of each year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Marshfield, Massachusetts, for the year ending June 30, 2014 for your review.

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

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

The Town of Marshfield's financial statements have been audited by Powers & Sullivan, LLC a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Marshfield for the year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Marshfield's financial statements for the year ended June 30, 2014 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Marshfield was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards

governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards. These reports are available in the Town of Marshfield's separately issued Single Audit Report.

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

Profile of Town

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

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

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

The Town of Marshfield provides general governmental services for the territory within its boundaries, including police and fire protection, public education in grades kindergarten through twelve, water and sewer services, solid waste disposal, and streets. The Town provides social services to the community. The Council on Aging provides services to the senior population. Veterans and families of veterans are served by the Veterans Services Department and community wide recreational opportunities are provided by the Town's Recreation commission.

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

Factors Affecting Economic Condition

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

The Town established a planned mixed use district adjacent to an existing industrial park which has led to the establishment of a small subdivision of single family homes with over 55 age restricted units and a supermarket. A 149 unit assisted living facility opened in the spring of 2010 in addition to the first of five proposed buildings in an adjacent pedestrian friendly shopping area. This zoning change dovetails with the work done by the Downtown Revitalization Committee to improve the aesthetic appeal, access and business opportunities in the downtown area. These endeavors not only strengthen the commercial tax base but also contain commercial development in specific areas to keep the residential nature of the Town intact.

The Board of Selectmen, Board of Public Works and Energy Committee all were a part of the Town's new Power Purchase Agreement. A group of private developers built a 4 MW solar array in the Town of Marshfield on an old landfill, referred to as the old Sylvester Ray landfill located on Clay Pit road. Under the guidance of attorney Maura McCaffery and Town Counsel, the Board of Selectmen negotiated a 20 year agreement (PPA) that provides the Town with net metering credits by purchasing all the power generated by the facility. The net metering credits will be worth over $4,000,000 over the life of the agreement. New tax revenue generated on the former landfill will generate $1,000,000 over the life of the PPA through a payment in lieu of taxes (PILOT) agreement. The Town will save approximately 50% of the electric expense each year with a locked in rate for the electricity purchase of $0.10/kwh without an escalator for 20 years. The solar array went into operation in December 2014 and the Town has been seeing some of the initial financial benefits of the power purchase agreement.

A significant project that enhances the local economy is the Marshfield Municipal Airport Safety Improvement Project. The Airport Commission was the recipient of a $10,000,000 federal grant through the Federal Aviation Administration. The grant was accepted and approved at a Town Meeting. The grant is a factor in creating 140 additional project jobs, adding $6.4 million to local payrolls and would have a local impact of over $19,000,000. Most importantly the Airport Improvement Project will bring the runway up to the current standard and the result is a safer runway for the Airport. Construction was substantially completed by June 30, 2014.

In the spring of 2014, the Commonwealth of Massachusetts substantially completed construction on the $7,000,000 Widening State Route 139 project, which is the main feeder road into Marshfield off of Route 3. This project improves access into Marshfield and may be the most significant economic development effort in recent history. The project will enhance pedestrian and traffic safety. The project will expedite development in Town and provides the potential of generating over 900 new jobs in our community.

The Town's private commercial fleet provides one of the largest ports for tuna fishing on the east coast and the same for local lobstermen. The Green Harbor jetty project concluded during 2014. The project was a $1.5 million improvement project. The jetty is now level, and has 100 feet of steel sheet piling in place to help mitigate sand migration over the jetty. This project will secure the entrance channel as well as the homes and beach behind the jetties. In the coming months, after the close of 2014, the Town will initiate construction on a new Maritime Center adjacent to the Pier that will benefit both the commercial fishing fleet and recreational boaters.

The Town continues to manage its financial affairs in a prudent manner. Evidence of the Town's strong fiscal management, the Town's bond rating was upgraded from AA to AA+ by Standard and Poor's. Management's incorporation of long range planning tools such as a five year Capital Improvement Program; maintenance of reserve balances despite tight budgets; investing in technology to ensure efficient operations; and maintaining an aggressive debt management strategy for capital improvements and pursuing pay-as-you-go options whenever possible. The Town consistently seeks grant opportunities for operational services as well as capital improvements.

The Town has also enhanced its revenue flexibility by establishing enterprise funds. This has allowed the Town to shift one hundred percent (except for certain amounts of sewer debt where the general fund is responsible for its 40% share) of the operating cost and capital improvements to the users of sewer, water and solid waste

services so that no tax support goes towards providing these services. All related debt, except as discussed above, is funded through user fees. By doing so the Town is able to provide the maximum tax dollars available to all other services.

Major Initiatives

The “new” Marshfield High School was completed on time and under budget. The School Building Committee has provided project oversight. The “new” Marshfield High School opened in the fall of calendar year 2014. The Massachusetts School Building Authority will reimburse the Town 55.61% of the eligible projects costs.

Clearly a major initiative but without a clear understanding of the ultimate impact on the Town, the Federal Emergency Management Administration (FEMA) has proposed new flood maps for the Town of Marshfield with new flood zones for the National Flood Insurance Program (NFIP). These changes will significantly impact the community and the Town’s governance. However, the Town appealed the proposed changes. One appeal is through the Scientific Resolution Panel (SRP) in partnership with the Town of Scituate and the second more traditional appeal in a partnership with the Town of Scituate and the Town Duxbury. By the end of 2014 neither appeal has been addressed or resolved by FEMA. Therefore, the ultimate or final impact on the Town of Marshfield is held in abeyance.

Reserves

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

The Town is rebuilding its Stabilization Fund after having used the fund to support the general fund budget in years 2003 through 2008. Over the last five years, the Town has increased the balance in the fund to $2.3 million. The target for the Stabilization Fund is 5-7% of General Fund revenue to be achieved by year 2015. Management also phased out the use of one time revenues to fund the operational budget from $6.7 million in 2004, $500,000 in 2012 to zero in the 2015 operating budget.

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

Internal Controls

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Town Administrator and the 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 Town Administrator works primarily with the Finance Director

on the budget and the overall budget is developed with guidance of the entire Fiscal Team. In addition to the Town Administrator, the Fiscal Team includes the Finance Director, Town Accountant, Chief Assessor, School Superintendent, School Business Manager, and the DPW Financial Administrator.

The nine member Advisory Board holds public hearings to review all departmental budgets and makes recommendations on the budget to Town Meeting in April.

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

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

Financial Management

The Town adopted a policy in year 2011 to codify the allocation of indirect costs between the three Enterprise funds and the General Fund. A written agreement developed by the Fiscal Team, has been approved by the Board of Selectmen and the School Committee to codify the allocation of revenues and fixed costs between the school and town departments based on existing verbal agreements. A free cash management agreement was adopted April 2012 and debt management policy was adopted May 2012. Finally, additional reserves for uncompensated balances and capital projects were also adopted in 2014.

Acknowledgements

We would like to express our appreciation to all the members of the departments who assisted and contributed to the preparation of this report. We welcomed in 2014, the Town's first Finance Director Marcia Bohinc to the Town's Management staff. Credit must also be given to the Board of Selectmen and the Advisory Board for their unfailing support for maintaining the highest standards of professionalism in the management of the Town, including its finances.

Respectfully submitted,

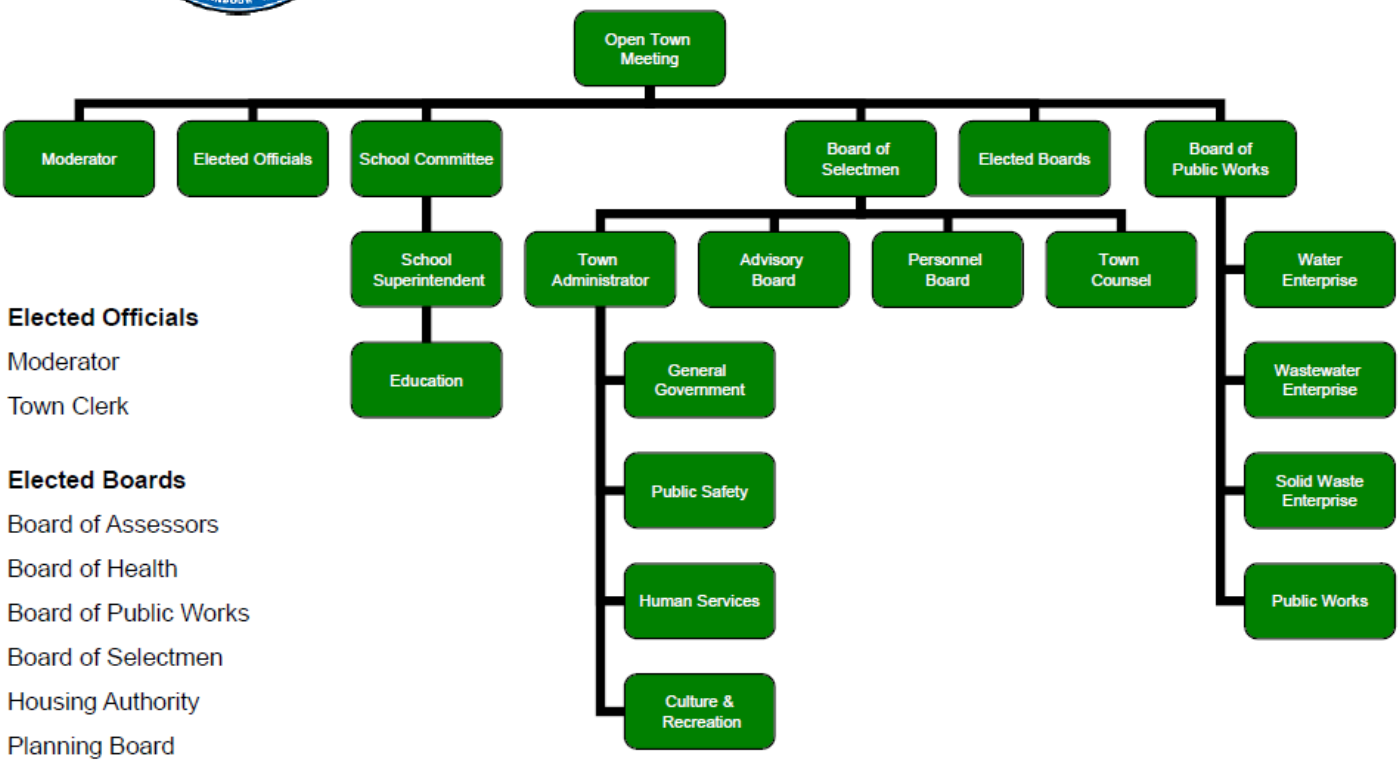
Rocco J. Longo
Town Administrator

Marcia D. Bohnic
Finance Director

Barbara Costa
Town Accountant

Elizabeth Bates
Assessor/Appraiser

Town of Marshfield



Elected Officials

Moderator

Town Clerk

Elected Boards

Board of Assessors

Board of Health

Board of Public Works

Board of Selectmen

Housing Authority

Planning Board

Trustees of Soldiers Memorials

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Marshfield

Massachusetts

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Principal Town Officials

Elected Officials		Term Expires
Board of Selectmen	John E. Hall, Chairperson	2015
	Matthew J. McDonough, Vice Chairperson	2016
	Stephen G. Robbins, Clerk	2017
Moderator	James J. Fitzgerald	2015
Town Clerk	Patricia A. Picco	2015
School Committee	Marti Morrison, Chairperson	2015
	Carol Shrand, Vice Chairperson	2017
	Dennis M. Scollins, Secretary	2015
	Nancy Currie	2016
	Richard Greer	2017

Appointed Officials

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

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Financial Section

Green Harbor jetties had to be repaired due to Hurricane Sandy. The project added about 100 feet of sheet piling to the east jetty to strengthen it and prevent shoaling.

Financial Section

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Powers & Sullivan, LLC
Certified Public Accountants

100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Marshfield, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Marshfield, Massachusetts, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2014, on our consideration of the Town of Marshfield, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance**.** That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Marshfield, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan, LLC

December 10, 2014

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Marshfield, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Marshfield for the year ended June 30, 2014. This is the twelfth year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the Town of Marshfield, assets exceeded liabilities by $193.5 million at the close of 2014.

Government-wide net position of $191 million reflects its net investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Marshfield's net position, $7.8 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position resulted in a $5.4 deficit relating to the cumulative effect of recording $27.1 million of other postemployment benefit liabilities through June 30, 2014.

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

Governmental activities. The governmental activities net position increased by approximately $36.2 million during the current year as compared to an increase in net position of $15.4 million during the prior year. This increase can be attributable to the Town receiving $22.6 million in Massachusetts School Building Authority (MSBA) school construction grants for the new high school and receiving $13.7 million in Federal and State grants for the Municipal Airport construction project. Overall revenue increased $24.3 million from the prior year, while expenses increased $3.4 million. A significant portion of the increase continues to be offset by the annual increase in the OPEB liability.

Governmental Activities Condensed Statement of Net Position

	2014	2013
Assets:		
Current assets	$ 40,177,940	$ 49,758,917
Noncurrent assets (excluding capital)	6,199,837	7,003,256
Capital assets, not being depreciated	45,001,014	73,043,012
Capital assets, net of accumulated depreciation	164,133,987	76,280,321
Total assets	**255,512,778**	**206,085,506**
Liabilities:		
Current liabilities (excluding debt)	14,697,408	11,186,631
Noncurrent liabilities (excluding debt)	28,574,093	24,943,292
Current debt	5,836,802	20,991,106
Noncurrent debt	75,869,938	54,560,740
Total liabilities	**124,978,241**	**111,681,769**
Total Deferred Inflows of Resources	**56,914**	**168,025**
Net Position:		
Net investment in capital assets	138,566,327	100,821,726
Restricted	7,822,625	6,846,578
Unrestricted	(15,911,329)	(13,432,592)
Total net position	$ **130,477,623**	$ **94,235,712**

Noncurrent liabilities include an accrued liability for other postemployment benefits in the amount of $25.8 million at June 30, 2014, an increase of $3.6 million from the prior year.

Governmental Activities Condensed Statement of Activities

	2014	2013
Program revenues:		
Charges for services	$ 4,789,852	$ 4,827,587
Operating grants and contributions	30,197,758	28,854,321
Capital grants and contributions	37,906,270	20,149,784
General revenues:		
Real estate, personal property taxes, and tax liens	55,760,067	50,687,398
Motor vehicle and other excise taxes	3,436,419	3,383,172
Community preservation taxes	1,195,479	1,088,776
Penalties and interest on taxes	339,978	365,170
Nonrestricted grants and contributions	2,231,660	2,202,627
Unrestricted investment income	97,802	97,302
Miscellaneous	84,992	37,112
Total revenues	**136,040,277**	**111,693,249**
Expenses:		
General government	4,483,129	4,920,094
Public safety	16,315,383	15,526,807
Education	67,956,118	65,277,828
Public works	5,815,971	5,856,808
Health and human services	1,341,678	1,210,350
Culture and recreation	1,805,484	1,995,595
Community preservation	153,016	623,138
Interest	1,927,587	965,928
Total expenses	**99,798,366**	**96,376,548**
Transfers	**-**	**125,000**
Change in net position	**36,241,911**	**15,441,701**
Net position - beginning	**94,235,712**	**78,794,011**
Net position - ending	$ **130,477,623**	$ **94,235,712**

Other financial notes related to governmental activities:

- Charges for services represented 4% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 22% of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their general fund operating budget.
- Capital grants and contributions accounted for 28% of the governmental activities resources. Most of these resources apply to MSBA reimbursement for the High School construction project, funding related to the Municipal Airport construction project, State grants for roadways improvements and community preservation State revenue.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 41% of current resources.

- All other taxes and other revenues comprised a total of 5% of the governmental activities resources. These primarily include excise taxes, community preservation taxes and nonrestricted grants and contributions.
- Education is by far the largest governmental activity of the Town. Approximately $15.8 million in taxes and other revenue were needed to cover its 2014 operating expenses. A pension contribution of approximately $10.7 million made by the state on-behalf of Marshfield teachers was recorded as an expense and grant revenue.
- Public safety and public works are the second and third largest activities of the Town. Approximately $13.2 million and $4.5 million, respectively, of taxes and other revenue were needed to cover their 2014 operating expenses.

Business-type activities. Business-type activities decreased the Town's net position by $579,000 compared to a decrease of approximately $1.2 million during the previous year. The Sewer enterprise fund experienced a decrease in net position of approximately $749,000 while the Water and Solid Waste enterprise funds both experienced increases in net position of $40,000 and $130,000, respectively. Charges for services increased 6% when compared to the prior year while expenses for labor, operations, and depreciation remained relatively consistent.

As shown below, business-type activities assets exceeded liabilities by $63 million at the close of 2014. The net investment in capital assets is $52.5 million (83%) while unrestricted net position is $10.5 million (17%). These results continue to reflect management's goal of maintaining the systems while only charging users for the actual cost of operations.

Business-type Condensed Statement of Net Position

	2014	2013
Assets:		
Current assets	$ 13,905,754	$ 15,176,841
Noncurrent assets (excluding capital)	2,964,269	6,101,977
Capital assets, not being depreciated	7,973,020	6,812,064
Capital assets, net of accumulated depreciation	60,292,244	56,284,349
Total assets	**85,135,287**	**84,375,231**
Liabilities:		
Current liabilities (excluding debt)	2,782,350	741,775
Noncurrent liabilities (excluding debt)	1,763,029	1,637,117
Current debt	1,606,771	1,618,592
Noncurrent debt	15,970,705	16,786,476
Total liabilities	**22,122,855**	**20,783,960**
Net Position:		
Net investment in capital assets	52,474,898	50,833,175
Unrestricted	10,537,534	12,758,096
Total net position	$ **63,012,432**	$ **63,591,271**

Business-type Condensed Statement of Activities

	2014	2013
Program revenues:		
Charges for services	$ 9,275,064	$ 8,741,373
Operating grants and contributions	87,823	109,770
Capital grants and contributions	95,876	61,918
General Revenues:		
Unrestricted investment income	58,144	62,671
Total revenues	**9,516,907**	**8,975,732**
Expenses:		
Sewer	3,656,216	3,627,666
Water	3,798,259	3,639,881
Solid waste	2,641,271	2,816,781
Total expenses	**10,095,746**	**10,084,328**
Transfers	**-**	**(125,000)**
Change in net position	**(578,839)**	**(1,233,596)**
Net position - beginning	**63,591,271**	**64,824,867**
Net position - ending	$ **63,012,432**	$ **63,591,271**

Financial Analysis of the Government's Major Funds

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

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

As of the end of the current year, governmental funds reported combined ending fund balances of $19.2 million, an increase of $687,000 from the prior year. The increase mainly relates to the planned use of reserves in the General Fund, issuance of long term debt and related capital spending, as well as the timing of expenditures in the High School Capital Projects fund.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current year, the unassigned fund balance of the general fund was $4.5 million, while the total fund balance was $7.5 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 5.1% of total general fund expenditures, while the total fund balance represents 8.4% of that same amount.

The fund balance of the General Fund decreased $519,000 during 2014. This change is mainly the result of the planned uses of reserves built up in the fund from prior years.

Airport Major Fund

The Airport fund is used to account for improvements, certain maintenance, and capital equipment associated with the Town's Municipal Airport. During the year the Town received $13.6 million in federal and state grants and had capital expenditures of $13.1 million for the project.

High School Capital Projects Major Fund

The High School Capital Projects fund is used to account for financial resources to be used for the construction of the new High School. During the year the Town issued $19.1 million in long-term bonds to fund the construction projects and was reimbursed $22.6 million from the MSBA for high school construction costs. The fund balance decreased $179,000 from the prior year.

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

The Sewer enterprise fund is used to account for sewage treatment operations. Total revenues amounted to $2,908,000 as compared to $2,773,000 in the prior year and total expenses decreased by $7,450 from the prior year. Net position decreased by $749,000 compared to a decrease of $891,000 in the prior year.

The Water enterprise fund is used to account for water distribution operations. Total revenues amounted to $3,838,000 as compared to $3,585,000 in the prior year and expenses decreased by $69,000 from the prior year. Net position increased by $40,000 compared to a decrease of $144,000 in the prior year.

The Solid Waste fund is used to account for the Town's solid waste disposal operations. Total revenues amounted to $2,771,000 as compared to $2,618,000 in the prior year and expenses decreased by $176,000. Net position increased by $130,000 compared to a decrease of $198,000 in the prior year.

General Fund Budgetary Highlights

The final general fund budget appropriations, including transfers, were approximately $717,000 higher than the original budget primarily due to increases in general government, public safety, public works, employee benefits, and utilities.

Total general fund revenues were slightly higher than budgeted amounts in all major categories except for real estate and personal property taxes, which were lower than budget by approximately 3%. Actual expenditures, including carryovers, were less than budgeted amounts by approximately $610,000 or just less than 1%.

Capital Asset and Debt Administration

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

Governmental capital assets, net of accumulated depreciation, at year end amounted to approximately $209.1 million which represented a net increase of $59.8 million from the prior year. Major current additions included land acquisitions, construction in progress for the Airport project, building and improvement projects, vehicles, and infrastructure additions. Depreciation expense of $6.3 million was recorded in year 2014.

Enterprise fund capital assets, net of accumulated depreciation, were valued at $68.3 million at year end. Current year additions totaled approximately $7.3 million. Depreciation expense of $2.1 million was recorded in year 2014.

The Towns total long-term debt increased by $20 million during the current year. This was due to the net effect of $27.9 million of proceeds for various governmental and enterprise projects and $7.9 million of scheduled principal payments.

Outstanding long-term debt of the general government, as of June 30, 2014, totaled $78.6 million, of which, $58.3 million is related to school projects, $2.1 million is related to the general government's 40% share of sewer debt, $6.4 million is related to sea wall and harbor projects, $4.5 million is related to qualified energy conservation bonds, leaving a balance of $7.3 million for infrastructure and other Town projects.

The enterprise funds have $17.6 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.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents	$ 25,878,974	$ 9,757,120	$ 35,636,094
Investments	228,629	-	228,629
Receivables, net of allowance for uncollectibles:			
Real estate, personal property and tax deferrals	3,098,868	-	3,098,868
Tax liens	717,004	-	717,004
Motor vehicle and other excise taxes	562,302	-	562,302
User charges	-	3,717,692	3,717,692
Departmental and other	770,180	-	770,180
Special assessments	-	232,557	232,557
Intergovernmental	8,345,190	198,385	8,543,575
Tax foreclosures	576,793	-	576,793
Total Current Assets	40,177,940	13,905,754	54,083,694
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments	-	1,959,441	1,959,441
Intergovernmental	6,199,837	1,004,828	7,204,665
Capital assets, non depreciable	45,001,014	7,973,020	52,974,034
Capital assets, net of accumulated depreciation	164,133,987	60,292,244	224,426,231
Total Noncurrent Assets	215,334,838	71,229,533	286,564,371
TOTAL ASSETS	255,512,778	85,135,287	340,648,065
LIABILITIES			
CURRENT:			
Warrants payable	8,805,725	702,638	9,508,363
Accrued payroll	2,845,847	53,791	2,899,638
Tax refunds payable	32,480	-	32,480
Accrued interest	177,356	157,721	335,077
Landfill closure	-	28,200	28,200
Compensated absences	1,582,000	151,000	1,733,000
Notes payable	1,254,000	1,689,000	2,943,000
Bonds payable	5,836,802	1,606,771	7,443,573
Total Current Liabilities	20,534,210	4,389,121	24,923,331
NONCURRENT:			
Landfill closure	-	408,900	408,900
Compensated absences	2,770,000	22,000	2,792,000
Other postemployment benefits	25,804,093	1,332,129	27,136,222
Bonds payable	75,869,938	15,970,705	91,840,643
Total Noncurrent Liabilities	104,444,031	17,733,734	122,177,765
TOTAL LIABILITIES	124,978,241	22,122,855	147,101,096
DEFERRED INFLOWS OF RESOURCES			
Advance collections	56,914	-	56,914
NET POSITION			
Net investment in capital assets	138,566,327	52,474,898	191,041,225
Restricted for:			
Permanent funds:			
Expendable	1,088,198	-	1,088,198
Nonexpendable	1,220,989	-	1,220,989
Grants and gifts	860,715	-	860,715
Community preservation	4,652,723	-	4,652,723
Unrestricted	(15,911,329)	10,537,534	(5,373,795)
TOTAL NET POSITION	$ 130,477,623	$ 63,012,432	$ 193,490,055

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental Activities:					
General government	$ 4,483,129	$ 502,877	$ 545,546	$ 13,653,939	$ 10,219,233
Public safety	16,315,383	1,931,218	1,158,261	-	(13,225,904)
Education	67,956,118	1,797,061	27,784,223	22,563,689	(15,811,145)
Public works	5,815,971	192,255	-	1,087,368	(4,536,348)
Health and human services	1,341,678	75,421	44,148	-	(1,222,109)
Culture and recreation	1,805,484	291,020	20,563	-	(1,493,901)
Community preservation	153,016	-	-	601,274	448,258
Interest	1,927,587	-	645,017	-	(1,282,570)
Total Governmental Activities	99,798,366	4,789,852	30,197,758	37,906,270	**(26,904,486)**
Business-Type Activities:					
Sewer	3,656,216	2,672,368	87,823	95,876	(800,149)
Water	3,798,259	3,833,555	-	-	35,296
Solid waste	2,641,271	2,769,141	-	-	127,870
Total Business-Type Activities	10,095,746	9,275,064	87,823	95,876	**(636,983)**
Total Primary Government	$ 109,894,112	$ 14,064,916	$ 30,285,581	$ 38,002,146	$ **(27,541,469)**

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page	$ **(26,904,486)**	$ **(636,983)**	$ **(27,541,469)**
General revenues:			
Real estate and personal property taxes, net of tax refunds	55,694,418	-	55,694,418
Tax liens	65,649	-	65,649
Motor vehicle and other excise taxes	3,436,419	-	3,436,419
Community preservation tax	1,195,479	-	1,195,479
Penalties and interest on taxes	339,978	-	339,978
Grants and contributions not restricted to specific programs	2,231,660	-	2,231,660
Unrestricted investment income	97,802	58,144	155,946
Miscellaneous	84,992	-	84,992
Total general revenues	63,146,397	58,144	63,204,541
Change in net position	36,241,911	(578,839)	35,663,072
Net position:			
Beginning of year	94,235,712	63,591,271	157,826,983
End of year	$ 130,477,623	$ 63,012,432	$ 193,490,055

See notes to basic financial statements. (Concluded)

GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2014

	General	Airport	High School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	$ 10,318,965	$ -	$ 5,362,158	$ 10,197,851	$ 25,878,974
Investments	-	-	-	228,629	228,629
Receivables, net of uncollectibles:					
Real estate, personal property and tax deferrals	3,098,868	-	-	-	3,098,868
Tax liens	717,004	-	-	-	717,004
Motor vehicle and other excise taxes	562,302	-	-	-	562,302
Departmental and other	724,201	-	-	45,979	770,180
Intergovernmental	7,003,257	2,939,224	1,867,977	2,734,569	14,545,027
Tax foreclosures	576,793	-	-	-	576,793
Due from other funds	-	-	-	90,120	90,120
TOTAL ASSETS	$ 23,001,390	$ 2,939,224	$ 7,230,135	$ 13,297,148	$ 46,467,897
LIABILITIES:					
Warrants payable	$ 732,818	$ 2,803,489	$ 3,502,818	$ 1,766,600	$ 8,805,725
Accrued payroll	2,776,836	-	-	69,011	2,845,847
Tax refunds payable	32,480	-	-	-	32,480
Due to other funds	-	21,682	-	68,438	90,120
Notes payable	-	-	-	1,254,000	1,254,000
TOTAL LIABILITIES	3,542,134	2,825,171	3,502,818	3,158,049	13,028,172
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenues	11,864,641	114,053	-	2,199,868	14,178,562
Advance collections - taxes	55,567	-	-	1,347	56,914
TOTAL DEFERRED INFLOWS OF RESOURCES	11,920,208	114,053	-	2,201,215	14,235,476
FUND BALANCES:					
Nonspendable	-	-	-	1,220,989	1,220,989
Restricted	2,811,178	-	3,727,317	7,810,290	14,348,785
Committed	-	-	-	84,604	84,604
Assigned	182,589	-	-	-	182,589
Unassigned	4,545,281	-	-	(1,177,999)	3,367,282
TOTAL FUND BALANCES	7,539,048	-	3,727,317	7,937,884	19,204,249
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 23,001,390	$ 2,939,224	$ 7,230,135	$ 13,297,148	$ 46,467,897

See notes to basic financial statements.

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

JUNE 30, 2014

Total governmental fund balances……		$ 19,204,249
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds……		209,135,001
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds……		14,178,562
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due……		(177,356)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable……	(81,706,740)	
Other postemployment benefits……	(25,804,093)	
Compensated absences……	(4,352,000)	
Net effect of reporting long-term liabilities……		(111,862,833)
Net position of governmental activities……		$ 130,477,623

See notes to basic financial statements.

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2014

	General	Airport	High School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds	$ 54,547,863	$ -	$ -	$ -	$ 54,547,863
Tax liens	391,065	-	-	-	391,065
Motor vehicle and other excise taxes	3,465,032	-	-	-	3,465,032
Penalties and interest on taxes	336,892	-	-	3,086	339,978
Charges for services	1,062,548	31,720	-	-	1,094,268
Intergovernmental	28,559,850	13,557,319	22,563,689	6,155,234	70,836,092
Departmental and other	982,011	-	-	2,577,674	3,559,685
Community preservation taxes	-	-	-	1,163,170	1,163,170
Contributions	-	-	-	333,939	333,939
Investment income	50,881	-	-	46,921	97,802
TOTAL REVENUES	89,396,142	13,589,039	22,563,689	10,280,024	135,828,894
EXPENDITURES:					
Current:					
General government	2,941,439	13,148,059	13,519	867,229	16,970,246
Public safety	9,461,686	-	-	4,254,401	13,716,087
Education	53,242,287	-	41,816,058	4,880,495	99,938,840
Public works	2,137,644	-	-	5,896,231	8,033,875
Health and human services	866,212	-	-	239,046	1,105,258
Culture and recreation	725,502	-	-	435,204	1,160,706
Pension benefits	4,458,347	-	-	-	4,458,347
Property and liability insurance	658,703	-	-	-	658,703
Employee benefits	6,304,113	-	-	-	6,304,113
Community preservation	-	-	-	841,455	841,455
State and county charges	819,016	-	-	-	819,016
Debt service:					
Principal	5,738,789	-	-	-	5,738,789
Interest	2,502,338	-	-	-	2,502,338
TOTAL EXPENDITURES	89,856,076	13,148,059	41,829,577	17,414,061	162,247,773
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(459,934)	440,980	(19,265,888)	(7,134,037)	(26,418,879)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt	-	-	19,087,000	8,019,000	27,106,000
Transfers in	245,790	200,000	-	704,478	1,150,268
Transfers out	(304,478)	(400,000)	-	(445,790)	(1,150,268)
TOTAL OTHER FINANCING SOURCES (USES)	(58,688)	(200,000)	19,087,000	8,277,688	27,106,000
NET CHANGE IN FUND BALANCES	(518,622)	240,980	(178,888)	1,143,651	687,121
FUND BALANCES AT BEGINNING OF YEAR	8,057,670	(240,980)	3,906,205	6,794,233	18,517,128
FUND BALANCES AT END OF YEAR	$ 7,539,048	$ -	$ 3,727,317	$ 7,937,884	$ 19,204,249

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds		$ 687,121
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	66,160,999	
Depreciation expense	(6,349,331)	
Net effect of reporting capital assets		59,811,668
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue		211,383
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.		
Issuance of long-term debt	(27,106,000)	
Amortization of bond premium	506,317	
Debt service principal payments	5,738,789	
Net effect of reporting long-term debt		(20,860,894)
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	(78,000)	
Net change in accrued interest on long-term debt	68,434	
Net change in other postemployment benefits accrual	(3,597,801)	
Net effect of recording long-term liabilities		(3,607,367)
Change in net position of governmental activities		$ 36,241,911

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2014

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
ASSETS				
CURRENT:				
Cash and cash equivalents	$ 2,600,590	$ 5,223,382	$ 1,933,148	$ 9,757,120
Receivables, net of allowance for uncollectibles:				
User charges	1,317,020	1,322,977	1,077,695	3,717,692
Special assessments	232,557	-	-	232,557
Intergovernmental	198,385	-	-	198,385
Total current assets	4,348,552	6,546,359	3,010,843	13,905,754
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Intergovernmental	1,004,828	-	-	1,004,828
Special assessments	1,959,441	-	-	1,959,441
Capital assets, nondepreciable	516,100	7,365,111	91,809	7,973,020
Capital assets, net of accumulated depreciation	30,514,240	28,021,607	1,756,397	60,292,244
Total noncurrent assets	33,994,609	35,386,718	1,848,206	71,229,533
TOTAL ASSETS	38,343,161	41,933,077	4,859,049	85,135,287
LIABILITIES				
CURRENT:				
Warrants payable	455,461	60,641	186,536	702,638
Accrued payroll	16,812	23,751	13,228	53,791
Accrued interest	96,580	61,141	-	157,721
Landfill closure	-	-	28,200	28,200
Compensated absences	56,000	72,000	23,000	151,000
Notes payable	-	889,000	800,000	1,689,000
Bonds payable	690,040	916,731	-	1,606,771
Total current liabilities	1,314,893	2,023,264	1,050,964	4,389,121
NONCURRENT:				
Compensated absences	4,000	5,000	13,000	22,000
Landfill closure	-	-	408,900	408,900
Other postemployment benefits	412,059	654,748	265,322	1,332,129
Bonds payable	8,020,719	7,774,986	175,000	15,970,705
Total noncurrent liabilities	8,436,778	8,434,734	862,222	17,733,734
TOTAL LIABILITIES	9,751,671	10,457,998	1,913,186	22,122,855
NET POSITION				
Net investment in capital assets	23,562,968	27,237,294	1,674,636	52,474,898
Unrestricted	5,028,522	4,237,785	1,271,227	10,537,534
TOTAL NET POSITION	$ 28,591,490	$ 31,475,079	$ 2,945,863	$ 63,012,432

See notes to basic financial statements.

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
OPERATING REVENUES:				
Charges for services	$ 2,672,368	$ 3,833,555	$ 2,769,141	$ 9,275,064
OPERATING EXPENSES:				
Salaries, wages, and fringe benefits	983,104	1,202,935	630,127	2,816,166
Maintenance and operations	1,239,925	1,374,266	1,932,981	4,547,172
Depreciation	1,157,464	890,797	78,163	2,126,424
TOTAL OPERATING EXPENSES	3,380,493	3,467,998	2,641,271	9,489,762
OPERATING INCOME (LOSS)	(708,125)	365,557	127,870	(214,698)
NONOPERATING REVENUES (EXPENSES):				
Investment income	51,610	4,759	1,775	58,144
Interest expense	(275,723)	(330,261)	-	(605,984)
Intergovernmental	87,823	-	-	87,823
TOTAL NONOPERATING REVENUES (EXPENSES), NET	(136,290)	(325,502)	1,775	(460,017)
INCOME (LOSS) BEFORE CONTRIBUTIONS	(844,415)	40,055	129,645	(674,715)
CAPITAL CONTRIBUTIONS	95,876	-	-	95,876
CHANGE IN NET POSITION	(748,539)	40,055	129,645	(578,839)
NET POSITION AT BEGINNING OF YEAR	29,340,029	31,435,024	2,816,218	63,591,271
NET POSITION AT END OF YEAR	$ 28,591,490	$ 31,475,079	$ 2,945,863	$ 63,012,432

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2014

	Business-type Activities - Enterprise Funds			
	Sewer	Water	Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	$ 2,509,883	$ 3,568,619	$ 2,642,339	$ 8,720,841
Payments to vendors	(913,799)	(1,386,419)	(1,940,757)	(4,240,975)
Payments to employees	(916,559)	(1,160,427)	(566,207)	(2,643,193)
NET CASH FROM OPERATING ACTIVITIES	679,525	1,021,773	135,375	1,836,673
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the issuance of bonds and notes	3,722,372	1,505,000	975,000	6,202,372
Capital contributions	345,514	-	-	345,514
Acquisition and construction of capital assets	(4,738,295)	(2,014,485)	(542,495)	(7,295,275)
Principal payments on bonds and notes	(605,996)	(941,196)	-	(1,547,192)
Interest expense	(179,719)	(340,123)	-	(519,842)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(1,456,124)	(1,790,804)	432,505	(2,814,423)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	51,610	4,759	1,775	58,144
NET CHANGE IN CASH AND CASH EQUIVALENTS	(724,989)	(764,272)	569,655	(919,606)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,325,579	5,987,654	1,363,493	10,676,726
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,600,590	$ 5,223,382	$ 1,933,148	$ 9,757,120
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss)	$ (708,125)	$ 365,557	$ 127,870	$ (214,698)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	1,157,464	890,797	78,163	2,126,424
Changes in assets and liabilities:				
User charges	(162,485)	(264,936)	(126,802)	(554,223)
Warrants payable	326,126	(12,153)	20,424	334,397
Accrued payroll	4,925	7,138	4,466	16,529
Landfill closure	-	-	(28,200)	(28,200)
Compensated absences	9,331	(60,000)	22,000	(28,669)
Other postemployment benefits	52,289	95,370	37,454	185,113
Total adjustments	1,387,650	656,216	7,505	2,051,371
NET CASH FROM OPERATING ACTIVITIES	$ 679,525	$ 1,021,773	$ 135,375	$ 1,836,673
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Intergovernmental principal and interest subsidies	$ 159,223	$ -	$ -	$ 159,223
Intergovernmental receivable for debt issuance	479,849	-	-	479,849

See notes to basic financial statements.

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2014

	Private Purpose Trust Funds	Agency Fund
ASSETS		
Cash and cash equivalents…….……..	$ 194,102	$ 1,561,706
LIABILITIES		
Liabilities due depositors…….	-	1,561,706
NET POSITION		
Held in trust for other purposes…….	$ 194,102	$ -

See notes to basic financial statements.

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2014

		Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Private donations	$	1,101
Net investment income:		
Interest		1,253
TOTAL ADDITIONS		2,354
DEDUCTIONS:		
Educational scholarships		8,401
CHANGE IN NET POSITION		(6,047)
NET POSITION AT BEGINNING OF YEAR		200,149
NET POSITION AT END OF YEAR	$	194,102

See notes to basic financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

Fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.

- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

The *Airport fund* is used to account for improvements, certain maintenance, and capital equipment associated with the Town's Municipal Airport.

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

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

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

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

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

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

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

The following major proprietary funds are reported:

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

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

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

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

The following fiduciary fund types are reported:

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

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

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

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

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

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

Motor Vehicle and Other Excise Taxes

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

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

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

User Charges

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

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

Departmental and Other

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

Special Assessments

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

Intergovernmental

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

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

F. Inventories

Government-Wide and Fund Financial Statements

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

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

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

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

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

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

Governmental Fund Financial Statements

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

H. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represent billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to government-wide (full accrual) financial statements.

L. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

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

Net position has been “restricted for” the following:

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

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

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

N. Investment Income

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

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

O. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

P. Use of Estimates

Government-Wide and Fund Financial Statements

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

Q. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

R. Individual Fund Deficits

Fund deficits exist at June 30, 2014 within the nonmajor capital projects funds. These deficits will be funded with bond proceeds in future years.

NOTE 2 – CASH AND INVESTMENTS

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

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

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

Custodial Credit Risk – Deposits

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

At year-end, the carrying amount of deposits totaled $11,854,115 and the bank balance totaled $13,836,885. Of the bank balance, $1,896,955 was covered by Federal Depository Insurance, $601,379 was covered by Deposit Insurance Fund (DIF), $8,029,671 was collateralized and $3,308,880 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2014, the Town had the following investments and maturities:

Investment Type		Maturity	
	Fair Value	Under 1 Year	Rating
Debt Securities			
Repurchase Agreement……	$ 18,230,000	$ 18,230,000	AA+
Other Investments			
Domestic Equity Securities.....	228,629		
Money Market Mutual Funds……	556,987		
MMDT……	6,750,800		
Total Investments.....	$ 25,766,416		

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town has custodial credit risk exposure equal to $18,230,000 in debt securities and $228,629 in equity securities because the related securities are uninsured, unregistered and held by the counterparty.

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

NOTE 3 – RECEIVABLES

At June 30, 2014, receivables for the individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
Real estate, personal property and tax deferrals ……	$ 3,112,679	$ (13,811)	$ 3,098,868
Tax liens……	717,004	-	717,004
Motor vehicle and other excise taxes……	723,577	(161,275)	562,302
Departmental and other……	888,092	(117,912)	770,180
Intergovernmental……	14,545,027	-	14,545,027
Total……	$ 19,986,379	$ (292,998)	$ 19,693,381

At June 30, 2014, receivables for the sewer, water, and solid waste enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
Receivables:			
User charges……	$ 3,717,692	$ -	$ 3,717,692
Special assessments……	2,191,998	-	2,191,998
Intergovernmental……	1,203,213	-	1,203,213
Total……	$ 7,112,903	$ -	$ 7,112,903

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

	General Fund	Other Governmental Funds	Total
Receivable and other asset type:			
Real estate and personal property taxes……	$ 2,290,672	$ -	$ 2,290,672
Tax liens……	717,004	-	717,004
Motor vehicle and other excise……	562,302	-	562,302
Departmental and other……	770,180	-	770,180
Intergovernmental……	7,003,257	2,315,268	9,318,525
Tax foreclosures……	576,793	-	576,793
Total……	$ 11,920,208	$ 2,315,268	$ 14,235,476

Included within the unavailable revenues above is $56,914 of advance collections for FY2015 real estate taxes.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 27,180,709	$ 598,040	$ -	$ 27,778,749
Construction in progress	45,862,303	16,988,112	(45,628,150)	17,222,265
Total capital assets not being depreciated	73,043,012	17,586,152	(45,628,150)	45,001,014
Capital assets being depreciated:				
Improvements other than buildings	358,490	-	-	358,490
Buildings and improvements	62,435,314	91,932,450	-	154,367,764
Machinery and equipment	14,687,625	270,447	-	14,958,072
Vehicles	4,246,275	472,561	(96,488)	4,622,348
Books, software and other	4,844,013	219,960	-	5,063,973
Infrastructure	57,607,411	1,307,579	-	58,914,990
Total capital assets being depreciated	144,179,128	94,202,997	(96,488)	238,285,637
Less accumulated depreciation for:				
Improvements other than buildings	(358,490)	-	-	(358,490)
Buildings and improvements	(26,600,132)	(3,291,801)	-	(29,891,933)
Machinery and equipment	(12,285,498)	(528,731)	-	(12,814,229)
Vehicles	(2,988,531)	(428,442)	96,488	(3,320,485)
Books, software and other	(3,587,912)	(154,209)	-	(3,742,121)
Infrastructure	(22,078,244)	(1,946,148)	-	(24,024,392)
Total accumulated depreciation	(67,898,807)	(6,349,331)	96,488	(74,151,650)
Total capital assets being depreciated, net	76,280,321	87,853,666	-	164,133,987
Total governmental activities capital assets, net	$ 149,323,333	$ 105,439,818	$ (45,628,150)	$ 209,135,001

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 6,801,842	$ 675,428	$ -	$ 7,477,270
Construction in progress	10,222	485,528	-	495,750
Total capital assets not being depreciated	6,812,064	1,160,956	-	7,973,020
Capital assets being depreciated:				
Buildings and improvements	15,637,060	291,923	-	15,928,983
Machinery and equipment	6,003,120	542,495	-	6,545,615
Vehicles	1,301,163	275,249	(37,820)	1,538,592
Infrastructure	81,163,629	5,024,652	-	86,188,281
Total capital assets being depreciated	104,104,972	6,134,319	(37,820)	110,201,471
Less accumulated depreciation for:				
Buildings and improvements	(8,217,196)	(446,306)	-	(8,663,502)
Machinery and equipment	(5,117,241)	(136,315)	-	(5,253,556)
Vehicles	(938,240)	(119,664)	37,820	(1,020,084)
Infrastructure	(33,547,946)	(1,424,139)	-	(34,972,085)
Total accumulated depreciation	(47,820,623)	(2,126,424)	37,820	(49,909,227)
Total capital assets being depreciated, net	56,284,349	4,007,895	-	60,292,244
Total business-type activities capital assets, net	$ 63,096,413	$ 5,168,851	$ -	$ 68,265,264

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

Governmental Activities:	
General government	$ 259,179
Public safety	756,136
Education	2,449,877
Public works	2,576,516
Culture and recreation	307,623
Total depreciation expense - governmental activities	$ 6,349,331
Business-Type Activities:	
Sewer	$ 1,157,464
Water	890,797
Solid waste	78,163
Total depreciation expense - business-type activities	$ 2,126,424

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund receivables and payables between funds at June 30, 2014, are summarized as follows:

Receivable Fund	Payable Fund	Amount	
Airport Fund	Town General Revolving Fund	$ 21,682	(1)
State Aid Fund	Town General Revolving Fund	68,438	(1)
		$ 90,120	

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

Interfund transfers for the year ended June 30, 2014, are summarized as follows:

	Transfers In:				
Transfers Out:	General Fund	Airport	Nonmajor Governmental Funds	Total	
General Fund……	$ -	$ -	$ 304,478	$ 304,478	(1)
Airport……	-	-	400,000	400,000	(2)
Nonmajor Governmental Funds……	245,790	200,000	-	445,790	(3)
Total……	$ 245,790	$ 200,000	$ 704,478	$ 1,150,268	

(1) Represents budgeted transfers from the General Fund to the nonmajor funds for various capital projects, property and liability insurance and school related compensated absences.
(2) Represents budgeted transfers from the Airport Fund to the nonmajor capital project fund.
(3) Represents transfers from various nonmajor funds to the General Fund and the Airport Fund.

NOTE 6 – SHORT-TERM FINANCING

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

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).

- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

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

Details related to the Town's short-term debt activity for the year ended June 30, 2014, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2013	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2014
Governmental funds							
BAN	Municipal Purpose……	0.45%	12/2/2014	$ 1,000,000	$ -	$ 1,000,000	$ -
BAN	Municipal Purpose……	0.75%	12/2/2014	13,706,000	-	13,706,000	-
BAN	Municipal Purpose……	1.00%	7/29/2014	-	27,870,000	26,616,000	1,254,000
BAN	Municipal Purpose……	0.55%	7/29/2014	-	490,000	490,000	-
	Total governmental funds……			14,706,000	28,360,000	41,812,000	1,254,000
Business-type funds							
BAN	Water BAN……	1.00%	7/29/2014	-	1,505,000	616,000	889,000
BAN	Solid Waste BAN……	1.00%	7/29/2014	-	975,000	175,000	800,000
	Total business-type funds……			-	2,480,000	791,000	1,689,000
	Total Short-Term Debt……			$ 14,706,000	$ 30,840,000	$ 42,603,000	$ 2,943,000

On July 29, 2014, the Town rolled $27.9 million of BANS outstanding into a $28.2 million long term bond. Of the remaining BANS outstanding at June 30, 2014, $2.7 million was rolled into a $3.4 million BAN with an interest rate of 1% due on July 29, 2015. The remaining $195,000 was paid down.

Bond Anticipation Note issued subsequent to year end.

On October 29, 2014, the Town issued $7,629,000 of Bond Anticipation Notes with an interest rate of 1% and a maturity date of July 29, 2015 for various municipal projects.

NOTE 7 - LONG-TERM DEBT

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

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

Details related to the Town's outstanding general obligation indebtedness at June 30, 2014, and the debt service requirements follow.

Bonds Payable Schedule – Governmental Funds

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds 2005	2015	$ 2,126,000	3.32	$ 390,000	$ -	$ 205,000	$ 185,000
Municipal Purpose Sewer Bonds 2005	2015	280,000	3.32	56,000	-	28,000	28,000
MCWT Sewer Bonds 2005	2023	3,380,916	0.00	2,034,255	-	191,491	1,842,764
Municipal Purpose Bonds 2007	2017	1,494,000	3.70	395,000	-	120,000	275,000
Municipal Purpose Bonds 2009	2019	4,196,000	2.00 - 3.00	1,770,000	-	450,000	1,320,000
Municipal Purpose Bonds 2010	2015	965,000	2.50 - 3.00	325,000	-	205,000	120,000
Municipal Purpose Refunding Bonds 2010	2021	12,351,400	2.50	9,550,380	-	1,258,830	8,291,550
Municipal Purpose Refunding Sewer Bonds 2010	2021	943,600	2.50	291,848	-	38,468	253,380
Municipal Purpose Bonds 2011	2021	5,353,000	2.00 - 5.00	4,012,222	-	737,778	3,274,444
Municipal Purpose Bonds 2012	2019	709,000	2.00-3.03	562,778	-	132,222	430,556
Municipal Purpose Bonds 2012	2032	3,892,000	2.43	3,892,000	-	290,663	3,601,338
Qualified Energy Conservation Bonds 2013	2023	5,000,000	3.03	5,000,000	-	500,000	4,500,000
Municipal Purpose Bonds 2013	2033	28,790,000	2.43	28,790,000	-	1,581,338	27,208,663
MCWT Bonds 2013	2018	200,000	0.00	200,000	-	-	200,000
Municipal Purpose Bonds 2014	2035	27,106,000	3.00 - 5.00	-	27,106,000	-	27,106,000
Total governmental bonds payable				57,269,483	27,106,000	5,738,789	78,636,694
Unamortized bond premium				3,576,363	-	506,317	3,070,046
Total Long Term Debt				$ 60,845,846	$ 27,106,000	$ 6,245,106	$ 81,706,740

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

Year	Principal	Interest	Total
2015	$ 5,508,444	$ 1,725,906	$ 7,234,350
2016	6,835,234	2,169,130	9,004,364
2017	6,503,006	1,991,212	8,494,218
2018	6,114,229	1,804,457	7,918,686
2019	5,815,155	1,607,014	7,422,169
2020 - 2024	20,412,126	5,310,872	25,722,998
2025 - 2029	14,278,500	2,430,911	16,709,411
2030 - 2034	12,210,000	715,025	12,925,025
2035 - 2038	960,000	15,601	975,601
Total	$ 78,636,694	$ 17,770,128	$ 96,406,822

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of $482,242 and interest costs for $247,507. Thus, net MCWT loan repayments, including interest, are scheduled to be $2,070,112. The principal subsidies are guaranteed and therefore a $482,242 intergovernmental receivable and corresponding revenue have been reported in the General Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The year 2014 principal and interest subsidies totaled $47,600 and $58,549, respectively.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. Reimbursement commenced in 2002 and will be made over 20 years at approximately 67% of

eligible costs of the project. During 2014, approximately $1,113,000 of such assistance was received. Approximately $7,790,000 will be received in future years. Of this amount, approximately $1,269,000 represents reimbursement of long-term interest costs, and approximately $6,521,000 represents reimbursement of approved construction costs. Accordingly, $6,521,000 intergovernmental receivable and corresponding unavailable revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

The Commonwealth has modified the method for funding new projects in the school building assistance program. Under the new program, the assistance is paid to support the State's share of construction costs as they are incurred, therefore eliminating the need for the Town to fund the State's share through long-term debt. The Marshfield High School project is being partially funded by this program. The Town received $22,952,504 of reimbursements in 2014 and submitted an additional request of $1,867,977 for reimbursement of construction costs incurred through June 20, 2014. Accordingly, the Town has recorded an intergovernmental receivable totaling $1,867,977 as of June 30, 2014.

Bonds Payable Schedule – Sewer Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds 2005	2015	$ 420,000	3.32	$ 437,772	$ -	$ 57,702	$ 380,070
MCWT Bonds 2005	2023	5,071,373	2.00	3,051,383	-	287,236	2,764,147
Municipal Purpose Refunding Bonds 2010	2021	566,160	0.00	84,000	-	42,000	42,000
Municipal Purpose Bonds 2011	2021	451,000	2.00 - 5.00	325,000	-	60,000	265,000
Municipal Purpose Bonds 2012	2017	58,000	2.00	40,000	-	10,000	30,000
MCWT Bonds 2013	2033	5,450,000	2.00	5,450,000	-	220,458	5,229,542
Total Long Term Debt				$ 9,388,155	$ -	$ 677,396	$ 8,710,759

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

Year	Principal	Interest	Total
2015	$ 690,039	$ 239,821	$ 929,860
2016	657,151	216,434	873,585
2017	647,642	192,622	840,264
2018	651,036	173,374	824,410
2019	654,592	157,381	811,973
2020 - 2024	2,666,813	456,667	3,123,480
2025 - 2029	1,458,433	217,265	1,675,698
2030 - 2034	1,285,053	64,944	1,349,997
Total	$ 8,710,759	$ 1,718,508	$ 10,429,267

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of $723,364 and interest costs for $371,263. Thus, net MCWT loan repayments, including interest, are scheduled to be $2,805,164. The principal subsidies are guaranteed and therefore a $723,364 intergovernmental receivable and corresponding revenue have been reported in Sewer Enterprise Fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The year 2014 principal and interest subsidies totaled $71,400 and $87,823, respectively.

Bonds Payable Schedule – Water Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds 2005	2015	$ 340,000	3.32	$ 60,000	$ -	$ 30,000	$ 30,000
Municipal Purpose Bonds 2007	2017	2,131,000	3.70	840,000	-	210,000	630,000
MCWT Bonds 2009	2024	2,500,000	2.00	1,898,253	-	155,834	1,742,419
Municipal Purpose Bonds 2011	2026	3,492,000	2.00 - 5.00	2,930,000	-	310,000	2,620,000
Municipal Purpose Bonds 2012	2033	1,685,000	2.43	1,685,000	-	84,250	1,600,750
Municipal Purpose Bonds 2013	2033	1,280,000	2.43	1,280,000	-	100,750	1,179,250
Municipal Purpose Bonds 2014	2038	616,000	3.00 - 5.00	-	616,000	-	616,000
Total water bonds payable				8,693,253	616,000	890,834	8,418,419
Unamortized bond premium				323,660		50,362	273,298
Total bonds payable				$ 9,016,913	$ 616,000	$ 941,196	$ 8,691,717

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

Year	Principal	Interest	Total
2015	$ 883,982	$ 258,770	$ 1,142,752
2016	903,194	244,690	1,147,884
2017	875,471	216,764	1,092,235
2018	668,813	187,671	856,484
2019	657,224	165,579	822,803
2020 - 2024	2,764,735	517,764	3,282,499
2025 - 2029	1,045,000	159,845	1,204,845
2030 - 2034	600,000	36,302	636,302
2035 - 2038	20,000	325	20,325
Total	$ 8,418,419	$ 1,787,710	$ 10,206,129

Bonds Payable Schedule – Solid Waste Enterprise Fund

Project	Maturity Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2013	Issued	Redeemed	Outstanding at June 30, 2014
Municipal Purpose Bonds 2014	2019	$ 175,000	3.00 - 5.00	$ -	$ 175,000	$ -	$ 175,000

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

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

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2014, the Town had the following authorized and unissued debt:

Purpose	Amount
Seawalls & Riprap	$ 770,000
Emergency Repairs - Nemo	2,184,764
Highland Street Water Main Replacement	15,000
Pine Street Water Main Replacement	520,000
Stormwater NDPES	50,000
High School Feasibility Study	1,402,000
Construction Harbormaster Building	1,400,000
Pudding Hill Tank Construction	475,000
New High School	52,438,839
Breathing Apparatus	61,000
Dribeek Way Bridge Repairs	500,000
Replace DPW Pick Up Trucks #31 & #68	10,000
Replace Car C-3	34,170
Mechanical Refurbish	94,800
GH Floats/Docks/Gangways	120,000
Dredging permits for GH	60,000
Laptops/WK Stations (Police)	87,500
Capital Assessment Planning	182,000
South River St. Water Main	400,000
AED's	27,200
21st Century Technology	377,000
Massasoit Fire Plans	1,150,000
FBMS Audit Repair/ Rehab	75,000
Replace Asbestos Flooring SRS	65,000
Fairgrounds Pump Station & Well	650,000
Mill Pond Lane Dam Design	25,000
Road Reconstruction	200,000
Replace Dump Truck	180,000
Pump Station Upgrades	750,000
Liberty Plaza Renovation	2,500,000
WW Outfall Inspect/Repairs	650,000
Water Meter Replacement	100,000
Water Main Upgrades	120,000
Total	$ 67,674,273

Changes in Long-term Liabilities

During the year ended June 30, 2014, the following changes occurred in long-term liabilities:

	Balance June 30, 2013	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Balance June 30, 2014	Due Within One Year
Governmental Activities:							
Long-Term Bonds	$ 57,269,483	$ 27,106,000	$ (5,738,789)	$ -	$ -	$ 78,636,694	$ 5,508,444
Unamortized Bond Premium	3,576,363	-	(506,317)			3,070,046	328,358
Other Postemployment Benefits	22,206,292	-	-	5,643,150	(2,045,349)	25,804,093	-
Compensated Absences	4,274,000	-	-	1,615,000	(1,537,000)	4,352,000	1,582,000
Total Governmental Activities	87,326,138	27,106,000	(6,245,106)	7,258,150	(3,582,349)	111,862,833	7,418,802
Business Type Activities:							
Long-Term Bonds and Notes	18,081,408	791,000	(1,568,230)	-	-	17,304,178	1,574,021
Unamortized Bond Premium	323,660	-	(50,362)	-	-	273,298	32,750
Other Postemployment Benefits	1,147,017	-	-	235,449	(50,337)	1,332,129	-
Compensated Absences	201,669	-	-	120,000	(148,669)	173,000	151,000
Landfill Closure	465,300	-	-	-	(28,200)	437,100	28,200
Total Business Type Activities	20,219,054	791,000	(1,618,592)	355,449	(227,206)	19,519,705	1,785,971
Total	$ 107,545,192	$ 27,897,000	$ (7,863,698)	$ 7,613,599	$ (3,809,555)	$ 131,382,538	$ 9,204,773

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

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

At year end the balance of the General Stabilization Fund is $2,273,922 and is reported as unassigned fund balance within the General Fund.

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

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

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

As of June 30, 2014, the governmental fund balances consisted of the following:

	Governmental Funds			
	General	High School Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable:				
Permanent fund principal	$ -	$ -	$ 1,220,989	$ 1,220,989
Restricted for:				
High School Capital projects	-	3,727,317	-	3,727,317
School state and federal grants	-	-	794,226	794,226
Town state and federal grants	-	-	165,509	165,509
Community preservation fund	-	-	4,007,816	4,007,816
Town general revolving	-	-	480,858	480,858
School general revolving	-	-	457,631	457,631
Other	-	-	816,052	816,052
Permanent funds	-	-	1,088,198	1,088,198
Debt exclusion	2,811,178	-	-	2,811,178
Committed to:				
Postemployment benefits	-	-	84,604	84,604
Assigned for carryover encumbrances:				
General government	9,306	-	-	9,306
Public safety	766	-	-	766
Education	129,988	-	-	129,988
Public works	4,192	-	-	4,192
Human services	10,000	-	-	10,000
Culture and recreation	13	-	-	13
Business insurance	4,307	-	-	4,307
Unemployment compensation	11,479	-	-	11,479
Utilities	11,038	-	-	11,038
Unclassified	1,500	-	-	1,500
Unassigned	4,545,281	-	(1,177,999)	3,367,282
Total Fund Balances	$ 7,539,048	$ 3,727,317	$ 7,937,884	$ 19,204,249

NOTE 9 – RISK FINANCING

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

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

In the event of the dissolution of the JPA or if the assets of the JPA are insufficient to pay claims which occur, the Town remains liable for its proportionate share. At June 30, 2013 (based on the most recent audited information available), the Mayflower Municipal Health Group had an ending net position of approximately $33 million which appears sufficient to support its on-going claim liabilities.

NOTE 10 – PENSION PLAN

Plan Description - The Town contributes to the Plymouth County Contributory Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled $10,662,000 for the year ended June 30, 2014, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Plymouth County Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 234, Plymouth, Massachusetts, 02360.

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll on a closed basis. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town contributions to the System for the years ended June 30, 2014, 2013, and 2012 were $4,457,147, $4,284,050, and $3,734,965, respectively, which equaled its required contribution for each year.

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

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

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

At June 30, 2014, the Plan's membership consisted of the following:

Current retirees, beneficiaries, and dependents……	393
Current active members……	866
Total……	1,259

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, 2014, the Town is required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town contributed approximately $2,096,000 during year 2014 towards these benefits. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

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

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

Annual required contribution……	$	5,021,953
Interest on net OPEB obligation……		934,133
Adjustments to annual required contribution……		(77,487)
Annual OPEB cost/expense……		5,878,599
Contributions made……		(2,095,686)
Increase/(Decrease) in net OPEB obligation……		3,782,913
Net OPEB obligation - beginning of year……		23,353,309
Net OPEB obligation - end of year……	$	27,136,222

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for year 2014 and the two preceding years is as follows:

Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation
6/30/2014	$	5,878,599	36%	$	27,136,222
6/30/2013		5,581,182	35%		23,353,309
6/30/2012		5,712,604	42%		19,731,993

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

Schedule of Funding Progress

Actuarial Valuation Date		Actuarial Value of Assets (A)		Actuarial Accrued Liability (AAL) Projected Unit Credit (B)		Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)		Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2012	$	-	$	72,909,973	$	72,869,091	0.00%	$	53,243,257	136.94%
6/30/2011		-		82,246,204		82,246,204	0.00%		51,297,584	160.33%
12/31/2009		-		82,656,569		82,636,401	0.00%		50,324,651	164.25%

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

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

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

Valuation date……	7/1/2012
Actuarial cost method……	Projected Unit Credit
Amortization method……	Payments increasing at 3.75%, level % of payroll
Remaining amortization period……	26 years at July 1, 2012, closed
Asset valuation method……	Market value
Actuarial Assumptions:	
Investment rate of return……	4.0%, pay-as-you-go scenario
Inflation rate……	2.5%
Annual compensation increases……	3.0%
Medical/drug cost trend rate……	6.0% decreasing by 1% for 1 year to an ultimate of 5% per year.

NOTE 12 – LANDFILL CLOSURE

State and federal laws and regulations require the Town to construct a final capping system on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town closed and capped its landfill in 1995. The Town has reflected a $437,100 post-closure care liability at June 30, 2014 as an obligation of the solid waste enterprise fund. This amount is based upon estimates of what it would cost to perform all post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Its cost was estimated based on semi-annual sampling for the current monitoring network at the site and estimated costs to maintain the integrity of the landfill cap during the post-closure period.

NOTE 13 – COMMITMENTS

During year 2014, the Town authorized $11.6 million in new debt for capital projects. This authorization includes $1.2 million for a new fire station, $2.5 million for Liberty Plaza renovations, $1.4 million for construction on the Harbormasters building, and $6.6 million for various construction projects such as seawall construction, water main repairs, road construction and bridge repairs.

Additionally, the Town authorized $2.2 million for emergency expenditures resulting from the state of emergency declared in February 2013 relevant to the Blizzard of 2013 also known as Nemo. The Town expects a portion of the debt authorization for the emergency expenditures to be offset by federal and state emergency assistance revenue from both the Massachusetts Emergency Management Administration (MEMA) and the Federal Emergency Management Administration (FEMA).

The Town is in the final stages of constructing a new high school. The Town voted to authorize $53.8 million for the project and has been approved by the Massachusetts School building Authority (MSBA) for reimbursement of

55.61% of the eligible costs associated with these projects. The project is estimated to have a final cost of $53.6 million. During 2014 the Town spent approximately $41.9 million and issued $19.1 million of long-term bonds.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2014, 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, 2014, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2014.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2014, the following GASB pronouncements were implemented:

- GASB Statement #65, *Items Previously Reported as Assets and Liabilities*. Financial statement changes include the presentation of deferred outflows and inflows in the Statement of Net Position and Balance Sheet. Notes to the basic financial statements were changed to provide additional disclosure on deferred outflows of resources and deferred inflows of resources.

- GASB Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The implementation of this pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in future years:

- The GASB issued Statement #67, *Financial Reporting for Pension Plans,* which is required to be implemented in 2015.

- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions*, which is required to be implemented in 2015.

- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in 2015.

- The GASB issued Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which is required to be implemented simultaneously with GASB Statement #68 in 2015.

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

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Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

GENERAL FUND

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

YEAR ENDED JUNE 30, 2014

	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	$ 55,210,818	$ 55,210,818	$ 53,680,260	$ -	$ (1,530,558)
Tax liens	-	-	391,065	-	391,065
Motor vehicle and other excise taxes	3,070,000	3,070,000	3,465,032	-	395,032
Charges for services	945,000	945,000	1,062,548	-	117,548
Penalties and interest on taxes	360,000	360,000	336,892	-	(23,108)
Payments in lieu of taxes	32,000	-	-	-	-
Intergovernmental	17,369,699	17,467,592	17,791,439	-	323,847
Departmental and other	1,155,000	1,155,000	982,011	-	(172,989)
Investment income	42,000	42,000	45,758	-	3,758
TOTAL REVENUES	78,184,517	78,250,410	77,755,005	-	(495,405)
EXPENDITURES:					
GENERAL GOVERNMENT					
Moderator	92	92	92	-	-
Selectmen:					
Salaries	263,850	261,505	260,025	-	1,480
Expenditures	191,900	194,245	184,298	2,282	7,665
Elected officials	3,417	3,417	3,417	-	-
TOTAL	459,167	459,167	447,740	2,282	9,145
Facilities Manager					
Salaries	252,923	294,447	292,102	-	2,345
Town Accountant:					
Salaries	180,419	180,419	180,419	-	-
Expenditures	4,700	4,700	4,558	-	142
TOTAL	185,119	185,119	184,977	-	142
Assessors:					
Salaries	223,680	223,680	223,680	-	-
Expenditures	69,750	70,750	70,730	-	20
Elected officials	3,687	3,687	3,687	-	-
TOTAL	297,117	298,117	298,097	-	20
Treasurer/Collector:					
Salaries	350,546	350,546	350,546	-	-
Expenditures	34,380	37,380	33,270	3,000	1,110
Tax title	-	40,000	11,835	-	28,165
TOTAL	384,926	427,926	395,651	3,000	29,275
Annual Audit:					
Expenditures	60,000	60,000	60,000	-	-
Legal:					
Expenditures	115,000	211,343	211,343	-	-
Information Technology:					
Salaries	157,416	157,416	157,416	-	-
Expenditures	169,547	169,547	167,686	518	1,343
TOTAL	326,963	326,963	325,102	518	1,343
Town Clerk:					
Salaries	52,921	52,921	51,860	-	1,061
Expenditures	4,110	4,110	3,837	-	273
Elected officials	55,580	55,580	55,580	-	-
TOTAL	112,611	112,611	111,277	-	1,334
Elections:					
Expenditures	45,450	37,950	28,485	3,506	5,959
Conservation Commission:					
Salaries	112,529	112,529	109,512	-	3,017
Expenditures	12,768	12,768	8,770	-	3,998
TOTAL	125,297	125,297	118,282	-	7,015
Planning Board:					
Salaries	125,461	120,461	114,841	-	5,620
Expenditures	2,298	2,298	1,806	-	492
Elected officials	1,120	1,120	920	-	200
TOTAL	128,879	123,879	117,567	-	6,312

(Continued)

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Zoning Board of Appeals:					
Salaries	28,645	28,645	28,510	-	135
Expenditures	1,880	1,880	581	-	1,299
TOTAL	30,525	30,525	29,091	-	1,434
Reserve Fund	100,000	1,257	-	-	1,257
Total General Government	2,624,069	2,694,693	2,619,806	9,306	65,581
PUBLIC SAFETY					
Police:					
Salaries	3,961,021	4,122,778	4,122,778	-	-
Expenditures	275,552	273,795	268,711	725	4,359
TOTAL	4,236,573	4,396,573	4,391,489	725	4,359
Fire:					
Salaries	4,433,252	4,318,511	4,295,430	-	23,081
Expenditures	251,461	293,663	293,663	-	-
TOTAL	4,684,713	4,612,174	4,589,093	-	23,081
Building Inspection:					
Salaries	289,866	281,671	250,379	-	31,292
Expenditures	7,184	7,272	7,272	-	-
TOTAL	297,050	288,943	257,651	-	31,292
Sealer of Weights/Measures:					
Expenditures	5,000	5,000	5,000	-	-
Animal Control:					
Salaries	64,199	64,199	54,294	-	9,905
Expenditures	10,064	19,564	18,859	41	664
TOTAL	74,263	83,763	73,153	41	10,569
Animal Inspector:					
Salaries	1,800	1,800	1,800	-	-
Harbor Master:					
Salaries	93,000	93,000	93,000	-	-
Expenditures	50,500	50,500	50,500	-	-
TOTAL	143,500	143,500	143,500	-	-
Total Public Safety	9,442,899	9,531,753	9,461,686	766	69,301
EDUCATION					
Public Schools:					
Salaries and Expenditures	42,758,450	42,758,450	42,580,025	129,988	48,437
PUBLIC WORKS					
Department of Public Works:					
Salaries	1,667,165	1,702,463	1,702,463	-	-
Expenditures	591,367	556,069	535,758	4,192	16,119
Elected officials	2,180	2,180	2,180	-	-
TOTAL	2,260,712	2,260,712	2,240,401	4,192	16,119
Snow and Ice:					
Salaries	105,000	155,000	155,000	-	-
Expenditures	295,000	543,400	543,400	-	-
TOTAL	400,000	698,400	698,400	-	-
Automotive Fuel:					
Expenditures	408,300	450,300	450,300	-	-
Total Public Works	3,069,012	3,409,412	3,389,101	4,192	16,119
HUMAN SERVICES					
Health:					
Salaries	194,309	194,309	191,900	-	2,409
Expenditures	24,117	24,117	24,041	-	76
Elected officials	1,460	1,460	1,460	-	-
TOTAL	219,886	219,886	217,401	-	2,485
Council on Aging:					
Salaries	188,824	188,824	171,969	-	16,855
Expenditures	25,587	25,587	25,417	-	170
TOTAL	214,411	214,411	197,386	-	17,025

(Continued)

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

YEAR ENDED JUNE 30, 2014

	Budgeted Amounts				
	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
Veterans:					
Salaries	83,593	83,593	81,124	-	2,469
Expenditures	416,044	416,044	337,944	10,000	68,100
TOTAL	499,637	499,637	419,068	10,000	70,569
Total Human Services	933,934	933,934	833,855	10,000	90,079
CULTURE AND RECREATION					
Library:					
Salaries	551,665	555,665	520,878	-	34,787
Expenditures	113,250	113,250	112,739	13	498
TOTAL	664,915	668,915	633,617	13	35,285
Trustees of Soldiers Memorial:					
Salaries	7,150	7,150	7,150	-	-
Expenditures	4,850	4,850	4,850	-	-
TOTAL	12,000	12,000	12,000	-	-
Historical Commission:					
Expenditures	3,780	3,780	2,170	-	1,610
Clam Flats:					
Salaries	2,000	2,000	1,626	-	374
Expenditures	1,000	1,000	749	-	251
TOTAL	3,000	3,000	2,375	-	625
Total Culture and Recreation	683,695	687,695	643,012	13	37,520
Business insurance	666,549	663,010	658,703	4,307	-
Unemployment Compensation	126,753	126,753	110,597	11,479	4,677
Retirement	4,458,347	4,458,347	4,458,347	-	-
Employee Benefits	5,492,922	5,523,166	5,504,516	-	18,650
Medicare	689,000	689,000	689,000	-	-
State and County Assessment	850,368	850,368	819,016	-	31,352
Utilities	386,576	427,672	413,295	11,038	3,339
Unclassified:					
Salaries	1,000	1,000	1,000	-	-
Expenditures	30,980	59,263	57,763	1,500	-
TOTAL	31,980	60,263	58,763	1,500	-
Debt Service Principal	5,686,189	5,686,189	5,686,189	-	-
Debt Service Interest	2,557,578	2,674,182	2,448,789	-	225,393
TOTAL EXPENDITURES	80,458,321	81,174,887	80,374,700	182,589	610,448
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,273,804)	(2,924,477)	(2,619,695)	(182,589)	122,193
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds	-	-	-	-	-
Transfers in	1,587,140	1,587,140	1,587,140	-	-
Transfers out	(348,656)	(348,656)	(348,656)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,238,484	1,238,484	1,238,484	-	-
NET CHANGE IN FUND BALANCE	(1,035,320)	(1,685,993)	(1,381,211)	(182,589)	122,193
BUDGETARY FUND BALANCE, Beginning of year	5,610,022	5,610,022	5,610,022	-	-
BUDGETARY FUND BALANCE, End of year	$ 4,574,702	$ 3,924,029	$ 4,228,811	$ (182,589)	$ 122,193

See notes to required supplementary information.

(Concluded)

Other Postemployment Benefit Plan Schedules

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

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

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution (ARC)	Actual Contributions Made	Percentage of the ARC Contributed
2014	$ 5,021,953	$ 2,095,686	41.7%
2013	4,869,389	1,959,866	40.2%
2012	5,593,642	2,396,073	42.8%
2011	5,334,440	2,183,210	40.9%
2010	5,752,977	2,160,174	37.5%
2009	6,437,000	1,479,719	23.0%
2008	6,060,000	1,411,481	23.3%

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

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

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

Actuarial Assumptions:

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

Plan Membership:

Current retirees, beneficiaries, and dependents	393
Current active members	866
Total	1,259

See notes to required supplementary information.

Retirement System Schedules of Funding Progress and Employer Contributions

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

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

PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/13	$ 666,899,774	$ 1,319,764,989	$ 652,865,215	50.5%	$ 238,655,485	273.6%
01/01/11	666,730,812	1,187,447,414	520,716,602	56.1%	228,289,638	228.1%
01/01/10	673,709,456	1,132,847,379	459,137,923	59.5%	227,507,647	201.8%
01/01/09	579,877,224	1,159,210,636	579,333,412	50.0%	264,541,078	219.0%
01/01/08	683,819,938	1,056,020,215	372,200,277	64.8%	252,682,832	147.3%
01/01/07	606,629,089	987,840,418	381,211,329	61.4%	244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%

The Town's share of the UAAL from the January 1, 2014 actuarial valuation is approximately $52.5 million.

See notes to required supplementary information.

PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

	System Wide			Town of Marshfield	
Plan Year Ended December 31,	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2014	$ 59,363,471	$ 59,363,471	100%	$ 4,457,147	7.51%
2013	54,966,177	54,966,177	100%	4,284,050	7.79%
2012	52,815,431	52,815,431	100%	3,734,965	7.07%
2011	46,850,764	46,850,764	100%	3,767,038	8.04%
2010	42,708,712	42,708,712	100%	3,297,646	7.72%
2009	41,286,384	41,286,384	100%	3,191,916	7.73%
2008	38,854,868	38,854,868	100%	3,057,826	7.87%
2007	34,085,524	34,085,524	100%	2,480,898	7.28%
2006	30,795,767	30,795,767	100%	2,220,919	7.21%

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

See notes to required supplementary information.

NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original year 2014 approved budget authorized approximately $80.8 million in appropriations and other amounts to be raised.

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

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2014, is presented below:

Net change in fund balance, budgetary basis	$	(1,381,211)
Perspective difference:		
Activity of the stabilization fund recorded in the general fund for GAAP		49,301
Basis of accounting differences:		
Net change in recording revenue accruals		507,738
Net change in recording tax refunds payable		359,865
Net change in expenditure accruals		(54,315)
Recognition of revenue for on-behalf payments		10,662,000
Recognition of expenditures for on-behalf payments		(10,662,000)
Net change in fund balance - GAAP basis	$	(518,622)

NOTE B – PENSION PLAN

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

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

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

Valuation Date……	January 1, 2013
Actuarial Cost Method……	Entry Age Normal Cost Method
Amortization Method……	Increasing at 4.0% per year
Remaining Amortization Period……	21 years remaining as of January 1, 2013.
Asset Valuation Method……	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using a five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.

Actuarial Assumptions:

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

Plan Membership:

Retired participants and beneficiaries receiving benefits……	3,228
Inactive participants……	2,108
Disabled……	360
Active participants……	5,729
Total……	11,425

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

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

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

Combining and Individual Fund Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Capital Projects

Capital project funds are used to account for financial resources used in the acquisition or construction of major capital facilities (other than those financed by enterprise funds).

Capital Projects Fund – This fund is used to account for and report financial resources for the acquisition or construction of non-school capital facilities and other capital assets of the governmental funds

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, 2014

	Special Revenue Funds			
	School State & Federal Grants	Town State & Federal Grants	Community Preservation	Town General Revolving
ASSETS:				
Cash and cash equivalents	$ 842,480	$ 181,644	$ 4,154,828	$ 400,304
Investments	-	-	-	-
Receivables, net of uncollectibles:				
Departmental and other	-	-	45,979	-
Intergovernmental	-	-	600,274	-
Due from other funds	-	-	-	90,120
TOTAL ASSETS	$ 842,480	$ 181,644	$ 4,801,081	$ 490,424
LIABILITIES:				
Warrants payable	$ 14,995	$ 16,135	$ 146,719	$ 7,224
Accrued payroll	33,259	-	292	2,342
Due to other funds	-	-	-	-
Notes payable	-	-	-	-
TOTAL LIABILITIES	48,254	16,135	147,011	9,566
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	-	644,907	-
Advance collections - taxes	-	-	1,347	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	646,254	-
FUND BALANCES:				
Nonspendable	-	-	-	-
Restricted	794,226	165,509	4,007,816	480,858
Committed	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	794,226	165,509	4,007,816	480,858
TOTAL LIABILITIES AND FUND BALANCES	$ 842,480	$ 181,644	$ 4,801,081	$ 490,424

Special Revenue Funds							
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	**Capital Projects**	**Permanent Funds**	Total Nonmajor Governmental Funds
$ 473,713	$ -	$ 84,604	$ 904,760	$ 7,042,333	$ 1,074,960	$ 2,080,558	$ 10,197,851
-	-	-	-	-	-	228,629	228,629
-	-	-	-	45,979	-	-	45,979
-	2,134,295	-	-	2,734,569	-	-	2,734,569
-	-	-	-	90,120	-	-	90,120
$ 473,713	$ 2,134,295	$ 84,604	$ 904,760	$ 9,913,001	$ 1,074,960	$ 2,309,187	$ 13,297,148
$ 5,698	$ 510,896	$ -	$ 66,477	$ 768,144	$ 998,456	$ -	$ 1,766,600
10,384	-	-	22,231	68,508	503	-	69,011
-	68,438	-	-	68,438	-	-	68,438
-	-	-	-	-	1,254,000	-	1,254,000
16,082	579,334	-	88,708	905,090	2,252,959	-	3,158,049
-	1,554,961	-	-	2,199,868	-	-	2,199,868
-	-	-	-	1,347	-	-	1,347
-	1,554,961	-	-	2,201,215	-	-	2,201,215
-	-	-	-	-	-	1,220,989	1,220,989
457,631	-	-	816,052	6,722,092	-	1,088,198	7,810,290
-	-	84,604	-	84,604	-	-	84,604
-	-	-	-	-	(1,177,999)	-	(1,177,999)
457,631	-	84,604	816,052	6,806,696	(1,177,999)	2,309,187	7,937,884
$ 473,713	$ 2,134,295	$ 84,604	$ 904,760	$ 9,913,001	$ 1,074,960	$ 2,309,187	$ 13,297,148

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			
	School State & Federal Grants	Town State & Federal Grants	Community Preservation	Town General Revolving
REVENUES:				
Penalties and interest on taxes	$ -	$ -	$ 3,086	$ -
Intergovernmental	2,636,127	863,026	639,869	379,621
Departmental and other	-	-	-	284,231
Community preservation tax	-	-	1,163,170	-
Contributions	-	-	-	-
Investment income	-	-	7,356	-
TOTAL REVENUES	2,636,127	863,026	1,813,481	663,852
EXPENDITURES:				
Current:				
General government	-	5,954	-	306,852
Public safety	-	708,011	-	423,457
Education	2,637,064	-	-	-
Public works	-	33,058	-	-
Health and human services	-	43,184	-	21,363
Culture and recreation	-	2,013	-	7,595
Community preservation		-	841,455	-
TOTAL EXPENDITURES	2,637,064	792,220	841,455	759,267
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(937)	70,806	972,026	(95,415)
OTHER FINANCING SOURCES (USES):				
Issuance of long-term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(71,261)	-	(1,783)
TOTAL OTHER FINANCING SOURCES (USES)	-	(71,261)	-	(1,783)
NET CHANGE IN FUND BALANCES (Deficits)	(937)	(455)	972,026	(97,198)
FUND BALANCES AT BEGINNING OF YEAR	795,163	165,964	3,035,790	578,056
FUND BALANCES AT END OF YEAR	$ 794,226	$ 165,509	$ 4,007,816	$ 480,858

Special Revenue Funds							
School General Revolving	Chapter 90	Postemployment Benefits	Other	Sub-total	**Capital Projects**	**Permanent Fund**	Total Nonmajor Governmental Funds
$ -	$ -	$	$ -	$ 3,086	$	$	$ 3,086
430,208	1,074,435	-	131,948	6,155,234	-	-	6,155,234
1,343,888	-	-	949,555	2,577,674	-	-	2,577,674
-	-	-	-	1,163,170	-	-	1,163,170
-	-	-	250,131	250,131	-	83,808	333,939
-	-	1,395	-	8,751	218	37,952	46,921
1,774,096	1,074,435	1,395	1,331,634	10,158,046	218	121,760	10,280,024
-	-	-	18,768	331,574	458,437	77,218	867,229
-	-	-	23,019	1,154,487	3,067,603	32,311	4,254,401
1,599,864	-	-	584,136	4,821,064	59,431	-	4,880,495
-	1,074,435	-	45,217	1,152,710	4,743,521	-	5,896,231
-	-	-	122,499	187,046	52,000	-	239,046
-	-	-	425,596	435,204	-	-	435,204
-	-	-	-	841,455	-	-	841,455
1,599,864	1,074,435	-	1,219,235	8,923,540	8,380,992	109,529	17,414,061
174,232	-	1,395	112,399	1,234,506	(8,380,774)	12,231	(7,134,037)
-	-	-	-	-	8,019,000	-	8,019,000
-	-	20,000	-	20,000	551,739	132,739	704,478
-	-	-	(120,746)	(193,790)	(200,000)	(52,000)	(445,790)
-	-	20,000	(120,746)	(173,790)	8,370,739	80,739	8,277,688
174,232	-	21,395	(8,347)	1,060,716	(10,035)	92,970	1,143,651
283,399	-	63,209	824,399	5,745,980	(1,167,964)	2,216,217	6,794,233
$ 457,631	$ -	$ 84,604	$ 816,052	$ 6,806,696	$ (1,177,999)	$ 2,309,187	$ 7,937,884

Agency Fund

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

AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2014

	Agency Accounts June 30, 2013	Additions	Deletions	Agency Accounts June 30, 2014
ASSETS				
Cash and cash equivalents…….……	$ 1,370,997	$ 24,030,506	$ (23,839,797)	$ 1,561,706
LIABILITIES				
Liabilities due depositors……	$ 1,370,997	$ 24,030,506	$ (23,839,797)	$ 1,561,706

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Statistical Section

Pictured above is an aerial view of Green Harbor in Marshfield showing the jetties and the entrance known as the Narrows.

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Net Position By Component

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 78,517,309	$ 83,996,510	$ 85,996,195	$ 71,485,319	$ 80,444,484	$ 85,564,870	$ 86,773,388	$ 88,902,106	$ 100,821,726	$ 138,566,327
Restricted	13,816,642	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582	6,846,578	7,822,625
Unrestricted	26,159,516	22,966,926	14,025,892	5,593,969	(5,684,079)	(8,723,517)	(11,104,441)	(14,043,367)	(13,432,592)	(15,911,329)
Total governmental activities net position	$ 118,493,467	$ 123,906,259	$ 124,014,048	$ 87,966,239	$ 84,047,221	$ 82,999,635	$ 80,299,779	$ 80,908,321	$ 94,235,712	$ 130,477,623
Business-type activities										
Net investment in capital assets	$ 23,209,064	$ 22,578,281	$ 24,653,351	$ 49,444,954	$ 50,245,420	$ 49,329,223	$ 48,218,953	$ 49,201,878	$ 50,833,175	$ 52,474,898
Unrestricted	7,537,305	8,207,945	9,087,958	18,181,012	16,787,324	16,134,891	16,695,970	14,622,191	12,758,096	10,537,534
Total business-type activities net position	$ 30,746,369	$ 30,786,226	$ 33,741,309	$ 67,625,966	$ 67,032,744	$ 65,464,114	$ 64,914,923	$ 63,824,069	$ 63,591,271	$ 63,012,432
Primary government										
Net investment in capital assets	$ 101,726,373	$ 106,574,791	$ 110,649,546	$ 120,930,273	$ 130,689,904	$ 134,894,093	$ 134,992,341	$ 138,103,984	$ 151,654,901	$ 191,041,225
Restricted	13,816,642	16,942,823	23,991,961	10,886,951	9,286,816	6,158,282	4,630,832	6,049,582	6,846,578	7,822,625
Unrestricted	33,696,821	31,174,871	23,113,850	23,774,981	11,103,245	7,411,374	5,591,529	578,824	(674,496)	(5,373,795)
Total primary government net position	$ 149,239,836	$ 154,692,485	$ 157,755,357	$ 155,592,205	$ 151,079,965	$ 148,463,749	$ 145,214,702	$ 144,732,390	$ 157,826,983	$ 193,490,055

Note: For the years 2005 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Activities.

Changes in Net Position

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	$ 3,844,076	$ 3,842,256	$ 4,359,161	$ 4,434,575	$ 3,965,070	$ 3,334,481	$ 3,913,502	$ 3,973,477	$ 4,920,094	$ 4,483,129
Public safety	10,898,431	10,970,904	11,439,519	12,662,170	13,771,086	13,507,314	14,514,764	14,658,407	15,526,807	16,315,383
Education	51,709,660	52,053,518	54,276,952	60,078,051	61,604,106	62,158,553	63,483,086	63,704,682	65,277,828	67,956,118
Public works	8,826,081	7,663,712	7,799,074	4,789,661	5,128,289	5,274,797	5,948,666	5,087,136	5,856,808	5,815,971
Health and human services	663,781	883,835	806,865	1,099,074	1,232,271	1,163,764	1,221,811	1,237,194	1,210,350	1,341,678
Culture and recreation	1,089,893	1,548,688	1,475,089	1,773,229	1,886,359	2,083,873	1,926,877	2,017,701	1,995,595	1,805,484
Community preservation	-	-	151,858	176,948	262,790	300,969	146,273	398,581	623,138	153,016
Interest	1,888,162	1,675,950	1,821,404	1,288,074	1,260,103	949,620	787,632	876,894	965,928	1,927,587
Total governmental activities expenses	78,920,084	78,638,863	82,129,922	86,301,782	89,110,074	88,773,371	91,942,611	91,954,072	96,376,548	99,798,366
Business-type activities:										
Sewer	-	-	-	3,825,132	3,717,598	3,530,589	3,514,018	3,494,294	3,627,666	3,656,216
Water	2,637,481	2,928,422	3,045,954	3,323,888	3,645,200	3,512,862	3,508,484	3,460,273	3,639,881	3,798,259
Solid waste	3,133,316	3,683,237	3,336,314	3,245,294	3,186,993	2,850,197	2,663,547	2,608,972	2,816,781	2,641,271
Total business-type activity expenses	5,770,797	6,611,659	6,382,268	10,394,314	10,549,791	9,893,648	9,686,049	9,563,539	10,084,328	10,095,746
Total primary government expenses	$ 84,690,881	$ 85,250,522	$ 88,512,190	$ 96,696,096	$ 99,659,865	$ 98,667,019	$ 101,628,660	$ 101,517,611	$ 106,460,876	$ 109,894,112
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety charges for services	$ 1,513,401	$ 1,388,709	$ 1,489,822	$ 1,662,618	$ 1,470,734	$ 1,833,254	$ 1,636,627	$ 1,860,575	$ 1,937,559	$ 1,931,218
Education charges for services	1,195,364	1,162,379	1,450,676	1,329,265	1,633,614	1,582,987	1,591,792	1,683,818	1,455,140	1,797,061
Public works charges for services	2,172,660	7,828,621	2,504,563	55,965	140,343	120,255	140,202	162,441	171,624	192,255
Other charges for services	887,094	942,452	872,612	1,137,163	1,057,287	1,113,914	1,189,719	1,158,333	1,263,264	869,318
Operating grants and contributions	20,256,840	20,898,283	23,970,172	25,709,451	27,079,730	27,768,573	28,180,829	30,468,638	28,854,321	30,197,758
Capital grants and contributions	454,821	368,465	1,285,273	2,603,013	983,632	2,032,817	2,205,026	1,277,419	20,149,784	37,906,270
Total government activities program revenues	26,480,180	32,588,909	31,573,118	32,497,475	32,365,340	34,451,800	34,944,195	36,611,224	53,831,692	72,893,880
Business-type activities:										
Charges for services:										
Sewer	-	-	-	2,880,162	2,470,233	2,408,283	2,541,836	2,475,768	2,544,816	2,672,368
Water	3,249,185	2,509,017	3,444,008	3,187,661	3,376,027	3,065,944	3,702,149	3,337,136	3,579,496	3,833,555
Solid Waste	2,975,934	3,817,833	3,771,280	3,738,315	2,904,608	2,526,818	2,513,195	2,448,477	2,617,061	2,769,141
Operating grants and contributions	141,755	324,666	183,063	190,072	200,659	136,036	253,462	116,903	109,770	87,823
Capital grants and contributions	-	-	-	-	-	39,423	21,461	17,841	61,918	95,876
Total business-type activities program revenues	6,366,874	6,651,516	7,398,351	9,996,210	8,951,527	8,176,504	9,032,103	8,396,125	8,913,061	9,458,763
Total primary government program revenues	$ 32,847,054	$ 39,240,425	$ 38,971,469	$ 42,493,685	$ 41,316,867	$ 42,628,304	$ 43,976,298	$ 45,007,349	$ 62,744,753	$ 82,352,643
Net (Expense)/Revenue										
Governmental activities	$ (52,439,904)	$ (46,049,954)	$ (50,556,804)	$ (53,804,307)	$ (56,744,734)	$ (54,321,571)	$ (56,998,416)	$ (55,342,848)	$ (42,544,856)	$ (26,904,486)
Business-type activities	596,077	39,857	1,016,083	(398,104)	(1,598,264)	(1,717,144)	(653,946)	(1,167,414)	(1,171,267)	(636,983)
Total primary government net expense	$ (51,843,827)	$ (46,010,097)	$ (49,540,721)	$ (54,202,411)	$ (58,342,998)	$ (56,038,715)	$ (57,652,362)	$ (56,510,262)	$ (43,716,123)	$ (27,541,469)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate, personal property taxes and tax liens, net of tax refunds payable	$ 36,480,385	$ 37,363,518	$ 38,754,561	$ 42,730,586	$ 44,204,433	$ 46,009,189	$ 47,625,628	$ 49,273,498	$ 50,687,398	$ 55,760,067
Motor vehicle and other excise taxes	3,458,124	3,496,136	3,158,003	3,285,913	3,077,468	3,035,945	3,035,952	3,098,572	3,383,172	3,436,419
Community preservation tax	-	830,355	871,114	970,338	945,317	986,430	1,019,934	1,055,074	1,088,776	1,195,479
Penalties and interest on taxes	255,291	255,015	258,823	295,273	336,323	337,685	306,690	347,002	365,170	339,978
Court settlements	-	-	-	-	834,229	-	-	-	-	-
Grants and contributions not restricted to specific programs	5,253,422	4,654,593	5,793,710	3,131,096	2,870,178	2,370,183	2,075,272	1,938,122	2,202,627	2,231,660
Unrestricted investment income	694,329	1,028,278	1,474,859	820,875	364,352	208,415	115,259	91,398	97,302	97,802
Miscellaneous	712,029	331,701	353,523	227,849	215,185	326,138	119,825	147,724	37,112	84,992
Transfers	-	-	-	-	(21,769)	-	-	-	125,000	-
Total governmental activities	46,853,580	47,959,596	50,664,593	51,461,930	52,825,716	53,273,985	54,298,560	55,951,390	57,986,557	63,146,397
Business-type activities:										
Court settlements	-	-	-	-	480,000	-	-	-	-	-
Unrestricted investment income	-	-	-	577,329	503,273	148,514	104,755	76,560	62,671	58,144
Transfers	-	-	-	-	21,769	-	-	-	(125,000)	-
Total business-type activities	-	-	-	577,329	1,005,042	148,514	104,755	76,560	(62,329)	58,144
Total primary government	$ 46,853,580	$ 47,959,596	$ 50,664,593	$ 52,039,259	$ 53,830,758	$ 53,422,499	$ 54,403,315	$ 56,027,950	$ 57,924,228	$ 63,204,541
Changes in Net Position										
Governmental activities	$ (5,586,324)	$ 1,909,642	$ 107,789	$ (2,342,377)	$ (3,919,018)	$ (1,047,586)	$ (2,699,856)	$ 608,542	$ 15,441,701	$ 36,241,911
Business-type activities	596,077	39,857	1,016,083	179,225	(593,222)	(1,568,630)	(549,191)	(1,090,854)	(1,233,596)	(578,839)
Total primary government	$ (4,990,247)	$ 1,949,499	$ 1,123,872	$ (2,163,152)	$ (4,512,240)	$ (2,616,216)	$ (3,249,047)	$ (482,312)	$ 14,208,105	$ 35,663,072

Note: For the years 2005 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Activities.

Fund Balances, Governmental Funds

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Reserved	$ 1,735,706	$ 962,993	$ 1,102,746	$ 622,584	$ 393,885	$ 663,244	$ -	$ -	$ -	$ -
Unreserved	4,920,301	5,639,433	3,685,942	4,658,860	4,385,596	3,688,741	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	3,279,293	2,811,178
Assigned	-	-	-	-	-	-	307,888	281,950	163,687	182,589
Unassigned	-	-	-	-	-	-	4,716,619	5,109,444	4,614,690	4,545,281
Total general fund	$ 6,656,007	$ 6,602,426	$ 4,788,688	$ 5,281,444	$ 4,779,481	$ 4,351,985	$ 5,024,507	$ 5,391,394	$ 8,057,670	$ 7,539,048
All Other Governmental Funds										
Reserved	$ 95,113	$ 1,333,578	$ 1,848,727	$ 377,466	$ 463,731	$ 497,723	$ -	$ -	$ -	$ -
Unreserved, reported in:										
Special revenue funds	14,073,000	10,196,721	11,891,488	10,139,920	10,004,469	7,856,675	-	-	-	-
Capital projects funds	2,540,489	352,910	864,234	(922,300)	1,285,269	(398,021)	-	-	-	-
Permanent funds	1,054,007	1,080,574	1,193,345	888,128	866,241	872,684	-	-	-	-
Nonspendable	-	-	-	-	-	-	1,043,270	1,096,182	1,150,207	1,220,989
Restricted	-	-	-	-	-	-	6,264,680	10,795,737	10,654,986	11,537,607
Committed	-	-	-	-	-	-	30,290	40,587	63,209	84,604
Unassigned	-	-	-	-	-	-	-	(2,854,861)	(1,408,944)	(1,177,999)
Total all other governmental funds	$ 17,762,609	$ 12,963,783	$ 15,797,794	$ 10,483,214	$ 12,619,710	$ 8,829,061	$ 7,338,240	$ 9,077,645	$ 10,459,458	$ 11,665,201

For the years 2005 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Funds.

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

Changes in Fund Balances, Governmental Funds

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Real estate, personal property taxes and tax liens, net of tax refunds	$ 36,306,867	$ 37,548,388	$ 38,256,831	$ 42,893,443	$ 43,896,810	$ 46,231,120	$ 47,255,875	$ 49,251,843	$ 50,519,928	$ 54,938,928
Motor vehicle and other excise taxes	3,398,151	3,478,381	3,201,171	3,273,198	3,136,448	2,996,478	2,963,732	3,134,838	3,241,603	3,465,032
Penalties and interest on taxes	255,291	255,015	258,823	295,273	336,323	337,685	306,690	347,002	365,170	339,978
Charges for services	4,677,078	5,806,836	5,578,452	823,808	896,372	987,974	1,032,776	1,048,550	1,028,991	1,094,268
Court settlements	-	-	-	-	834,229	-	-	-	-	-
Intergovernmental	26,611,991	27,224,134	31,264,380	32,768,863	31,388,745	32,374,981	32,526,944	33,827,922	51,339,663	70,836,092
Departmental and other	2,199,763	1,615,155	1,699,661	3,441,177	4,031,497	4,014,469	3,450,322	3,691,831	3,590,240	3,559,685
Community preservation taxes	-	830,355	871,114	943,616	948,528	994,940	1,017,700	1,060,170	1,088,591	1,163,170
Contributions	-	-	-	471,577	433,519	474,687	244,974	238,977	382,749	333,939
Investment income	692,726	1,028,278	1,417,437	820,875	364,352	208,415	115,259	91,398	97,302	97,802
Total Revenue	74,141,867	77,786,542	82,547,869	85,731,830	86,266,823	88,620,749	88,914,272	92,692,531	111,654,237	135,828,894
Expenditures:										
General government	8,176,301	7,819,324	11,181,605	3,685,500	2,589,184	2,609,472	2,487,410	2,322,835	3,577,490	3,126,640
Public safety	7,543,894	6,712,207	7,760,428	8,172,255	9,035,006	8,644,135	9,082,725	8,679,772	9,587,168	9,954,302
Education	43,117,621	39,981,242	46,470,674	50,762,547	50,303,198	49,860,090	53,138,359	55,787,658	57,022,941	58,064,519
Public works	7,463,545	6,169,708	5,811,645	1,893,018	2,778,556	4,015,920	5,012,258	3,007,215	2,474,937	2,093,027
Human and human services	675,431	697,459	741,516	877,038	657,156	419,019	506,933	383,654	481,056	1,053,258
Culture and recreation	1,690,251	1,039,130	1,698,038	1,218,016	1,080,131	766,502	755,207	753,628	888,466	1,160,706
Pension benefits	n/a	n/a	n/a	3,059,026	3,193,116	3,298,846	3,768,238	3,736,165	4,285,250	4,458,347
Property and liability insurance	n/a	n/a	n/a	916,566	763,597	642,704	565,489	579,991	677,091	658,703
Employee benefits	n/a	n/a	n/a	5,088,361	5,256,480	5,542,176	5,973,191	6,386,222	5,611,488	6,304,113
Community preservation	n/a	n/a	n/a	176,948	2,319,107	3,271,886	1,011,397	470,208	1,230,198	153,016
State and county charges	826,165	721,720	682,912	643,063	593,075	605,335	671,652	664,596	735,255	819,016
Capital outlay	7,018,218	13,720,593	4,464,480	4,616,185	5,237,093	9,221,535	7,410,609	9,518,420	52,009,404	66,160,999
Debt service										
Principal	3,607,241	4,012,274	3,852,445	3,856,058	3,756,463	4,083,194	3,935,896	3,900,384	3,979,614	5,738,789
Interest	1,805,329	1,765,292	1,770,277	1,363,126	1,244,359	969,564	766,207	896,491	837,153	2,502,338
Total Expenditures	81,923,996	82,638,949	84,434,020	86,327,707	88,806,521	93,950,378	95,085,571	97,087,239	143,397,511	162,247,773
Excess of revenues over (under) expenditures	(7,782,129)	(4,852,407)	(1,886,151)	(595,877)	(2,539,698)	(5,329,629)	(6,171,299)	(4,394,708)	(31,743,274)	(26,418,879)
Other Financing Sources (Uses)										
Premium from issuance of bonds	-	-	57,424	-	-	-	-	-	-	-
Proceeds from issuance of long-term debt	3,881,000	-	2,849,000	-	4,196,000	965,000	5,353,000	6,501,000	32,090,000	27,106,000
Issuance of refunding bonds	-	-	-	-	-	12,728,840	-	-	-	-
Premium from issuance of refunding bonds	-	-	-	-	-	1,268,616	-	-	3,576,363	-
Payment to refunded bond escrow agent	-	-	-	-	-	(13,850,972)	-	-	-	-
Transfers in	3,365,944	3,759,046	3,014,784	1,348,253	1,046,203	1,704,316	465,650	1,138,594	2,108,257	1,150,268
Transfers out	(3,365,944)	(3,759,046)	(3,014,784)	(1,348,253)	(1,067,972)	(1,704,316)	(465,650)	(1,138,594)	(1,983,257)	(1,150,268)
Total other financing sources (uses)	3,881,000	-	2,906,424	-	4,174,231	1,111,484	5,353,000	6,501,000	35,791,363	27,106,000
Net change in fund balance	$ (3,901,129)	$ (4,852,407)	$ 1,020,273	$ (595,877)	$ 1,634,533	$ (4,218,145)	$ (818,299)	$ 2,106,292	$ 4,048,089	$ 687,121
Debt service as a percentage of noncapital expenditures	7.23%	8.38%	7.03%	6.39%	5.98%	5.96%	5.36%	5.48%	5.27%	8.58%

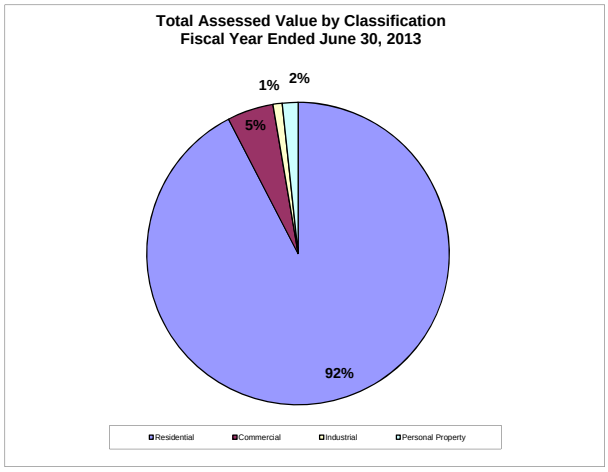
n/a - Information is not available.

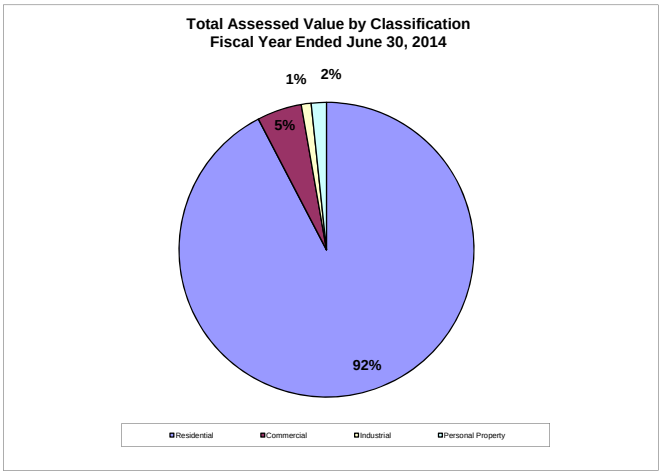
For the years 2004 to 2007 the Town's Sewer Enterprise Fund was reported as a Special Revenue Fund and was included as part of the Governmental Funds.

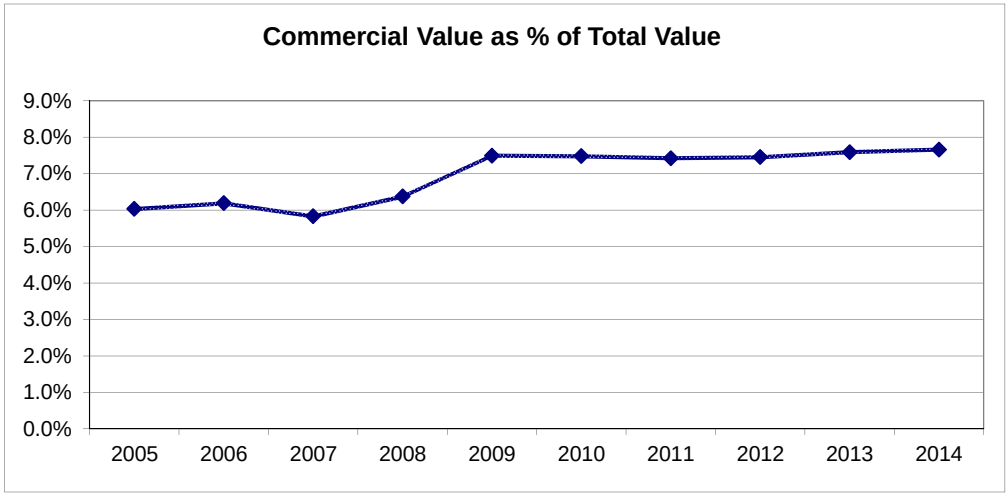
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year		Assessed and Actual Values and Tax Rates									
		Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value
2005	(1)	$3,881,280,251	$8.65	$181,680,049	$30,762,000	$36,817,458	$249,259,507	$8.65	6.0%	$ 8.65	$4,130,539,758
2006		$4,223,128,973	$8.31	$206,830,234	$35,490,300	$36,381,261	$278,701,795	$8.31	6.2%	$ 8.31	$4,501,830,768
2007		$4,507,128,337	$8.14	$205,483,115	$36,562,100	$36,960,539	$279,005,754	$8.14	5.8%	$ 8.14	$4,786,134,091
2008	(1)	$4,586,786,110	$8.72	$223,328,575	$43,622,000	$45,423,853	$312,374,428	$8.72	6.4%	$ 8.72	$4,899,160,538
2009		$4,099,485,652	$9.99	$227,507,906	$42,942,900	$61,765,017	$332,215,823	$9.99	7.5%	$ 9.99	$4,431,701,475
2010		$3,967,268,613	$10.75	$215,560,402	$41,011,300	$64,264,470	$320,836,172	$10.75	7.5%	$ 10.75	$4,288,104,785
2011	(1)	$3,916,336,332	$11.29	$201,661,048	$41,142,600	$71,346,760	$314,150,408	$11.29	7.4%	$ 11.29	$4,230,486,740
2012		$3,892,976,366	$11.76	$203,681,840	$40,844,500	$69,032,560	$313,558,900	$11.76	7.5%	$ 11.76	$4,206,535,266
2013		$3,866,211,027	$12.21	$206,162,921	$40,878,000	$70,559,500	$317,600,421	$12.21	7.6%	$ 12.21	$4,183,811,448
2014		$3,861,371,126	$13.29	$205,393,300	$44,716,614	$70,326,699	$320,436,613	$13.29	7.7%	$ 13.29	$4,181,807,739







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

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

Principal Taxpayers

Current Year and Nine Years Ago

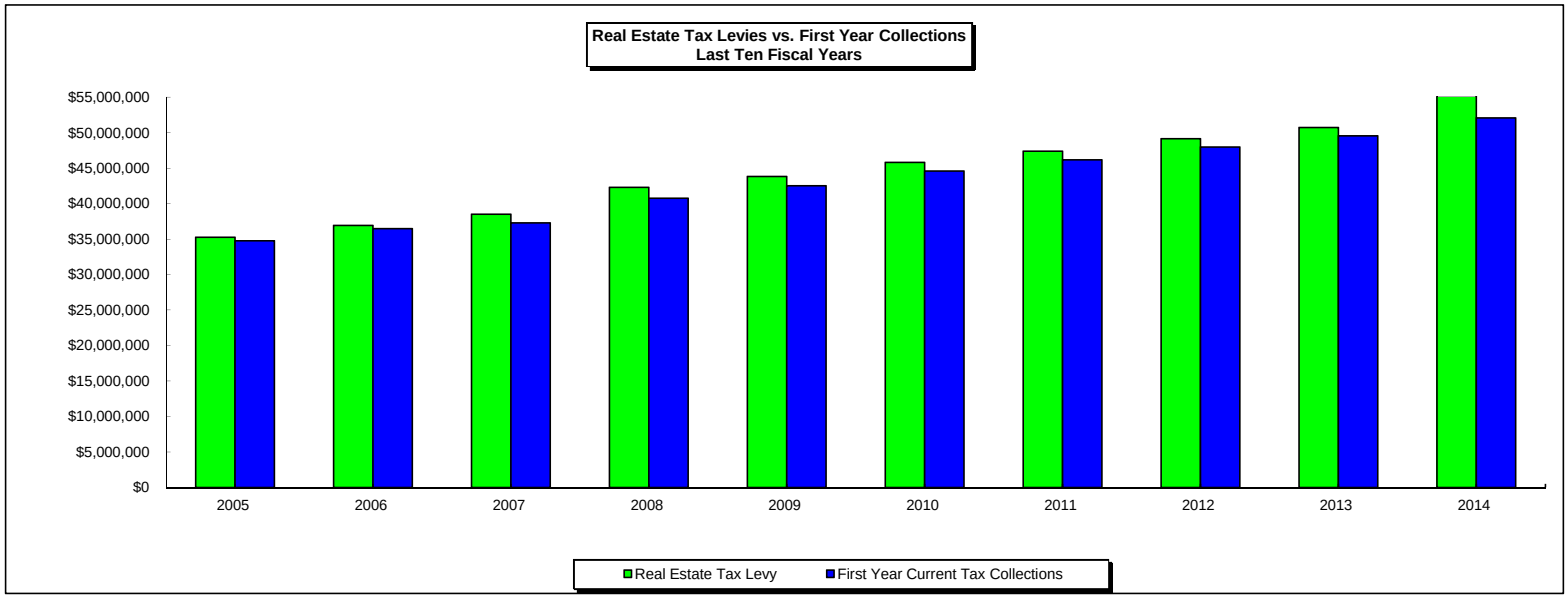
		2014			2005		
Name	**Nature of Business**	**Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Assessed Valuation**	**Rank**	**Percentage of Total Taxable Assessed Value**
Shi Marshfield LLC (form WW LLc)	Assisted Living	$ 38,730,300	1	0.93%			
Home Properties of Marshfield, LLP	Apartment Complex	24,862,400	2	0.59%			
NSTAR	Utility	20,374,950	3	0.49%	$ 8,600,174	3	0.24%
Verizon	Utility	19,839,200	4	0.47%	7,611,700	4	0.22%
Curtlo, LLC	Shopping Plaza	18,093,400	5	0.43%	15,640,900	1	0.44%
Beacon Shore LTD	Apartment Complex 55+	13,659,600	6	0.33%			
Columbia Gas of MA	Utility	12,156,760	7	0.29%			
OMDB Realty, LLC	Shopping Plaza	8,696,800	8	0.21%			
Mariners Hill Limited	Apartments & Over 55	7,292,400	9	0.17%	6,124,285	5	0.17%
VRT	Commercial Property	6,544,900	10	0.16%			
Fox Run Apartments	Apartment Complex				14,425,745	2	0.41%
Bay State Gas	Utility				6,110,790	6	0.17%
Marshfield Country Club	Golf Course				5,398,599	7	0.15%
83 Enterprise Drive LLC	Office Building				4,251,000	8	0.12%
K & E Realty Trust	Single Family Residence				3,682,100	9	0.10%
Del Berrada	Single Family Residence				3,594,300	10	0.10%
	Totals	$ 170,250,710		4.07%	$ 75,439,593		2.12%

Source: Official Statements, Town of Marshfield

Property Tax Levies and Collections

Last Ten Years

Year	Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2005	$35,729,169	$488,834	$35,240,335	98.63%	$34,770,020	98.67%	$440,720	$35,210,740	99.92%
2006	$37,410,214	$473,121	$36,937,093	98.74%	$36,481,022	98.77%	$422,696	$36,903,718	99.91%
2007	$38,959,132	$477,450	$38,481,682	98.77%	$37,286,024	96.89%	$411,763	$37,697,787	97.96%
2008	$42,720,680	$421,121	$42,299,559	99.01%	$40,756,510	96.35%	$911,599	$41,668,109	98.51%
2009	$44,339,965	$501,293	$43,838,672	98.87%	$42,508,902	96.97%	$854,586	$43,363,488	98.92%
2010	$46,097,126	$317,162	$45,779,964	99.31%	$44,593,567	97.41%	$835,398	$45,428,965	99.23%
2011	$47,762,195	$364,736	$47,397,459	99.24%	$46,172,819	97.42%	$797,326	$46,970,145	99.10%
2012	$49,475,863	$347,777	$49,128,086	99.30%	$47,948,166	97.60%	$807,255	$48,755,421	99.24%
2013	$51,084,810	$371,796	$50,713,014	99.27%	$49,546,242	97.70%	$663,969	$50,210,211	99.01%
2014	$55,576,225	$361,748	$55,214,477	99.35%	$52,080,161	94.32%	$0	$52,080,161	94.32%



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

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities: General Obligation Bonds	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2005	24,890	$ 857,727,346	$ 4,130,539,758	$43,212,849	$1,736	5.04%	1.05%
2006	24,836	$ 915,777,119	$ 4,501,830,768	$39,200,575	$1,578	4.28%	0.87%
2007	24,576	$ 961,988,000	$ 4,786,134,091	$38,197,130	$1,554	3.97%	0.80%
2008	24,735	$ 946,327,000	$ 4,899,160,538	$27,906,194	$1,128	2.95%	0.57%
2009	24,947	$ 882,087,000	$ 4,431,701,475	$28,345,731	$1,136	3.21%	0.64%
2010	25,184	$ 958,798,000	$ 4,288,104,785	$25,141,377	$998	2.62%	0.59%
2011	25,185	$ 1,020,714,000	$ 4,230,486,740	$26,558,481	$1,055	2.60%	0.63%
2012	25,132	$ 1,054,397,562	$ 4,206,535,266	$29,159,097	$1,160	2.77%	0.69%
2013	24,378	$ 1,094,464,669	$ 4,183,811,448	$60,845,846	$2,496	5.56%	1.45%
2014	25,436	$ 1,136,054,327	$ 4,181,807,739	$81,706,740	$3,212	7.19%	1.95%

Year	Business-Type Activities: General Obligation Bonds	Total Primary Government: Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2005	$ 980,000	$44,192,849	$1,776	5.15%	1.07%
2006	$ 725,000	$39,925,575	$1,608	4.36%	0.89%
2007	$ 2,701,000	$40,898,130	$1,664	4.25%	0.85%
2008	$ 8,199,291	$36,105,485	$1,460	3.82%	0.74%
2009	$ 9,797,097	$38,142,828	$1,529	4.32%	0.86%
2010	$ 8,872,554	$34,013,931	$1,351	3.55%	0.79%
2011	$ 11,929,472	$38,487,953	$1,528	3.77%	0.91%
2012	$ 12,556,963	$41,716,060	$1,660	3.96%	0.99%
2013	$ 18,405,068	$79,250,914	$3,251	7.24%	1.89%
2014	$ 17,577,476	$99,284,216	$3,903	8.74%	2.37%

Source: Audited Financial Statements, U. S. Census

Note: For the years 2005 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, 2014

Town of Marshfield, Massachusetts	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Plymouth County……	$ 3,025,000	4.57%	$ 138,243
Town direct debt……	81,706,740		-
Total direct and overlapping debt……	$ 84,731,740		$ 138,243

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

Source: Plymouth County Treasurer

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

Computation of Legal Debt Margin

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalized Valuation……	$ 3,790,610,200	$ 4,787,007,000	$ 4,787,007,000	$ 5,158,780,200	$ 5,158,780,200	$ 4,678,944,800	$ 4,678,944,800	$ 4,524,078,200	$ 4,524,078,200	$ 4,527,020,700
Debt Limit -5% of Equalized Valuation……	$ 189,530,510	$ 239,350,350	$ 239,350,350	$ 257,939,010	$ 257,939,010	$ 233,947,240	$ 233,947,240	$ 226,203,910	$ 226,203,910	$ 226,351,035
Less:										
Outstanding debt applicable to limit……	22,987,848	20,250,575	31,762,252	27,906,194	28,345,731	25,141,377	26,558,481	29,159,097	60,845,846	81,706,740
Authorized and unissued debt……	3,770,920	8,329,420	6,393,420	11,294,000	6,042,000	7,383,000	15,331,000	119,925,839	93,547,603	67,674,273
Legal debt margin……	$ 162,771,742	$ 210,770,355	$ 201,194,678	$ 218,738,816	$ 223,551,279	$ 201,422,863	$ 192,057,759	$ 77,118,974	$ 71,810,461	$ 76,970,022
Total debt applicable to the limit as a percentage of the limit……	14.12%	11.94%	15.94%	15.20%	13.33%	13.90%	17.91%	65.91%	68.25%	66.00%

Source: Treasurer's Department, Town of Marshfield

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2005	24,890	$ 857,727,346	$ 34,461	37	4,639	3.80%
2006	24,836	$ 915,777,119	$ 36,873	37	4,693	4.30%
2007	24,576	$ 961,988,000	$ 39,143	37	4,730	4.60%
2008	24,735	$ 946,327,000	$ 38,259	37	4,739	6.20%
2009	24,947	$ 882,087,000	$ 35,358	37	4,742	7.70%
2010	25,184	$ 958,798,000	$ 35,936	37	4,738	7.20%
2011	25,185	$ 1,020,714,000	$ 40,529	37	4,744	6.40%
2012	25,132	$ 1,054,397,562	$ 41,954	40	4,577	6.80%
2013	24,378	$ 1,094,464,669	$ 44,896	43	4,523	6.30%
2014	25,436	$ 1,075,154,284	$ 42,269	42	4,422	6.30%

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

Principal Employers

Current Year and Nine Years Ago

		2014			2005		
Employer	**Nature of Business**	**Employees**	**Rank**	**Percentage of Total Town Employment**	**Employees**	**Rank**	**Percentage of Total Town Employment**
Town of Marshfield	Municipal Government	1,092	1	8.21%	1,184	1	8.90%
Road to Responsibility	Retail & Service	472	2	3.55%			
Roche Brothers	Supermarket	286	3	2.15%			
Star Market	Supermarket	163	4	1.22%	217	2	1.63%
Windslow Woods	Assisted Living Facility	106	5	0.80%			
Marshfield Country Club	Golf Course	96	6	0.72%	60	8	0.45%
Kirwin Surgical Products LLC	Manufacturer	93	7	0.70%	85	5	0.64%
Cask and Flagon	Restaurant	80	8	0.60%			
Fairview Inn	Restaurant & Inn	70	9	0.53%	70	7	0.53%
Marshfield Tavern	Restaurant	76	10	0.57%			
Marshall's	Retail				52	10	0.39%
Waste Solutions	Commercial	47	11	0.35%			
Jaimes Grille	Restaurant				137	3	1.03%
Bridgeway Inn	Restaurant & Inn				100	4	0.75%
Image Art	Manufacturer				80	6	0.60%
US Post Office	Postal Service				57	9	0.43%
		2,581		19.39%	2,042		15.34%

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

Full-time Equivalent Town Employees by Function

Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Function										
General government	42	42	40	41	39	38	38	37	37	29
Police	48	45	48	48	45	45	45	44	46	44
Fire	55	55	52	55	55	52	51	53	53	54
Education	567	618	639	628	643	640	628	681	660	731
Water	20	20	20	21	19	19	19	19	18	23
Sewer	14	14	13	14	12	13	13	13	13	15
Solid waste	7	7	7	7	7	7	7	5	6	7
Public works	36	40	40	40	36	34	34	41	41	38
Human services	18	19	18	19	17	17	17	15	15	8
Culture and recreation	28	30	30	30	29	28	28	28	28	6
Total	835	890	907	903	902	893	880	936	917	955

Source: Town personnel records and various Town departments.

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Population	24,890	24,836	24,576	24,735	24,947	25,184	25,185	25,132	24,378	24,182
Registered voters, annual town election	13,708	14,304	15,367	16,531	17,713	17,867	17,966	18,234	18,544	18,241
Town Clerk										
Births	309	253	286	255	220	229	216	207	188	184
Marriages	107	99	109	98	103	75	114	69	87	92
Deaths	166	166	167	174	186	166	214	209	191	177
Police										
Accidents covered by an officer	395	386	503	515	380	331	377	859	407	389
Citations issued	1,230	926	1,205	513	1,206	1,140	854	1,338	980	1,166
Arrests	638	765	753	660	790	826	494	413	360	706
Larcenies	246	224	208	104	300	547	354	420	378	52
Fire										
Rescue assist	368	370	360	387	414	332	340	354	15	346
False alarm	43	55	40	32	433	201	229	18	4	7
Public assist	240	226	198	240	407	472	604	239	201	406
Emergency responses/ambulance	1,734	1,730	1,951	1,974	2,025	2,072	2,230	2,346	2,416	2,352
Building Department										
Residential building permits issued	658	814	731	716	858	844	707	708	687	730
Non-Residential building permits issued	13	39	33	36	23	48	49	59	69	72
Education										
Public school enrollment	4,639	4,693	4,730	4,739	4,742	4,750	4,713	4,575	4,523	4,422
Public Works										
Cemetery										
Lots sold	158	94	62	106	61	84	67	64	76	76
Interments	120	92	103	78	72	89	89	62	109	98
Water										
Service connections	9,718	9,804	9,826	9,894	9,907	9,912	10,690	10,740	10,807	9,959
Consumption in billions of gallons	1,114	887	1,026	1,027	1,069	834	854	764	763	857
Daily consumption in millions of gallons	3.0	2.5	2.8	2.8	2.8	2.3	2.3	2.1	2.1	2.3
Sewer										
Service connections	4,456	4,468	4,470	4,479	4,502	4,650	4,222	4,247	4,285	4,403
Daily average collection (MGD)	1.29	1.33	1.22	1.41	1.43	1.59	0.66	0.61	0.54	1.24
Highway										
Miles of public road	170	170	170	170	170	170	170	171	171	170
Human Services										
Board of Health										
Permits issued	994	809	742	669	688	663	696	721	755	730
Variances	62	58	44	26	24	21	24	32	29	24
Council on Aging										
Home delivered meals	11,797	12,655	14,995	13,921	13,189	11,375	12,447	10,665	12,272	14,136
Transportation	9,902	10,163	10,604	11,325	11,646	11,807	11,442	10,937	11,965	10,771
Volunteer service hours	36,631	26,385	23,159	23,441	20,417	30,061	30,242	33,337	34,329	34,542
Fitness/exercise program participants	2,934	5,176	5,271	5,166	6,333	7,074	6,696	7,355	7,812	10,394
Recreation/social event participants	10,960	10,876	13,810	14,191	14,404	15,355	14,651	15,320	27,107	30,106
Libraries										
Volumes in collection	72,507	73,013	76,334	76,202	75,602	80,466	70,166	70,689	71,372	93,372
Circulation	268,337	280,448	268,000	273,951	244,362	280,621	260,155	260,155	197,639	211,679
Program attendance	8,340	7,273	5,919	6,023	5,726	5,829	8,761	5,379	7,002	7,396

Source: Various Town Departments

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Airport	1	1	1	1	1	1	1	1	1	1
General Government (1)										
Number of buildings	2	2	2	2	3	3	3	3	3	3
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations	3	3	3	3	3	3	3	3	3	3
Number of vehicles	15	15	15	15	15	16	16	14		14
Education										
Number of elementary schools	5	5	5	5	5	5	5	5	5	5
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of high schools	1	1	1	1	1	1	1	1	1	1
Public Works										
Water mains (miles)	198	198	200	200	200	201	201	201	202	201
Fire hydrants	1,375	1,375	1,383	1,388	1,390	1,398	1,399	1,399	1,401	1,399
Sanitary sewers (miles)	41	41	41	41	41	41	41	41	41	41
Number of wells	16	16	16	17	17	17	17	17	17	17
Number of water storage tanks	3	3	3	4	4	4	4	4	4	4
Number of pump stations	15	15	15	16	16	16	16	17	15	16
Human Services										
Senior center	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation building	-	-	-	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

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