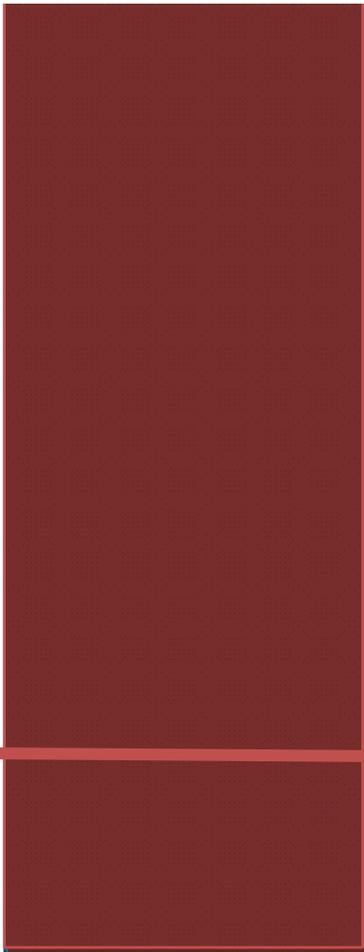


**THE TOWN OF Scituate, MASSACHUSETTS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR**

**THE FISCAL YEAR**

**JULY 1, 2014 – JUNE 30, 2015**



On the cover: Minot Light.



The Town generates more than 100% of its electricity needs through renewable energy including a 1.5MW wind turbine and a 3MW solar array. Proceeds from these green initiatives are used to offset costs to taxpayers for the construction of a new middle school and public safety complex.

*The Town of  
Scituate, Massachusetts*



**Comprehensive  
Annual Financial Report**

**For the Year Ended  
June 30, 2015**

Prepared by the Finance Department

TOWN OF SCITUATE, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2015

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# Introductory Section

*The Town voted to construct a new public safety complex in FY 2015 to replace two outdated 1950s era police and fire stations with a modern facility which will provide consolidated dispatch, a new emergency operations center and improved response times to certain areas of Town. The new building will open in early 2017.*



SCHEMATIC DESIGN  
APRIL 14, 2014



FIRST FLOOR PLAN

# ***Introductory Section***

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**TOWN OF SCITUATE**  
**600 CHIEF JUSTICE CUSHING HIGHWAY**  
SCITUATE, MA 02066  
Tel: (781) 545-8700, Fax: (781) 545-8704

Letter of Transmittal

December 16, 2015

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

State law requires the Town of Scituate 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 Scituate, Massachusetts, for the year ending June 30, 2015 for your review.

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

The CAFR is designed to be used by the elected and appointed officials of Scituate 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 Scituate to review and understand.

The Town of Scituate'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 Scituate for the year ended June 30, 2015 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Scituate's financial statements for the year ended June 30, 2015 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Scituate 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 Scituate'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 Scituate's MD&A can be found immediately following the report of the independent auditors.

## **Profile of Town**

The Town of Scituate was incorporated in 1636 and occupies a land area of approximately 31.79 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 Scituate is bordered by the Atlantic Ocean on the east and north, Marshfield on the south, Norwell on the southwest, Hingham on the west and Cohasset on the northwest. Scituate is a coastal town located in east central Plymouth County approximately 23 miles southeast of Boston, 18 miles northeast of Brockton and 227 miles from New York City. State routes 3 and 3A are the principal highways and roads serving the Town. The commuter rail has two stations in Scituate, giving residents ready access into the City of Boston and other adjacent communities.

Local legislative decisions are made by an open town meeting consisting of all of the registered voters in the Town. Subject to the legislative decisions made by the town meeting, the affairs of the Town are generally administered by a board of five selectmen who appoint a professional Town Administrator and Finance Director to manage day-to-day and financial matters. According to the U.S. Department of Commerce, Bureau of Census conducted in 2000, the Town's population was 19,317.

Local school affairs are administered by a school committee of five persons. Local taxes are assessed by a board of three assessors; all elected for staggered three-year terms on an at large basis.

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

The Town of Scituate's commitment to open space, historical preservation and community housing is evidenced by its acceptance of the Community Preservation Act effective for 2002 at the maximum 3% surcharge. These funds have been authorized by town meeting for the purchase of many acres of open space preserving and protecting aquifers, habitats, woodlands, marshland and meadows. The Town has also dedicated funds for recreational purposes including tennis courts, playgrounds, basketball courts and walking/bike trails. Historic preservation projects include preservation of historical logbooks and journals, preservation of historic sites and the acquisition of historically significant property.

## **Budgetary Controls**

Under the Town Charter, the Town Administrator set budget guidelines, prepares and recommends a budget to the Board of Selectmen and Advisory Committee which is then reviewed, amended and voted. The nine member Advisory Committee 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 Finance Director/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 Committee 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.

### **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 reestablished its Economic Development Commission in 2012 to examine ways to foster commercial development to strengthen the commercial tax base. This includes a multi-phase study by the Metropolitan Area Planning Council to examine existing commercial areas, perform traffic and parking studies and provide recommendations to encourage further commercial/industrial growth including tourism because of the Town's existing amenities. The Town has an 18-hole public golf course in addition to busy harbor with direct access to the Atlantic Ocean complemented by a picturesque waterfront.

The Town is the first municipality in the Commonwealth to provide 100% of its energy needs through renewable sources including a 1.5 megawatt wind turbine and a 3.0 megawatt solar array.

The Town is also undergoing significant residential housing growth with an expected 500-600 units in various stages of development to be constructed in the next 2-4 years.

The Town continues to manage its financial affairs in a prudent manner. Standard & Poor's confirmed the Town's bond rating to AA+ with a stable outlook which is reflective of management's incorporation of long range planning tools such as a five year rolling capital plan; building of reserve balances including a capital stabilization fund for future capital needs; addressing long term liabilities, such as OPEB, within its financial policies; 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 federal, state and local grant opportunities for operational services as well as capital improvements including the Massachusetts School Building Authority, Massachusetts Board of Library Commissioners and the Commonwealth's Clean Water Trust and Seawall & Dam Repair Fund.

The Town has also enhanced its revenue flexibility by establishing enterprise funds. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of sewer, water, solid waste, golf course and waterways services so that no tax support goes towards providing these services. All related debt 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 Board of Selectmen adopted a Master Facilities Plan in November of 2011 and created a Public Facilities Master Planning Committee in 2012 to assess the condition of the Town's aging facilities, assess the suitability of the buildings for current needs and provide recommendations for addressing the deficiencies. In FY 2014, the Town approved a \$22M water infrastructure project to replace approximately 21 miles of cast iron pipe and a \$12M library renovation project partially funded by a \$5M Massachusetts Board of Library Commissioners grant and private donations. The Town continued to address the needs outlined in the plan in FY 2015 by approving a \$75M new middle school to be co-located with the existing high school at the December 2014 special town meeting. The project includes renovations to a small area of the high school and a new performing arts center

and replaces a school built in 1916 with the associated limitations and challenges of a building that age. The Massachusetts School Building Authority has partnered with the Town for this project and will provide a reimbursement of approximately 44% of eligible costs associated with the middle school. At the same town meeting, citizens approved a new \$16.2M public safety complex which will improve emergency response times to areas of Town and provide a much needed emergency operations center. This building will replace a fire station and police station built in the 1950s which needed an estimated \$8.5M in renovations to partially address structural, accessibility and compliance issues. In the last six years, the Town has endured several major storms without the benefit of a centralized command center making an intense situation more difficult due to the inability to coordinate all responders together.

The \$22M water project was supported solely by user rates and the three building projects were approved as debt exclusions from Proposition 2-1/2 tax levy limitations.

As a coastal community, the Town has dedicated significant resources to foreshore protection in supporting over \$13M in improvements over the last six years. Funding for foreshore protection is included in the Town's operational budget as well as annually on its five year rolling capital plan. The Town has been successful in obtaining matching grants and low interest loans from the Massachusetts Seawall and Dam Repair Fund for seawall construction. The Town recognizes the complexity of foreshore protection and has successfully applied for several grants to study sea level rise, explore coastal resiliency options and priorities, elevate severe repetitive loss homes and utilities and obtain design and permitting funding for beach nourishment projects.

The Town dedicates operational budget and capital funds to roadway improvements. This includes creating trails with Community Preservation funding with 30% matching funds from the state, coordinating sewer and water projects so as not to waste resources on paving the same area repeatedly and utilizing Massachusetts Department of Transportation Chapter 90 funds for major repairs and drainage improvements to roads throughout Town.

## **Reserves**

Management has adopted financial policies to address key areas of concern including funding the following reserves: Operational Budget Reserve Fund, Stabilization Fund, Capital Stabilization Fund, Economic Development Stabilization Fund, Workers Compensation Reserve and Other Postemployment Liability Trust Fund.

The Other Post Employment Liability Trust was established in 2011 and is funded at 2% of the annual pension assessment pursuant to the Town's financial policies. The Town created a Capital Stabilization Fund in 2012 to complement the Town's five year capital plan to address future capital needs and associated debt burden. This fund is a valuable tool for setting aside funds over several years to address costly projects identified on the five year rolling capital plan. In 2013, the Town approved an Economic Development Stabilization Fund to support initiatives to develop and foster commercial growth. Annually, the Town approves the transfer of excess levy capacity to the Stabilization Fund and allocates additional funds to its reserves as available.

The Town adopted two additional reserves in FY 2015 to address sewer and water infrastructure costs. The Sewer Enterprise Capital Stabilization Fund was established to capture pre-paid betterments for sewer expansion projects to ensure funding is available in the future for those costs. The Water Enterprise Capital Stabilization Fund captures the revenue from the increased rates for service so they can be applied over time to the capital costs of the infrastructure improvements.

## 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 Finance Director/Town Accountant 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 Scituate'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.

## Financial Management

The Town adopted comprehensive financial policies in 2012 to address and document prudent strategies for the Town of Scituate to ensure stability during periods of economic downturn and that allocations to reserves are made to secure against future obligations. These policies provide an adequate level of services for the welfare of the citizens of the community in conjunction with its mission and statutory responsibilities. They afford balance and equity in providing services and have the flexibility to tolerate external economic and environmental events and other factors and variables over which the Town does not have control.

## Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its CAFR for the year ended June 30, 2014. This was the first time that the Town submitted a CAFR to the GFOA. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Patricia A. Vinchesi  
Town Administrator



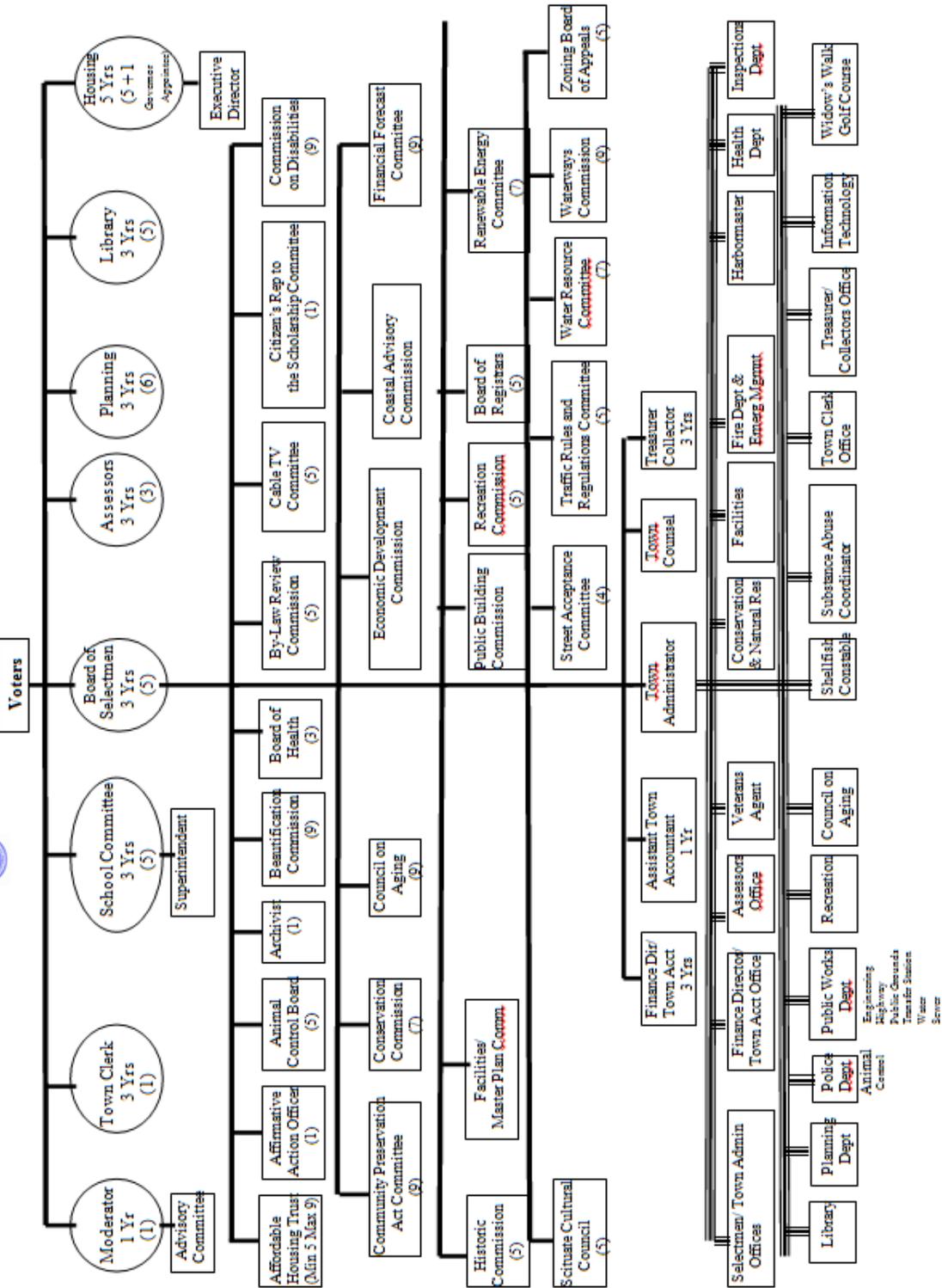
Nancy Holt  
Finance Director/Town Accountant

# Town of Scituate, Massachusetts

## Principal Executive Officers

<u>Elected Officials</u>		<u>Term Expires</u>
Board of Selectmen	Shawn Harris	2017
	John F. Danehey	2016
	Maura Curran	2018
	Martin J. O'Toole	2016
	Anthony V. Vegnani, Chair	2017
Moderator	Richard P. Bowen	2016
Town Clerk	Kathleen A. Curran	2018
School Committee	Brenda Lee Bowen	2017
	Janet Taylor	2017
	Michael Thomas Long	2018
	Robyn L. Levirne	2016
	Richard Hebet, Chair	2016
 <u>Appointed Officials</u>		
Town Administrator	Patricia A. Vinchesi	
Finance Director/Town Accountant	Nancy Holt	
Treasurer/Collector	Pamela J. Avitabile	
Director of Assessing	Stephen Jarzembowski	
Fire Chief	John P. Murphy	
Police Chief	W. Michael Stewart	
Director of Public Works	Kevin Cafferty	

# TOWN OF SCITUATE, MA





Government Finance Officers Association

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

Presented to

**Town of Scituate  
Massachusetts**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# Financial Section

The Town also voted to construct a new \$75M middle school in FY 2015 to replace an outdated century old school. The new middle school will be co-located on the site of the existing high school and will include a new art wing for the high school and a new performing arts center. The project will receive 44% reimbursement funding from the Massachusetts School Building Authority for all eligible costs. The new school will open in September 2017. Designs furnished by Dore & Whittier Architects with red denoting the new middle school and blue the existing high school.



# ***Financial Section***

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## Independent Auditor's Report

To the Honorable Board of Selectmen  
Town of Scituate, 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 Scituate, Massachusetts, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town of Scituate, Massachusetts' basic financial statements as listed in the table of contents.

## Management's Responsibility for the Financial Statements

Management is responsible for the 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 of 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 Scituate, Massachusetts, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Scituate, Massachusetts' basic financial statements. The introductory section, combining and individual fund financial 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 financial 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 financial 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 16, 2015 on our consideration of the Town of Scituate, 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 Scituate, Massachusetts' internal control over financial reporting and compliance.

*Powers & Sullivan LLC*

December 16, 2015

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

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

As management of the Town of Scituate, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2015. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis is part of these requirements.

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

This discussion and analysis is intended to serve as an introduction to the Town of Scituate's basic financial statements. These 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 themselves.

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

The *statement of net position* presents information on all 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 is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 of 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, human services, culture and recreation, community preservation and interest. The business-type activities include the water, sewer, transfer station, Widow's Walk golf course and waterways activities.

**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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds 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 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 the 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 of Scituate adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund as required supplementary information 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 presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer, transfer station, Widow's Walk golf course and waterways activities.

**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 statement 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 the basic 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. The Town of Scituate's assets and deferred outflows of resources exceeded liabilities by \$79.1 million at the close of 2015, which was an improvement in overall financial position of \$4.5 million from the prior year.

Net position of \$88.3 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its 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 net position, \$15 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a year-end deficit balance of \$24.2 million.

The governmental activity and business-type activity components are presented below.

### **Governmental Activities**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Governmental assets and deferred outflows of resources exceeded liabilities by \$33.4 million at the close of 2015.

Governmental net position of \$58 million reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles 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 its capital assets is reported net of its 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 net position \$15 million represents resources that are subject to external restrictions on how they may be used. This balance increased approximately \$4.8 million primarily due to the recognition of a bond premium on debt that was issued outside of the Massachusetts taxing limits referred to as Proposition 2 ½. This premium is required by the state to be reserved and to either amortize it to offset annual debt interest payments or to appropriate it to reduce the amount borrowed for the project. Subsequent to year end, the Town voted to use the premium for capital construction costs to offset the amount borrowed for the projects.

The remaining balance of *unrestricted net position* is a deficit of \$39.5 million. The deficit is the result of the implementation of GASB #68 which required the Town to record its net pension liability of \$34 million for the first time this year along with the other postemployment benefits liability of \$24 million. These are long term unfunded liabilities that will not require significant short term resources. Unrestricted net position decreased by \$1.9 million. This was due to the increases in OPEB and Pension liabilities which were offset by positive budgetary results in the general fund.

Condensed financial data for 2015 and 2014 is presented below.

**Governmental Activities**

	<u>2015</u>	<u>(As Revised) 2014</u>
<b>Assets:</b>		
Current assets.....	\$ 104,034,350	\$ 32,716,432
Capital assets.....	78,774,449	73,093,965
Total assets.....	<u>182,808,799</u>	<u>105,810,397</u>
<b>Deferred Outflows of Resources.....</b>	<u>1,572,955</u>	<u>-</u>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	4,719,559	3,947,444
Noncurrent liabilities (excluding debt).....	58,499,540	54,411,389
Current debt.....	4,855,312	2,936,214
Noncurrent debt.....	82,875,457	14,079,312
Total liabilities.....	<u>150,949,868</u>	<u>75,374,359</u>
<b>Net Position:</b>		
Net investment in capital assets.....	58,009,621	57,977,964
Restricted.....	14,966,255	10,144,946
Unrestricted.....	(39,543,990)	(37,686,872)
Total net position.....	<u>\$ 33,431,886</u>	<u>\$ 30,436,038</u>

Current assets increased by \$71.3 million which is mainly due to unspent bond proceeds from the Town's \$68.3 million long-term bond issuance in June 2015. Noncurrent debt increased by \$68.8 million due to the same bond issuance.

As part of the implementation of GASB #68 which required the Town to record its net pension liability for the first time this year, the Town also recorded deferred outflows of resources related to pensions totaling \$1.6 million.

	<u>2015</u>	<u>(As Revised) 2014</u>
<b>Program Revenues:</b>		
Charges for services.....	\$ 6,075,115	\$ 5,092,283
Operating grants and contributions.....	13,015,067	16,949,683
Capital grants and contributions.....	4,496,678	1,344,565
<b>General Revenues:</b>		
Real estate and personal property taxes.....	51,047,753	50,004,305
Tax liens.....	415,491	30,843
Motor vehicle and other excise taxes.....	3,026,616	2,818,956
Community preservation tax.....	1,201,728	1,158,916
Penalties and interest on taxes.....	446,774	640,163
Payments in lieu of taxes.....	19,601	-
Grants and contributions not restricted to specific programs.....	1,938,534	1,933,158
Unrestricted investment income.....	186,336	88,567
Miscellaneous.....	311,551	679,700
<b>Total revenues.....</b>	<b><u>82,181,244</u></b>	<b><u>80,741,139</u></b>
<b>Expenses:</b>		
General government.....	4,876,844	4,226,125
Public safety.....	13,092,547	12,168,321
Education.....	49,944,296	54,642,980
Public works.....	6,767,282	5,471,895
Human services.....	1,113,052	1,212,812
Culture and recreation.....	2,129,813	2,103,933
Community preservation.....	155,246	721,633
Interest.....	994,681	566,494
<b>Total expenses.....</b>	<b><u>79,073,761</u></b>	<b><u>81,114,193</u></b>
<b>Excess (deficiency) before transfers.....</b>	<b>3,107,483</b>	<b>(373,054)</b>
<b>Transfers.....</b>	<b><u>(111,635)</u></b>	<b><u>(57,239)</u></b>
<b>Change in net position.....</b>	<b>2,995,848</b>	<b>(430,293)</b>
<b>Beginning net position, (as revised).....</b>	<b><u>30,436,038</u></b>	<b><u>30,866,331</u></b>
<b>Ending net position.....</b>	<b><u>\$ 33,431,886</u></b>	<b><u>\$ 30,436,038</u></b>

The beginning net position of governmental activities has been revised to reflect the implementation of GASB Statements #68, and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the revision of the June 30, 2014 balance of the governmental activities by \$32,442,436. Previously reported net position of \$62,878,474 has been revised to \$30,436,038.

The decrease in operating grants and education expenses is related to the Massachusetts Teachers Retirement System's implementation of GASB #67, #68 and #71 which decreased the revenue and corresponding expense by \$3.4 million.

Capital grant revenue increased \$3.2 million due to the Town's ongoing construction projects. Of this increase, \$1 million was reimbursement for the Massachusetts School Building Authority's share of the Middle School project;

\$1.5 million related to donations and state grant funds for library construction; \$364,000 related to State reimbursements for highway improvements; and \$301,000 related to the state's matching contribution for community preservation.

**Business-type Activities**

	<u>2015</u>	<u>(As Revised) 2014</u>
<b>Assets:</b>		
Current assets.....	\$ 20,428,027	\$ 17,011,076
Noncurrent assets (excluding capital).....	10,489,323	12,198,777
Capital assets.....	<u>66,667,088</u>	<u>60,626,313</u>
Total assets.....	<b><u>97,584,438</u></b>	<b><u>89,836,166</u></b>
<b>Deferred Outflows of Resources.....</b>	<b><u>176,405</u></b>	<b><u>-</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	3,257,733	1,931,716
Noncurrent liabilities (excluding debt).....	5,784,233	5,563,505
Current debt.....	3,859,385	10,704,391
Noncurrent debt.....	<u>39,214,727</u>	<u>27,456,141</u>
Total liabilities.....	<b><u>52,116,078</u></b>	<b><u>45,655,753</u></b>
<b>Net Position:</b>		
Net investment in capital assets.....	30,168,211	28,948,580
Unrestricted.....	15,476,554	15,231,833
Total net position.....	<b><u>\$ 45,644,765</u></b>	<b><u>\$ 44,180,413</u></b>

At the end of the current year, the Town reports \$45.6 million in net position for its combined business-type activities. Of this balance, \$30.3 million reflects the Town's investment in capital assets of the enterprise funds less debt outstanding related to the construction of those assets.

The net investment in capital assets increased by \$6 million due to the Town's ongoing water main improvement and replacement project.

Noncurrent debt increased by \$11.8 million due to the Town issuing long term bonds in June 2015 for the ongoing water main improvement and replacement project. Current debt decreased by \$6.8 million due to the Town retiring short term notes when they matured through the issuance of the long-term bonds.

As part of the implementation of GASB #68 which required the Town to record its net pension liability for the first time this year, the Town also recorded deferred outflows of resources related to pensions totaling \$176,000 for business-type activities.

	<u>2015</u>	<u>(As Revised) 2014</u>
<b>Program Revenues:</b>		
Charges for services.....	\$ 9,050,103	\$ 7,941,623
Operating grants and contributions.....	213,160	238,088
Capital grants and contributions.....	688,590	6,430,626
<b>General Revenues:</b>		
Tax liens.....	42,128	26,715
Motor vehicle and other excise taxes.....	40,363	39,821
Unrestricted investment income.....	25,952	20,843
Total revenues.....	<u>10,060,296</u>	<u>14,697,716</u>
<b>Expenses:</b>		
Water.....	2,664,045	2,532,201
Sewer.....	3,188,094	2,648,252
Transfer station.....	953,805	1,056,911
Widows Walk golf course.....	1,004,683	913,694
Waterways.....	896,952	837,378
Total expenses.....	<u>8,707,579</u>	<u>7,988,436</u>
<b>Excess (deficiency) before transfers.....</b>	<b>1,352,717</b>	<b>6,709,280</b>
<b>Transfers.....</b>	<b><u>111,635</u></b>	<b><u>57,239</u></b>
<b>Change in net position.....</b>	<b>1,464,352</b>	<b>6,766,519</b>
<b>Beginning net position, (as revised).....</b>	<b><u>44,180,413</u></b>	<b><u>37,413,894</u></b>
<b>Ending net position.....</b>	<b>\$ <u>45,644,765</u></b>	<b>\$ <u>44,180,413</u></b>

The beginning net position of business-type activities has been revised to reflect the implementation of GASB Statements #68, and #71. To reflect this change, the Town has recorded a net pension liability and a deferred outflow of resources, which has resulted in the revision of the June 30, 2014, balance of the business-type activities by \$3,638,376. Previously reported net position of \$47,818,789 has been revised to \$44,180,413.

There was a net increase of \$1.5 million in net position reported in connection with the Town's business-type activities (enterprise funds). The changes by fund are listed in the following table:

	<u>2015</u>	<u>2014</u>	<u>Change</u>
<b>Net Position:</b>			
Water.....	\$ 10,572,319	\$ 9,276,727	\$ 1,295,592
Sewer.....	29,365,477	30,444,798	(1,079,321)
Transfer station.....	269,949	46,696	223,253
Widows Walk golf course.....	839,146	647,409	191,737
Waterways.....	4,597,874	3,764,783	833,091
Total Net Position.....	<u>\$ 45,644,765</u>	<u>\$ 44,180,413</u>	<u>\$ 1,464,352</u>

All of the enterprise funds set their user rates to recover the expected cash basis expenses in the current year. Therefore changes in the long-term assets and liabilities compared to the cash received or paid will explain the change in net position. One example is that the Town sets user rates to recover debt service principal expense

and not depreciation. Therefore a consistent factor that explains why net position changed is the difference between long-term debt principal payments compared to depreciation expense. If the principal payment exceeds depreciation then net position will increase.

The water enterprise fund reported an increase in net position of \$1.3 million. This was partly due to a 19.2% increase in the water rates in 2015.

The sewer enterprise fund reported a decrease in net position of \$1.1 million compared to a \$6 million increase in fiscal year 2014. In 2014 the sewer fund recognized a \$6 million increase for one time betterment assessments that are used over time to retire debt on the projects.

The transfer station fund reported an increase of \$223,000 in net position. Transfer station revenue was consistent with the prior year. The fund had a decrease in expenditures for repairs and maintenance and hauling costs.

The Widow's Walk golf course fund reported a \$192,000 increase in net position. The increase is primarily attributable to current rates being set to raise revenue to support \$345,000 of debt principal payments and not set to raise revenue to support \$190,000 of non-cash depreciation expense.

The waterway's enterprise fund reported an \$833,000 increase in net position. Attributing to this increase is a capital contribution totaling \$689,000 for the Town pier project which is paid from the Town's special revenue fund.

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

As noted earlier, the Town 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 financing requirements. In particular, 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 \$97.2 million, which is comprised of \$16 million in the general fund, \$7.6 million in the community preservation fund, \$986,000 in the affordable housing fund, \$15.6 million in Town capital projects, \$44.9 million in Middle School construction, and \$12.2 million in the nonmajor governmental funds. Cumulatively there was an increase of \$71.6 million in fund balances from the prior year.

The *general fund* is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$6.6 million, restricted fund balance was \$5.6 million, committed fund balance was \$2.1 million, and assigned fund balance was \$1.7 million while total fund balance was \$16 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.7% of total general fund budgetary expenditures, while total fund balance represents 23.4% of that same amount.

The fund balance of the general fund increased by \$5.6 million. The general fund had positive budgetary results where actual revenues exceeded the budget and actual expenditures were less than budgeted along with a \$5.3 million premium from the issuance of long-term bonds. These positive results were offset by the use of prior year reserves to balance the budget. The budgetary results led to an increase in fund balance of \$5.7 million. Of this amount, the majority of the bond premium was reserved at year end, as required by the state, and appropriated

subsequent to year end to fund construction costs, thus reducing the total amount borrowed for the projects. In addition, the Town reports the activity of the Stabilization and Workers Compensation Funds with the General Fund in the fund based financial statements. The Stabilization Fund and Worker's Compensation Fund reported year end balances of approximately \$3.3 million and \$537,000, respectively.

The Town reports restricted fund balance in the general fund which includes \$537,000 for the Worker's Compensation Fund and \$5.1 million of amounts restricted for debt service from bond premiums.

The *Community Preservation Fund* had a fund balance at year-end of \$7.6 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation fund increased by \$481,000 in 2015. The change in fund balance is entirely dependent on the timing of the planned use of accumulated revenues for the projects authorized.

The *Affordable Housing Fund* had a fund balance at year-end of \$986,000. This fund experienced a low level of activity in the current year. This program endeavors to create more affordable housing options.

The *Town Capital Projects Fund* had a year end fund balance of \$15.6 million. Included in this fund is the Public Safety Complex project which the Town passed, by ballot vote, through an override of Proposition 2½ allowing building construction totaling \$16.2 million. During 2015, the Town received \$16.7 million from the issuance of bonds; offset with \$2.1 million in expenditures. The majority of the expenditures were used for the construction of the public safety complex, the purchase of a new fire truck, and renovation of the library.

The *Middle School Construction Fund* was established after the Town passed, by special election, an override of Proposition 2½ allowing the construction of a new middle school totaling \$61.6 million. The Town has been approved to receive assistance from the Massachusetts School Building Authority (MSBA) for 44.06% of eligible construction costs. The Middle School Construction Fund fund balance totaled \$44.9 million in 2015. This was the result of the Town receiving \$46.4 million from issuance of bonds; offset with construction costs totaling \$2.5 million.

### ***General Fund Budgetary Highlights***

The original 2015 operating budget totaled \$67.5 million and consisted of \$64.6 million in appropriations and \$2.9 million in budgeted articles and encumbrances carried over from prior years. The increase between the original budget and the final amended budget was primarily due to supplemental appropriations of \$3.4 million of available funds to fund the stabilization fund, retire landfill debt, and to cover costs associated with unprecedented weather events during 2015. The final budget included the use of free cash (available fund balance) totaling \$2 million. Actual revenues came in over budget by approximately \$1 million, and actual expenditures came in under budget by approximately \$4.4 million. Of this balance, the Town reserved \$3.3 million in articles and encumbrances for spending in subsequent years.

### ***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.

The Town's major governmental capital asset activity in 2015 includes additions in construction in progress of \$4.7 million for the public safety complex and the middle school; \$2 million for land purchases, \$844,000 in building improvements, \$1.9 million in infrastructure, \$1.3 million in vehicles, and \$577,000 in other projects. During 2015, the Town put in service and removed from construction in progress \$2.1 million in projects.

The Town's 2015 business-type capital asset activity includes \$8.5 million of infrastructure additions which primarily relate to water infrastructure. \$2.1 million of infrastructure additions are from completed projects moved out of construction in progress. The Town also added \$846,000 in new construction in progress of which \$94,000 is for the Town pier project and \$752,000 is for water infrastructure, \$774,000 in land improvements related to the waterways enterprise fund, and \$350,000 in other projects.

During 2015, the Town issued \$86.9 million in long-term debt of which \$72.5 million was for governmental activities and \$14.4 million was for the water enterprise fund.

Outstanding governmental long-term debt, as of June 30, 2015, totaled \$87.6 million, of which approximately \$55.8 million relates to various school construction projects, \$15 million relates to the public safety complex, \$4.7 million relates to the library, \$2.4 million relates to energy saving projects, and \$9.7 million relates other various projects and equipment.

The enterprise funds long-term debt totaled \$42.9 million at year end; comprised of \$19.8 million in water debt, \$19.1 million in sewer debt, \$435,000 in transfer station debt, \$735,000 million in Widow's Walk golf course debt and \$2.8 million in waterways debt. Approximately \$1.1 million of the sewer debt is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT).

Please refer to Notes 4, 6, 7, and 8 of the notes to the financial statements for further discussion of the major capital and debt activity, respectively.

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

This financial report is designed to provide a general overview of the Town of Scituate'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 Finance Director, Town Hall, 600 Chief Justice Cushing Way, Scituate, Massachusetts 02066.

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# ***Basic Financial Statements***

## STATEMENT OF NET POSITION

JUNE 30, 2015

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 99,231,382	\$ 16,922,458	\$ 116,153,840
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	903,792	-	903,792
Tax liens.....	1,083,469	151,180	1,234,649
Motor vehicle and other excise taxes.....	191,599	-	191,599
User fees.....	-	2,223,150	2,223,150
Departmental and other.....	186,201	-	186,201
Special assessments.....	219,236	769,413	988,649
Intergovernmental.....	1,908,220	325,700	2,233,920
Tax foreclosures.....	310,451	-	310,451
Inventory.....	-	36,126	36,126
	<u>104,034,350</u>	<u>20,428,027</u>	<u>124,462,377</u>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	9,609,112	9,609,112
Intergovernmental.....	-	880,211	880,211
Capital assets, net of accumulated depreciation:			
Nondepreciable.....	25,823,815	4,521,065	30,344,880
Depreciable.....	<u>52,950,634</u>	<u>62,146,023</u>	<u>115,096,657</u>
	<u>78,774,449</u>	<u>77,156,411</u>	<u>155,930,860</u>
<b>TOTAL ASSETS.....</b>	<b><u>182,808,799</u></b>	<b><u>97,584,438</u></b>	<b><u>280,393,237</u></b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pension.....	1,572,955	176,405	1,749,360
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,571,146	2,535,317	4,106,463
Accrued liabilities.....	536,390	-	536,390
Accrued payroll.....	571,673	54,962	626,635
Accrued interest.....	520,615	418,700	939,315
Abandoned property.....	51,203	-	51,203
Other liabilities.....	-	84,354	84,354
Taxes paid in advance.....	138,332	-	138,332
Capital lease obligations.....	29,975	38,567	68,542
Landfill closure.....	-	76,000	76,000
Compensated absences.....	1,330,200	88,400	1,418,600
Bonds payable.....	<u>4,825,337</u>	<u>3,820,818</u>	<u>8,646,155</u>
	<u>9,574,871</u>	<u>7,117,118</u>	<u>16,691,989</u>
<b>NONCURRENT:</b>			
Capital lease obligations.....	146,915	89,357	236,272
Landfill closure.....	-	1,058,000	1,058,000
Compensated absences.....	501,449	53,233	554,682
Net pension liability.....	34,015,508	3,814,794	37,830,302
Other postemployment benefits.....	23,982,583	858,206	24,840,789
Bonds payable.....	<u>82,728,542</u>	<u>39,125,370</u>	<u>121,853,912</u>
	<u>141,374,997</u>	<u>44,998,960</u>	<u>186,373,957</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>150,949,868</u></b>	<b><u>52,116,078</u></b>	<b><u>203,065,946</u></b>
<b>NET POSITION</b>			
Net investment in capital assets.....	58,009,621	30,168,211	88,177,832
Restricted for:			
Permanent funds:			
Nonexpendable.....	27,051	-	27,051
Expendable.....	286,604	-	286,604
Community preservation.....	7,593,169	-	7,593,169
Grants and Gifts.....	1,946,746	-	1,946,746
Debt service/capital outlay.....	5,112,685	-	5,112,685
Unrestricted.....	<u>(39,543,990)</u>	<u>15,476,554</u>	<u>(24,067,436)</u>
<b>TOTAL NET POSITION.....</b>	<b><u>\$ 33,431,886</u></b>	<b><u>\$ 45,644,765</u></b>	<b><u>\$ 79,076,651</u></b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 4,876,844	\$ 1,520,307	\$ 332,995	\$ -	\$ (3,023,542)
Public safety.....	13,092,547	1,416,540	599,277	-	(11,076,730)
Education.....	49,944,296	1,953,724	11,653,226	1,008,874	(35,328,472)
Public works.....	6,767,282	654,143	117,230	927,497	(5,068,412)
Human services.....	1,113,052	95,383	219,173	-	(798,496)
Culture and recreation.....	2,129,813	435,018	93,166	1,497,096	(104,533)
Community preservation.....	155,246	-	-	1,063,211	907,965
Interest.....	994,681	-	-	-	(994,681)
<b>Total Governmental Activities.....</b>	<b>79,073,761</b>	<b>6,075,115</b>	<b>13,015,067</b>	<b>4,496,678</b>	<b>(55,486,901)</b>
<i>Business-Type Activities:</i>					
Water.....	2,664,045	4,160,555	-	-	1,496,510
Sewer.....	3,188,094	1,386,987	213,160	-	(1,587,947)
Transfer Station.....	953,805	1,202,974	-	-	249,169
Widow's Walk Golf Course.....	1,004,683	1,255,771	-	-	251,088
Waterways.....	896,952	1,043,816	-	688,590	835,454
<b>Total Business-Type Activities.....</b>	<b>8,707,579</b>	<b>9,050,103</b>	<b>213,160</b>	<b>688,590</b>	<b>1,244,274</b>
<b>Total Primary Government.....</b>	<b>\$ 87,781,340</b>	<b>\$ 15,125,218</b>	<b>\$ 13,228,227</b>	<b>\$ 5,185,268</b>	<b>\$ (54,242,627)</b>

(Continued)

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page..... \$	<b>(55,486,901)</b>	<b>1,244,274</b>	<b>(54,242,627)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	51,047,753	-	51,047,753
Tax liens.....	415,491	42,128	457,619
Motor vehicle and other excise taxes.....	3,026,616	40,363	3,066,979
Community preservation tax.....	1,201,728	-	1,201,728
Penalties and interest on taxes.....	446,774	-	446,774
Payments in lieu of taxes.....	19,601	-	19,601
Grants and contributions not restricted to specific programs.....	1,938,534	-	1,938,534
Unrestricted investment income.....	186,336	25,952	212,288
Miscellaneous.....	311,551	-	311,551
<i>Transfers, net.</i> .....	(111,635)	111,635	-
Total general revenues and transfers.....	58,482,749	220,078	58,702,827
Change in net position.....	2,995,848	1,464,352	4,460,200
<i>Net Position:</i>			
Beginning of year (as revised).....	30,436,038	44,180,413	74,616,451
End of year..... \$	<u>33,431,886</u>	<u>45,644,765</u>	<u>79,076,651</u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2015

	General	Community Preservation	Affordable Housing	Town Capital Projects
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 17,510,418	\$ 7,241,670	\$ 985,549	\$ 15,799,315
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	892,369	11,423	-	-
Tax liens.....	1,059,777	23,692	-	-
Motor vehicle and other excise taxes.....	191,599	-	-	-
Departmental and other.....	179,451	-	-	-
Special assessments.....	216,236	-	-	-
Intergovernmental.....	-	396,304	-	-
Tax foreclosures.....	310,451	-	-	-
Due from other funds.....	-	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 20,360,301</b>	<b>\$ 7,673,089</b>	<b>\$ 985,549</b>	<b>\$ 15,799,315</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 501,582	\$ 74,096	\$ -	\$ 233,237
Accrued liabilities.....	536,390	-	-	-
Accrued payroll.....	529,521	-	-	-
Abandoned property.....	51,203	-	-	-
Taxes paid in advance.....	132,508	5,824	-	-
Due to other funds.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>1,751,204</b>	<b>79,920</b>	<b>-</b>	<b>233,237</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue.....	2,567,095	35,115	-	-
<b>FUND BALANCES</b>				
Nonspendable.....	-	-	-	-
Restricted.....	5,649,548	7,558,054	985,549	15,566,078
Committed.....	2,083,919	-	-	-
Assigned.....	1,662,421	-	-	-
Unassigned.....	6,646,114	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>16,042,002</b>	<b>7,558,054</b>	<b>985,549</b>	<b>15,566,078</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>	<b>\$ 20,360,301</b>	<b>\$ 7,673,089</b>	<b>\$ 985,549</b>	<b>\$ 15,799,315</b>

See notes to basic financial statements.

Middle School Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$ 45,355,022	\$ 12,339,408	\$ 99,231,382
-	-	903,792
-	-	1,083,469
-	-	191,599
-	6,750	186,201
-	3,000	219,236
-	1,511,916	1,908,220
-	-	310,451
-	66,149	66,149
<u>\$ 45,355,022</u>	<u>\$ 13,927,223</u>	<u>\$ 104,100,499</u>
\$ 469,101	\$ 293,130	\$ 1,571,146
-	-	536,390
-	42,152	571,673
-	-	51,203
-	-	138,332
-	66,149	66,149
<u>469,101</u>	<u>401,431</u>	<u>2,934,893</u>
-	1,329,753	3,931,963
-	27,051	27,051
44,885,921	12,172,406	86,817,556
-	-	2,083,919
-	-	1,662,421
-	(3,418)	6,642,696
<u>44,885,921</u>	<u>12,196,039</u>	<u>97,233,643</u>
<u>\$ 45,355,022</u>	<u>\$ 13,927,223</u>	<u>\$ 104,100,499</u>

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

JUNE 30, 2015

Total governmental fund balances.....		\$ 97,233,643
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		78,774,449
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		3,931,963
Certain changes in the net pension liability are required to be included in pension expense over future periods. These changes are reported as deferred outflows of resources or (deferred inflows of resources) related to pensions.....		1,572,955
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(520,615)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(87,553,879)	
Capital lease obligations.....	(176,890)	
Net pension liability.....	(34,015,508)	
Other postemployment benefits.....	(23,982,583)	
Compensated absences.....	<u>(1,831,649)</u>	
Net effect of reporting long-term liabilities.....		<u>(147,560,509)</u>
Net position of governmental activities.....		\$ <u><u>33,431,886</u></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	General	Community Preservation	Affordable Housing	Town Capital Projects
<b>REVENUES:</b>				
Real estate and personal property taxes, net of tax refunds.....	\$ 51,176,629	\$ -	\$ -	\$ -
Tax liens.....	406,612	8,879	-	-
Motor vehicle and other excise taxes.....	3,025,388	-	-	-
Penalties and interest on taxes.....	416,635	5,365	-	-
Fees and rentals.....	501,748	-	-	-
Licenses and permits.....	561,077	-	-	-
Fines and forfeitures.....	68,513	-	-	-
Intergovernmental.....	11,376,206	1,063,211	-	-
Departmental and other.....	1,192,815	-	-	-
Community Preservation surtax.....	-	1,203,127	-	-
Contributions.....	-	-	-	-
Investment income.....	154,088	19,636	7,551	-
<b>TOTAL REVENUES.....</b>	<b>68,879,711</b>	<b>2,300,218</b>	<b>7,551</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	2,817,201	-	11,295	-
Public safety.....	8,496,394	-	-	1,615,135
Education.....	34,316,537	-	-	-
Public works.....	4,770,286	-	-	442,838
Human services.....	633,738	-	-	-
Culture and recreation.....	1,029,128	-	-	-
Community preservation.....	-	1,819,538	-	-
Pension benefits.....	8,032,901	-	-	-
Employee benefits.....	5,757,387	-	-	-
State and county charges.....	499,806	-	-	-
Debt service:				
Principal.....	1,581,856	-	-	-
Principal - current refunding - payment to escrow agent.....	4,818,188	-	-	-
Interest.....	533,531	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>73,286,953</b>	<b>1,819,538</b>	<b>11,295</b>	<b>2,057,973</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(4,407,242)</b>	<b>480,680</b>	<b>(3,744)</b>	<b>(2,057,973)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of bonds and notes.....	-	-	-	16,688,000
Issuance of refunding bonds.....	4,205,000	-	-	-
Premium from issuance of bonds and notes.....	5,300,269	-	-	-
Premium from issuance of refunding bonds.....	613,188	-	-	-
Transfers in.....	883,414	-	-	225,000
Transfers out.....	(1,012,513)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>9,989,358</b>	<b>-</b>	<b>-</b>	<b>16,913,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>5,582,116</b>	<b>480,680</b>	<b>(3,744)</b>	<b>14,855,027</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>10,459,886</b>	<b>7,077,374</b>	<b>989,293</b>	<b>711,051</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 16,042,002</b>	<b>\$ 7,558,054</b>	<b>\$ 985,549</b>	<b>\$ 15,566,078</b>

See notes to basic financial statements.

	Middle School Construction	Nonmajor Governmental Funds	Total Governmental Funds
\$	-	\$ -	\$ 51,176,629
	-	-	415,491
	-	-	3,025,388
	-	-	422,000
	-	3,100	504,848
	-	251,310	812,387
	-	-	68,513
	1,004,122	4,600,585	18,044,124
	-	3,873,814	5,066,629
	-	-	1,203,127
	-	696,070	696,070
	-	5,061	186,336
	<u>1,004,122</u>	<u>9,429,940</u>	<u>81,621,542</u>
	-	955,878	3,784,374
	-	838,264	10,949,793
	2,543,201	4,788,995	41,648,733
	-	639,688	5,852,812
	-	167,005	800,743
	-	1,222,511	2,251,639
	-	-	1,819,538
	-	-	8,032,901
	-	-	5,757,387
	-	-	499,806
	-	-	1,581,856
	-	-	4,818,188
	-	-	533,531
	<u>2,543,201</u>	<u>8,612,341</u>	<u>88,331,301</u>
	<u>(1,539,079)</u>	<u>817,599</u>	<u>(6,709,759)</u>
	46,425,000	5,145,000	68,258,000
	-	-	4,205,000
	-	-	5,300,269
	-	-	613,188
	-	1,022,635	2,131,049
	-	(1,230,171)	(2,242,684)
	<u>46,425,000</u>	<u>4,937,464</u>	<u>78,264,822</u>
	44,885,921	5,755,063	71,555,063
	-	6,440,976	25,678,580
\$	<u>44,885,921</u>	<u>\$ 12,196,039</u>	<u>\$ 97,233,643</u>

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

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds.....		\$ 71,555,063
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	9,252,829	
Depreciation expense.....	<u>(3,572,345)</u>	
Net effect of reporting capital assets.....		5,680,484
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		559,702
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Capital lease payments.....	29,358	
Issuance of bonds and notes.....	(68,258,000)	
Issuance of refunding bonds.....	(4,205,000)	
Premium from issuance of bonds and notes.....	(5,300,269)	
Premium from issuance of refunding bonds.....	(613,188)	
Debt service principal payments.....	1,581,856	
Debt service principal payments - current refunding.....	<u>4,818,188</u>	
Net effect of reporting long-term debt.....		(71,947,055)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(58,303)	
Net change in accrued interest on long-term debt.....	(461,150)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	1,572,955	
Net change in net pension liability.....	(1,573,072)	
Net change in other postemployment benefit accrual.....	<u>(2,332,776)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		<u>(2,852,346)</u>
Change in net position of governmental activities.....		<u>\$ 2,995,848</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**

JUNE 30, 2015

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>ASSETS</b>						
<b>CURRENT:</b>						
Cash and cash equivalents.....	\$ 11,896,572	\$ 2,592,187	\$ 1,136,944	\$ 116,282	\$ 1,180,473	\$ 16,922,458
Receivables, net of allowance for uncollectibles:						
User fees.....	1,757,665	465,485	-	-	-	2,223,150
Water and sewer liens.....	61,392	89,788	-	-	-	151,180
Special assessments.....	-	769,413	-	-	-	769,413
Intergovernmental.....	-	325,700	-	-	-	325,700
Inventory.....	-	-	-	36,126	-	36,126
Total current assets.....	<u>13,715,629</u>	<u>4,242,573</u>	<u>1,136,944</u>	<u>152,408</u>	<u>1,180,473</u>	<u>20,428,027</u>
<b>NONCURRENT:</b>						
Receivables, net of allowance for uncollectibles:						
Special assessments.....	-	9,609,112	-	-	-	9,609,112
Intergovernmental.....	-	880,211	-	-	-	880,211
Capital assets, net of accumulated depreciation:						
Nondepreciable.....	751,538	-	-	-	3,769,527	4,521,065
Depreciable.....	<u>20,504,040</u>	<u>35,065,850</u>	<u>1,401,166</u>	<u>2,012,561</u>	<u>3,162,406</u>	<u>62,146,023</u>
Total noncurrent assets.....	<u>21,255,578</u>	<u>45,555,173</u>	<u>1,401,166</u>	<u>2,012,561</u>	<u>6,931,933</u>	<u>77,156,411</u>
<b>TOTAL ASSETS.....</b>	<u><b>34,971,207</b></u>	<u><b>49,797,746</b></u>	<u><b>2,538,110</b></u>	<u><b>2,164,969</b></u>	<u><b>8,112,406</b></u>	<u><b>97,584,438</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflows related to pension.....	71,715	40,256	21,604	15,644	27,186	176,405
<b>LIABILITIES</b>						
<b>CURRENT:</b>						
Warrants payable.....	2,435,187	22,979	63,481	8,212	5,458	2,535,317
Accrued payroll.....	20,977	11,685	5,946	7,076	9,278	54,962
Accrued interest.....	122,705	245,402	5,818	9,800	34,975	418,700
Other liabilities.....	-	-	-	84,354	-	84,354
Capital lease obligations.....	-	-	-	38,567	-	38,567
Landfill closure.....	-	-	76,000	-	-	76,000
Compensated absences.....	41,900	21,100	18,000	-	7,400	88,400
Bonds payable.....	<u>1,072,007</u>	<u>2,012,811</u>	<u>51,000</u>	<u>360,000</u>	<u>325,000</u>	<u>3,820,818</u>
Total current liabilities.....	<u>3,692,776</u>	<u>2,313,977</u>	<u>220,245</u>	<u>508,009</u>	<u>382,111</u>	<u>7,117,118</u>
<b>NONCURRENT:</b>						
Capital lease obligations.....	-	-	-	89,357	-	89,357
Landfill closure.....	-	-	1,058,000	-	-	1,058,000
Compensated absences.....	22,303	10,557	15,415	-	4,958	53,233
Net pension liability.....	1,550,858	870,544	467,182	338,315	587,895	3,814,794
Other postemployment benefits.....	446,985	153,758	144,923	30,786	81,754	858,206
Bonds payable.....	<u>18,757,681</u>	<u>17,123,689</u>	<u>384,000</u>	<u>375,000</u>	<u>2,485,000</u>	<u>39,125,370</u>
Total noncurrent liabilities.....	<u>20,777,827</u>	<u>18,158,548</u>	<u>2,069,520</u>	<u>833,458</u>	<u>3,159,607</u>	<u>44,998,960</u>
<b>TOTAL LIABILITIES.....</b>	<u><b>24,470,603</b></u>	<u><b>20,472,525</b></u>	<u><b>2,289,765</b></u>	<u><b>1,341,467</b></u>	<u><b>3,541,718</b></u>	<u><b>52,116,078</b></u>
<b>NET POSITION</b>						
Net investment in capital assets.....	7,512,045	16,239,540	969,666	1,149,637	4,297,323	30,168,211
Unrestricted.....	<u>3,060,274</u>	<u>13,125,937</u>	<u>(699,717)</u>	<u>(310,491)</u>	<u>300,551</u>	<u>15,476,554</u>
<b>TOTAL NET POSITION.....</b>	<u><b>\$ 10,572,319</b></u>	<u><b>\$ 29,365,477</b></u>	<u><b>\$ 269,949</b></u>	<u><b>\$ 839,146</b></u>	<u><b>\$ 4,597,874</b></u>	<u><b>\$ 45,644,765</b></u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>OPERATING REVENUES:</b>						
Charges for services.....	\$ 4,149,205	\$ 958,827	\$ 1,202,974	\$ 1,255,771	\$ 887,842	\$ 8,454,619
Other.....	-	-	-	-	155,974	155,974
<b>TOTAL OPERATING REVENUES.....</b>	<b>4,149,205</b>	<b>958,827</b>	<b>1,202,974</b>	<b>1,255,771</b>	<b>1,043,816</b>	<b>8,610,593</b>
<b>OPERATING EXPENSES:</b>						
Cost of services and administration.....	1,723,180	1,445,931	856,087	782,504	466,317	5,274,019
Depreciation.....	644,169	1,053,937	78,486	190,479	308,459	2,275,530
<b>TOTAL OPERATING EXPENSES.....</b>	<b>2,367,349</b>	<b>2,499,868</b>	<b>934,573</b>	<b>972,983</b>	<b>774,776</b>	<b>7,549,549</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>1,781,856</b>	<b>(1,541,041)</b>	<b>268,401</b>	<b>282,788</b>	<b>269,040</b>	<b>1,061,044</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment income/(loss).....	14,250	6,500	2,443	40	2,719	25,952
Interest expense.....	(296,696)	(688,226)	(19,232)	(31,700)	(122,176)	(1,158,030)
Intergovernmental.....	-	213,160	-	-	-	213,160
Boat excise taxes.....	-	-	-	-	40,363	40,363
Penalties and interest.....	24,549	457,089	-	-	-	481,638
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(257,897)</b>	<b>(11,477)</b>	<b>(16,789)</b>	<b>(31,660)</b>	<b>(79,094)</b>	<b>(396,917)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....</b>	<b>1,523,959</b>	<b>(1,552,518)</b>	<b>251,612</b>	<b>251,128</b>	<b>189,946</b>	<b>664,127</b>
<b>TRANSFERS:</b>						
Transfers in.....	29,162	660,974	104,003	-	10,536	804,675
Transfers out.....	(257,529)	(187,777)	(132,362)	(59,391)	(55,981)	(693,040)
<b>TOTAL TRANSFERS.....</b>	<b>(228,367)</b>	<b>473,197</b>	<b>(28,359)</b>	<b>(59,391)</b>	<b>(45,445)</b>	<b>111,635</b>
<b>CAPITAL CONTRIBUTIONS:</b>						
Capital contributions.....	-	-	-	-	688,590	688,590
<b>CHANGE IN NET POSITION.....</b>	<b>1,295,592</b>	<b>(1,079,321)</b>	<b>223,253</b>	<b>191,737</b>	<b>833,091</b>	<b>1,464,352</b>
<b>NET POSITION AT BEGINNING OF YEAR (as revised)....</b>	<b>9,276,727</b>	<b>30,444,798</b>	<b>46,696</b>	<b>647,409</b>	<b>3,764,783</b>	<b>44,180,413</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 10,572,319</b>	<b>\$ 29,365,477</b>	<b>\$ 269,949</b>	<b>\$ 839,146</b>	<b>\$ 4,597,874</b>	<b>\$ 45,644,765</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Funds					
	Water	Sewer	Transfer Station	Widow's Walk Golf Course	Waterways	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users.....	\$ 3,693,431	\$ 1,467,800	\$ 1,202,974	\$ 1,255,771	\$ 1,043,816	\$ 8,663,792
Payments to vendors.....	(927,952)	(1,011,776)	(657,766)	(635,925)	(188,103)	(3,421,522)
Payments to employees.....	(761,552)	(427,482)	(229,410)	(166,131)	(288,686)	(1,873,261)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>2,003,927</b>	<b>28,542</b>	<b>315,798</b>	<b>453,715</b>	<b>567,027</b>	<b>3,369,009</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Transfers in.....	29,162	660,974	104,003	-	10,536	804,675
Transfers out.....	(257,529)	(187,777)	(132,362)	(59,391)	(55,981)	(693,040)
Boat excise taxes.....	-	-	-	-	40,363	40,363
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(228,367)</b>	<b>473,197</b>	<b>(28,359)</b>	<b>(59,391)</b>	<b>(5,082)</b>	<b>151,998</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from the issuance of bonds.....	14,400,000	-	-	-	-	14,400,000
Premium from the issuance of bonds and notes.....	1,140,422	-	-	-	-	1,140,422
Acquisition and construction of capital assets.....	(5,869,476)	(85,461)	(15,921)	-	(228,824)	(6,199,682)
Principal payments on bonds and notes.....	(7,661,000)	(2,281,142)	(51,000)	(345,000)	(325,000)	(10,663,142)
Interest expense.....	(225,784)	(713,554)	(19,887)	(36,300)	(126,079)	(1,121,604)
Capital contributions.....	-	2,735,803	-	-	-	2,735,803
Capital lease payments.....	-	-	-	(32,318)	-	(32,318)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>1,784,162</b>	<b>(344,354)</b>	<b>(86,808)</b>	<b>(413,618)</b>	<b>(679,903)</b>	<b>259,479</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Investment income.....	14,250	6,500	2,443	40	2,719	25,952
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>3,573,972</b>	<b>163,885</b>	<b>203,074</b>	<b>(19,254)</b>	<b>(115,239)</b>	<b>3,806,438</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>8,322,600</b>	<b>2,428,302</b>	<b>933,870</b>	<b>135,536</b>	<b>1,295,712</b>	<b>13,116,020</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 11,896,572</b>	<b>\$ 2,592,187</b>	<b>\$ 1,136,944</b>	<b>\$ 116,282</b>	<b>\$ 1,180,473</b>	<b>\$ 16,922,458</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>						
Operating income (loss).....	\$ 1,781,856	\$ (1,541,041)	\$ 268,401	\$ 282,788	\$ 269,040	\$ 1,061,044
Adjustments to reconcile operating income (loss) to net cash from operating activities:						
Depreciation.....	644,169	1,053,937	78,486	190,479	308,459	2,275,530
Receipts from users penalties and interest.....	24,549	457,089	-	-	-	481,638
Deferred (outflows)/inflows related to pensions.....	(71,715)	(40,256)	(21,604)	(15,644)	(27,186)	(176,405)
Changes in assets and liabilities:						
Water and sewer liens.....	(10,096)	(5,784)	-	-	-	(15,880)
User fees.....	(470,227)	57,668	-	-	-	(412,559)
Inventory.....	-	-	-	4,737	-	4,737
Warrants payable.....	(32,836)	(31,191)	1,756	(29,988)	(10,729)	(102,988)
Accrued liabilities.....	-	-	-	402	-	402
Accrued payroll.....	20,977	11,685	5,946	7,076	9,278	54,962
Landfill closure.....	-	-	(54,000)	-	-	(54,000)
Accrued compensated absences.....	(7,206)	15,444	4,264	-	(17,186)	(4,684)
Net pension liability.....	71,721	40,259	21,605	15,646	27,187	176,418
Other postemployment benefits.....	52,735	10,732	10,944	(1,781)	8,164	80,794
<b>Total adjustments.....</b>	<b>222,071</b>	<b>1,569,583</b>	<b>47,397</b>	<b>170,927</b>	<b>297,987</b>	<b>2,307,965</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 2,003,927</b>	<b>\$ 28,542</b>	<b>\$ 315,798</b>	<b>\$ 453,715</b>	<b>\$ 567,027</b>	<b>\$ 3,369,009</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>						
Amortization of debt premium.....	\$ 13,485	\$ -	\$ -	\$ -	\$ -	\$ 13,485
Intergovernmental subsidy of debt service - principal.....	-	224,464	-	-	-	224,464
Intergovernmental subsidy of debt service - interest.....	-	227,281	-	-	-	227,281
Noncash capital contributions.....	-	-	-	-	688,590	688,590

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

	Other Postemployment Benefits Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 386,515	\$ 293,129	\$ 914,428
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	100,788
<b>TOTAL ASSETS.....</b>	<b>386,515</b>	<b>293,129</b>	<b>1,015,216</b>
<b>LIABILITIES</b>			
Warrants payable.....	-	-	12,911
Accrued liabilities.....	-	-	17,045
Liabilities due depositors.....	-	-	955,260
Other liabilities.....	-	-	30,000
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>1,015,216</b>
<b>NET POSITION</b>			
Held in trust for OPEB and other purposes.....	\$ 386,515	\$ 293,129	\$ -

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2015

	Other Postemployment Benefits Fund	Private Purpose Trust Funds
<u>ADDITIONS:</u>		
Contributions:		
Employer.....	\$ 76,723	\$ -
Private donations.....	-	73,245
Miscellaneous.....	10,559	-
Total contributions.....	<u>87,282</u>	<u>73,245</u>
Net investment income (loss):		
Interest.....	2,681	976
TOTAL ADDITIONS.....	<u>89,963</u>	<u>74,221</u>
<u>DEDUCTIONS:</u>		
Educational scholarships.....	-	16,825
CHANGE IN NET POSITION.....	89,963	57,396
NET POSITION AT BEGINNING OF YEAR.....	<u>296,552</u>	<u>235,733</u>
NET POSITION AT END OF YEAR.....	<u>\$ 386,515</u>	<u>\$ 293,129</u>

See notes to basic financial statements.

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

The accompanying basic financial statements of the Town of Scituate, 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 Town accounting policies are described herein.

**A. Reporting Entity**

The Town of Scituate, Massachusetts is a municipal corporation that is governed by an elected Board of Selectmen.

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. The Town has not identified any component units requiring inclusion in these basic financial statements.

*Joint Ventures* – The Town is a member of the South Shore Vocational Technical High School District along with the Towns of Abington, Cohasset, Hanover, Hanson, Norwell, Rockland and Whitman. The South Shore Vocational Technical High School District serves the members' students seeking an education in academic, technical and agriculture studies. The members share in the operations of the South Shore Vocational Technical High School District and each member is responsible for its proportionate share of the operational and capital cost of the South Shore Vocational Technical High School District, which are paid in the form of assessments. The Town does not have an equity interest in the South Shore Vocational Technical High School District and the 2015 assessment was \$461,209. Separate financial statements may be obtained by writing to the Treasurer at 476 Webster Street, Hanover, MA 02339.

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

*Fund Financial Statements*

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

*Major Fund Criteria*

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

- If the total assets 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 elements (assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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 elements 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 the water, sewer, transfer station, Widow's Walk golf course and waterways enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

*Fund Financial Statements*

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

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

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

The following major governmental funds are reported:

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

The *community preservation fund* is used to account for funds received in accordance with the Massachusetts 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. These funds are spent for the acquisition, creation and preservation of open space, historic resources and affordable housing.

The *affordable housing fund* is used to account for funds associated with the Town's affordable housing program, which endeavors to create more affordable housing options.

The *Town capital projects fund* is used to account for the construction and renovation of Town projects.

The *Middle School construction fund* is used to account for the design and construction of the Town's new middle school.

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

The *special revenue fund* is used to account for 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 non-operating revenues and expenses.

The following major proprietary funds are reported:

The *water enterprise fund* is used to account for the water activities.

The *sewer enterprise fund* is used to account for the sewer activities.

The *transfer station enterprise fund* is used to account for user fees and costs associated with the Town's pay-as-you-throw facility for household refuse.

The *Widow's Walk golf course enterprise fund* is used to account for the operations of the Town's golf course facility, which is maintained through the collection of user fees.

The *waterways enterprise fund* is used to account for user fees and costs associated with the protection, tracking, oversight, and usage of waterways surrounding or within the Town's borders. Fees are primarily derived from public marina slips and moorings maintained by the Town.

**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 by the Town for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

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 donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's educational scholarship trusts are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity by the Town and uses the accrual basis of accounting but has no 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 at an average bid-and-asked 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 Taxes, Personal Property Taxes and Tax Liens***

Real estate and personal property taxes are levied and based on values assessed on January 1<sup>st</sup> of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup> and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed during the year on delinquent properties 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 uncollectibles is not reported.

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

##### ***User Fees***

User fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Water and Sewer liens are processed every year and included as a lien on the property owner's tax bill. Water and Sewer 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 uncollectibles.

***Departmental and Other***

Departmental and other receivables are recorded as receivables in the year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

***Special Assessments***

The costs incurred on completed special projects that have been assessed to the benefited taxpayers which have not been paid.

Since these receivables are secured by the lien process, they are considered 100% collectible and therefore do not report an allowance for uncollectibles.

***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 uncollectibles.

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

Inventories of the Governmental Funds 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.

Inventories of the Golf Enterprise Fund are carried at average cost.

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

Capital assets, which include land, land improvements, buildings, machinery and equipment, 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 in excess of \$5,000 are capitalized at the date of acquisition with expected useful life of greater than two years. Capital assets (excluding land and construction in progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Structure and improvements.....	20-50
Buildings.....	30-40
Machinery and equipment.....	3-10
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. Deferred Outflows/Inflows of Resources

*Government-Wide Financial Statements (Net Position)*

In addition to assets, the statement of financial 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 that time. The Town has reported deferred outflows of resources related to pensions in this category.

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

*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 separate financial statement element, *deferred inflows of resources*, represents assets that have not 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 as deferred inflows of resources in the governmental funds balance sheet.

I. Unavailable Revenue

*Fund Financial Statements*

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the

modified accrual basis of accounting. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements. Unavailable revenue consisted of taxes billed not yet received and grant awards related to expenditure driven grants in which the grant requirements have not been met.

#### J. 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 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 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.

#### K. 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.

#### L. Net Position and Fund Equity

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

Net position is 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 investment earnings of donor restricted trusts. The donor restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings that support governmental programs.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts that support governmental programs.

“Community preservation” represents assets that are restricted for use in accordance with the Massachusetts Community Preservation Act (the “CPA”).

“Grants and gifts” represents assets that have restrictions placed on them from outside parties.

“Debt service/capital outlay” represents debt premiums that are legally restricted for capital appropriations and to reduce future debt service costs over the life of the applicable loans.

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. A Town Meeting Vote on a budget article (resolution) is the government’s highest level of decision-making authority. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting 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 Accountant is authorized to assign fund balance. Funds are assigned when the Town has an obligation to purchase goods or services from the current years’ appropriation. 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.

Sometimes the Town will fund outlays for a particular purpose from different components of fund balance. In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. When different components of fund balance can be used for the same purpose, it is

the Town's policy to consider restricted fund balance to have been depleted first, followed by committed fund balance, and assigned fund balance. Unassigned fund balance is applied last.

#### M. Pensions

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

#### N. Long-term debt

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

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

##### *Governmental Fund Financial Statements*

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

#### O. Investment Income

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

#### P. Compensated Absences

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

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

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

##### *Governmental Fund Financial Statements*

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

### Q. Use of Estimates

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

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

### R. Individual Fund Deficits

An individual fund deficit exists in the School Lunch fund. This deficit will be funded through available funds in the future years.

### S. Total Column

#### *Government-Wide Financial Statements*

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

#### *Fund Financial Statements*

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

## **NOTE 2 – CASH AND INVESTMENTS**

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (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.

### Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Scituate's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the carrying amount of deposits totaled \$117,747,912 and the bank balance totaled \$118,988,251. Of the bank balance, \$2,500,000 was covered by Federal Depository Insurance, \$15,542,757 was covered by the Depositors Insurance Fund, \$89,317,907 was covered by the Share Insurance Fund, \$6,837,726 was collateralized, and \$4,789,861 was uninsured and uncollateralized.

### 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 possession of an outside party. The Town's

investment policy requires the Treasurer to review, on a quarterly basis, the Call Reports and/or the Uniform Bank Performance Report of any institution conducting business with the Town that receives a “Yellow” classification or less than three stars on the previous quarter’s Veribanc report. As of June 30, 2015, the Town does not have custodial credit risk for its investments.

Interest Rate Risk

The Town’s investment policy limits investment maturities to seven years maintaining an average maturity no greater than three years for the portfolio.

Credit Risk

The Town’s investment policy limits investing in corporate debt to a rating of “A” or better by either S&P or Moody’s rating services. During the year the Town limited its investments to certificates of deposits, money market accounts, and bank deposits.

Concentration of Credit Risk

The Town’s investment policy allows the treasurer to invest an unlimited amount in MMDT, US Treasury Obligations, US Agency Obligations or bank accounts and CD’s with final maturity no greater than one year from date of purchase and they are fully collateralized or covered by FDIC, DIF or SIF insurance. The Treasurer may invest in uninsured or unsecured bank accounts or CD’s with a maturity of no greater than one year from the date of purchase, however the uninsured portion at any one institution cannot exceed 5% of the institution’s total deposits reflected on the bank’s last filed FDIC Call Report and no more than 35% of the Town’s funds may be held in uninsured accounts.

**NOTE 3 – RECEIVABLES**

At June 30, 2015, receivables for the individual major governmental funds, nonmajor governmental funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 950,163	\$ (46,371)	\$ 903,792
Tax liens.....	1,083,469	-	1,083,469
Motor vehicle and other excise taxes.....	212,123	(20,524)	191,599
Departmental and other.....	767,879	(581,678)	186,201
Special assessments.....	219,236	-	219,236
Intergovernmental.....	1,908,220	-	1,908,220
Total.....	<u>\$ 5,141,090</u>	<u>\$ (648,573)</u>	<u>\$ 4,492,517</u>

At June 30, 2015, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
User fees.....	\$ 2,223,150	-	\$ 2,223,150
Water and sewer liens.....	151,180	-	151,180
Special assessments.....	769,413	-	769,413
Intergovernmental.....	325,700	-	325,700
Total.....	<u>\$ 3,469,443</u>	<u>\$ -</u>	<u>\$ 3,469,443</u>

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

	General Fund	Community Preservation Funds	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>				
Real estate and personal property taxes.....	\$ 609,581	\$ 11,423	\$ -	\$ 621,004
Tax liens.....	1,059,777	23,692	-	1,083,469
Motor vehicle and other excise taxes.....	191,599	-	-	191,599
Departmental and other.....	179,451	-	6,750	186,201
Special assessments.....	216,236	-	3,000	219,236
Intergovernmental.....	-	-	1,320,003	1,320,003
Tax foreclosures.....	310,451	-	-	310,451
<b>Total.....</b>	<b>\$ 2,567,095</b>	<b>\$ 35,115</b>	<b>\$ 1,329,753</b>	<b>\$ 3,931,963</b>

**NOTE 4 – CAPITAL ASSETS**

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

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 19,048,940	\$ 2,048,022	\$ -	\$ 21,096,962
Construction in progress.....	2,192,428	4,679,107	(2,144,682)	4,726,853
<b>Total capital assets not being depreciated.....</b>	<b>21,241,368</b>	<b>6,727,129</b>	<b>(2,144,682)</b>	<b>25,823,815</b>
<u>Capital assets being depreciated:</u>				
Land improvements.....	3,341,143	302,179	-	3,643,322
Buildings and building improvements.....	46,608,397	843,751	-	47,452,148
Machinery and equipment.....	9,357,193	275,145	-	9,632,338
Infrastructure.....	25,388,806	1,901,281	-	27,290,087
Vehicles.....	6,041,712	1,348,026	(337,875)	7,051,863
<b>Total capital assets being depreciated.....</b>	<b>90,737,251</b>	<b>4,670,382</b>	<b>(337,875)</b>	<b>95,069,758</b>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(745,829)	(128,436)	-	(874,265)
Buildings and building improvements.....	(14,012,229)	(1,391,753)	-	(15,403,982)
Machinery and equipment.....	(7,330,914)	(541,708)	-	(7,872,622)
Infrastructure.....	(12,435,130)	(1,068,181)	-	(13,503,311)
Vehicles.....	(4,360,552)	(442,267)	337,875	(4,464,944)
<b>Total accumulated depreciation.....</b>	<b>(38,884,654)</b>	<b>(3,572,345)</b>	<b>337,875</b>	<b>(42,119,124)</b>
<b>Total capital assets being depreciated, net.....</b>	<b>51,852,597</b>	<b>1,098,037</b>	<b>-</b>	<b>52,950,634</b>
<b>Total governmental activities capital assets, net.....</b>	<b>\$ 73,093,965</b>	<b>\$ 7,825,166</b>	<b>\$ (2,144,682)</b>	<b>\$ 78,774,449</b>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ 2,144,140	\$ 751,538	\$ (2,144,140)	\$ 751,538
Total capital assets not being depreciated.....	<u>2,144,140</u>	<u>751,538</u>	<u>(2,144,140)</u>	<u>751,538</u>
<u>Capital assets being depreciated:</u>				
Buildings and building improvements.....	9,500	-	-	9,500
Machinery and equipment.....	532,442	149,213	-	681,655
Infrastructure.....	23,769,610	8,442,503	-	32,212,113
Vehicles.....	350,296	29,777	-	380,073
Total capital assets being depreciated.....	<u>24,661,848</u>	<u>8,621,493</u>	<u>-</u>	<u>33,283,341</u>
<u>Less accumulated depreciation for:</u>				
Buildings and building improvements.....	(3,004)	(238)	-	(3,242)
Machinery and equipment.....	(192,535)	(52,121)	-	(244,656)
Infrastructure.....	(11,742,835)	(561,088)	-	(12,303,923)
Vehicles.....	(196,758)	(30,722)	-	(227,480)
Total accumulated depreciation.....	<u>(12,135,132)</u>	<u>(644,169)</u>	<u>-</u>	<u>(12,779,301)</u>
Total capital assets being depreciated, net.....	<u>12,526,716</u>	<u>7,977,324</u>	<u>-</u>	<u>20,504,040</u>
Total water capital assets, net.....	<u>\$ 14,670,856</u>	<u>\$ 8,728,862</u>	<u>\$ (2,144,140)</u>	<u>\$ 21,255,578</u>
<b>Sewer:</b>				
<u>Capital assets being depreciated:</u>				
Buildings and building improvements.....	9,771,131	12,861	-	9,783,992
Machinery and equipment.....	7,912,146	25,284	-	7,937,430
Vehicles.....	202,382	-	-	202,382
Infrastructure.....	31,917,887	47,316	-	31,965,203
Total capital assets being depreciated.....	<u>49,803,546</u>	<u>85,461</u>	<u>-</u>	<u>49,889,007</u>
<u>Less accumulated depreciation for:</u>				
Buildings and building improvements.....	(5,086,234)	(196,066)	-	(5,282,300)
Machinery and equipment.....	(3,444,460)	(162,268)	-	(3,606,728)
Infrastructure.....	(5,093,895)	(656,071)	-	(5,749,966)
Vehicles.....	(144,631)	(39,532)	-	(184,163)
Total accumulated depreciation.....	<u>(13,769,220)</u>	<u>(1,053,937)</u>	<u>-</u>	<u>(14,823,157)</u>
Total sewer capital assets, net.....	<u>\$ 36,034,326</u>	<u>\$ (968,476)</u>	<u>\$ -</u>	<u>\$ 35,065,850</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Transfer Station:</b>				
<u>Capital assets being depreciated:</u>				
Buildings and building improvements.....	\$ 2,221,043	\$ -	\$ -	\$ 2,221,043
Machinery and equipment.....	579,831	15,921	-	595,752
Vehicles.....	17,585	-	-	17,585
	<u>2,818,459</u>	<u>15,921</u>	<u>-</u>	<u>2,834,380</u>
 <u>Less accumulated depreciation for:</u>				
Buildings and building improvements.....	(968,332)	(48,848)	-	(1,017,180)
Machinery and equipment.....	(368,811)	(29,638)	-	(398,449)
Vehicles.....	(17,585)	-	-	(17,585)
	<u>(1,354,728)</u>	<u>(78,486)</u>	<u>-</u>	<u>(1,433,214)</u>
Total transfer station capital assets, net.....	<u>\$ 1,463,731</u>	<u>\$ (62,565)</u>	<u>\$ -</u>	<u>\$ 1,401,166</u>
	Beginning Balance	Increases	Decreases	Ending Balance
<b>Widows Walk Golf Course:</b>				
<u>Capital assets being depreciated:</u>				
Land improvements.....	\$ 3,867,632	\$ -	\$ -	\$ 3,867,632
Buildings and building improvements.....	931,176	-	-	931,176
Machinery and equipment.....	1,272,055	68,618	-	1,340,673
	<u>6,070,863</u>	<u>68,618</u>	<u>-</u>	<u>6,139,481</u>
 <u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,460,188)	(105,671)	-	(2,565,859)
Buildings and building improvements.....	(387,885)	(23,279)	-	(411,164)
Machinery and equipment.....	(1,088,368)	(61,529)	-	(1,149,897)
	<u>(3,936,441)</u>	<u>(190,479)</u>	<u>-</u>	<u>(4,126,920)</u>
Total Widow's Walk golf course capital assets, net.....	<u>\$ 2,134,422</u>	<u>\$ (121,861)</u>	<u>\$ -</u>	<u>\$ 2,012,561</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Waterways:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 3,675,000	\$ -	\$ -	\$ 3,675,000
Construction in progress.....	-	94,527	-	94,527
Total capital assets not being depreciated.....	<u>3,675,000</u>	<u>94,527</u>	<u>-</u>	<u>3,769,527</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	4,260,646	774,436	-	5,035,082
Buildings and building improvements.....	955,686	-	-	955,686
Machinery and equipment.....	1,628,863	48,451	-	1,677,314
Total capital assets being depreciated.....	<u>6,845,195</u>	<u>822,887</u>	<u>-</u>	<u>7,668,082</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,004,419)	(196,366)	-	(3,200,785)
Buildings and building improvements.....	(251,898)	(25,056)	-	(276,954)
Machinery and equipment.....	(940,900)	(87,037)	-	(1,027,937)
Total accumulated depreciation.....	<u>(4,197,217)</u>	<u>(308,459)</u>	<u>-</u>	<u>(4,505,676)</u>
Total capital assets being depreciated, net.....	<u>2,647,978</u>	<u>514,428</u>	<u>-</u>	<u>3,162,406</u>
Total waterways capital assets, net.....	<u>\$ 6,322,978</u>	<u>\$ 608,955</u>	<u>\$ -</u>	<u>\$ 6,931,933</u>

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

**Governmental Activities:**

General government.....	\$ 141,314
Public safety.....	306,089
Education.....	1,426,087
Public works.....	1,453,371
Human services.....	14,435
Culture and recreation.....	202,060
Community preservation.....	<u>28,989</u>

Total depreciation expense - governmental activities..... \$ 3,572,345

**Business-Type Activities:**

Water.....	\$ 644,169
Sewer.....	1,053,937
Transfer Station.....	78,486
Widow's Walk Golf Course.....	190,479
Waterways.....	<u>308,459</u>

Total depreciation expense - business-type activities..... \$ 2,275,530

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

At June 30, 2015, the Town has interfund receivables/payables which exist between the Town gifts and grants fund and school lunch fund totaling \$15,158 and the Town gifts and grants fund and the highway improvements

fund totaling \$50,991. The purpose of these balances is to cover short-term cash needs that will be funded by future grant proceeds.

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

Transfers Out:	Transfers In:							Total
	General Fund	Town Capital Projects	Nonmajor Governmental Funds	Water Enterprise Fund	Sewer Enterprise Fund	Transfer Station Enterprise Fund	Waterways Enterprise Fund	
General Fund.....	\$ -	\$ 225,000	\$ 26,539	\$ -	\$ 660,974	\$ 100,000	\$ -	\$ 1,012,513 (1)
Nonmajor Governmental Funds.....	190,374	-	996,096	29,162	-	4,003	10,536	1,230,171 (2)
Water Enterprise Fund.....	257,529	-	-	-	-	-	-	257,529 (3)
Sewer Enterprise Fund.....	187,777	-	-	-	-	-	-	187,777 (3)
Transfer Station Enterprise Fund.....	132,362	-	-	-	-	-	-	132,362 (3)
Widow's Walk Golf Course Enterprise Fund.....	59,391	-	-	-	-	-	-	59,391 (3)
Waterways Enterprise Fund.....	55,981	-	-	-	-	-	-	55,981 (3)
Total.....	\$ 883,414	\$ 225,000	\$ 1,022,635	\$ 29,162	\$ 660,974	\$ 104,003	\$ 10,536	\$ 2,935,724

- (1) Represents budget transfers from the general fund to Town capital projects to pay down a bond anticipation note; nonmajor governmental funds for excess cable funds; and enterprise funds for debt subsidies.
- (2) Represents budgeted transfers into the general fund from nonmajor governmental funds, Title V and Town revolving funds. Also represents transfers into general fund from the Town revolving funds; transfer to the library renovation fund from Town gifts and grants; transfers to the water and transfer station enterprise funds from Town revolving fund; and a transfer to the waterways enterprise fund from Town gifts and grants.
- (3) Represents budgeted transfers from the enterprise funds to the general fund.

**NOTE 6 – LEASES**

The Town has entered into lease agreements to finance the acquisition of 3 school buses, as well as equipment and golf carts for the Widow’s Walk golf course, an enterprise fund of the Town. The lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the inception dates.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities	Business-Type Activities
Machinery and equipment.....	\$ -	\$ 493,334
Vehicles.....	239,937	-
Less: accumulated depreciation.....	(71,981)	(354,214)
Total.....	\$ 167,956	\$ 139,120

Future minimum lease payments under capitalized leases consist of the following at June 30, 2015:

Years Ending June 30	Governmental Activities	Business-Type Activities
2016.....	\$ 33,690	\$ 45,011
2017.....	150,000	36,921
2018.....	-	28,983
2019.....	-	23,679
2020.....	-	7,779
Total minimum lease payments.....	183,690	142,373
Less: amounts representing interest.....	<u>(6,800)</u>	<u>(14,449)</u>
Present value of minimum lease payments.....	<u>\$ 176,890</u>	<u>\$ 127,924</u>

**NOTE 7 – 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 and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds.

Details related to the short-term debt activity for the year ended June 30, 2015, are as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
<i>Governmental Funds</i>							
BAN	Facilities Design/Engineering Services...	0.45	09/26/14	\$ 225,000	\$ -	\$ (225,000)	-
BAN	General Purpose.....	0.75	09/26/14	1,100,000	-	(1,100,000)	-
BAN	General Purpose.....	0.75	03/27/15	-	1,843,000	(1,843,000)	-
BAN	General Purpose.....	0.75	06/30/15	-	1,843,000	(1,843,000)	-
Total Governmental.....				<u>\$ 1,325,000</u>	<u>\$ 3,686,000</u>	<u>\$ (5,011,000)</u>	<u>\$ -</u>

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2014	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2015
<i>Enterprise Funds</i>							
BAN	Waterpipe Renovations.....	0.75	09/26/14	\$ 7,200,000	\$ -	\$ (7,200,000)	\$ -
BAN	Waterpipe Renovations.....	0.75	03/27/15	-	7,200,000	(7,200,000)	-
BAN	Waterpipe Renovations.....	0.75	06/30/15	-	7,200,000	(7,200,000)	-
	Subtotal Water.....			<u>7,200,000</u>	<u>14,400,000</u>	<u>(21,600,000)</u>	<u>-</u>
BAN	Sewer Extension.....	0.45	09/26/14	311,000	-	(311,000)	-
BAN	Sewer Extension.....	0.75	03/27/15	-	311,000	(311,000)	-
	Subtotal Sewer.....			<u>311,000</u>	<u>311,000</u>	<u>(622,000)</u>	<u>-</u>
	Total Enterprise.....			<u>\$ 7,511,000</u>	<u>\$ 14,711,000</u>	<u>\$ (22,222,000)</u>	<u>\$ -</u>

**NOTE 8 – 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".

Details related to the outstanding indebtedness at June 30, 2015, and the debt service requirements are as follows:

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
General Obligation Bonds of 2000.....	2019	\$ 123,432	4.00 - 5.00	\$ 34,278	\$ -	\$ (6,856)	\$ 27,422
General Obligation Bonds of 2005.....	2025	12,279,000	3.00 - 5.00	6,465,000	-	(5,315,000)	1,150,000
General Obligation Bonds of 2008.....	2026	11,491,500	3.00 - 5.00	2,130,000	-	(230,000)	1,900,000
General Obligation Bonds of 2011.....	2031	3,245,470	3.00 - 5.00	2,005,000	-	(350,000)	1,655,000
General Obligation Bonds of 2013.....	2033	5,262,021	2.00 - 2.75	4,850,000	-	(405,000)	4,445,000
General Obligation Refunding Bonds of 2015.....	2025	4,205,000	4.00 - 5.00	-	4,205,000	-	4,205,000
General Obligation Bonds of 2015.....	2040	68,258,000	2.00 - 5.00	-	68,258,000	-	68,258,000
Subtotal.....				15,484,278	72,463,000	(6,306,856)	81,640,422
Unamortized Premiums on Bonds.....				-	5,913,457	-	5,913,457
Total Governmental Bonds Payable.....				<u>\$ 15,484,278</u>	<u>\$ 78,376,457</u>	<u>\$ (6,306,856)</u>	<u>\$ 87,553,879</u>

In order to take advantage of favorable interest rates, the Town issued \$4,819,578 of general obligation refunding bonds on June 29, 2015. The proceeds of the refunding bonds were paid to the escrow agent and used to complete a current refunding of existing debt at the call date. The refunded bonds totaled \$4,725,000 and became callable on September 15, 2015. As a result of the transaction, the refunded bonds were paid down on the call date and the liability has been removed from the statement of net position. The transaction resulted in an economic gain of \$413,796 and a reduction of \$481,900 in future debt service payments.

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

Year	Principal	Interest	Total
2016.....	\$ 4,459,856	\$ 2,652,200	\$ 7,112,056
2017.....	4,351,856	3,227,011	7,578,867
2018.....	4,156,855	3,045,252	7,202,107
2019.....	4,011,855	2,867,384	6,879,239
2020.....	3,915,000	2,695,537	6,610,537
2021.....	3,885,000	2,510,738	6,395,738
2022.....	3,860,000	2,327,052	6,187,052
2023.....	3,850,000	2,145,360	5,995,360
2024.....	3,770,000	1,964,819	5,734,819
2025.....	3,695,000	1,786,939	5,481,939
2026.....	3,060,000	1,625,354	4,685,354
2027.....	2,905,000	1,480,342	4,385,342
2028.....	2,895,000	1,355,015	4,250,015
2029.....	2,895,000	1,242,817	4,137,817
2030.....	2,900,000	1,130,460	4,030,460
2031.....	2,890,000	1,017,788	3,907,788
2032.....	2,840,000	905,051	3,745,051
2033.....	2,820,000	796,662	3,616,662
2034.....	2,640,000	686,400	3,326,400
2035.....	2,640,000	580,800	3,220,800
2036.....	2,640,000	475,200	3,115,200
2037.....	2,640,000	369,600	3,009,600
2038.....	2,640,000	264,000	2,904,000
2039.....	2,640,000	158,400	2,798,400
2040.....	2,640,000	52,800	2,692,800
Total.....	\$ <u>81,640,422</u>	\$ <u>37,362,981</u>	\$ <u>119,003,403</u>

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

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2014	Issued	Redeemed	Outstanding at June 30, 2015
<b>Water:</b>							
General Obligation Bonds of 2005.....	2025	1,660,000	3.00 - 5.00	\$ 521,000	\$ -	\$ (101,000)	\$ 420,000
General Obligation Bonds of 2008.....	2017	50,000	3.00 - 5.00	15,000	-	(5,000)	10,000
General Obligation Bonds of 2011.....	2031	4,147,000	3.00 - 5.00	3,380,000	-	(245,000)	3,135,000
General Obligation Bonds of 2013.....	2033	855,493	2.00 - 2.75	725,000	-	(110,000)	615,000
General Obligation Bonds of 2015.....	2036	14,400,000	2.00 - 2.75	-	14,400,000	-	14,400,000
Subtotal water bonds payable.....				4,641,000	14,400,000	(461,000)	18,580,000
Unamortized premium on bonds.....				109,266	1,153,907	(13,485)	1,249,688
Total water bonds payable.....				4,750,266	15,553,907	(474,485)	19,829,688
<b>Sewer:</b>							
MCWT CW-02-22A.....	2024	\$ 1,288,256	2.00	811,576	-	(74,050)	737,526
MCWT CW-04-38.....	2026	3,554,137	2.00	2,508,422	-	(186,815)	2,321,607
MCWT CW-04-38-A.....	2026	929,694	2.00	685,855	-	(51,079)	634,776
MCWT Pool 10.....	2021	11,253,992	2.50 - 5.25	4,827,748	-	(852,101)	3,975,647
MCWT CW-02-22.....	2024	4,557,209	0.00	3,019,468	-	(250,959)	2,768,509
General Obligation Bonds of 2005.....	2025	3,046,000	3.00 - 5.00	1,663,000	-	(153,000)	1,510,000
General Obligation Bonds of 2008.....	2024	800,000	3.00 - 5.00	500,000	-	(50,000)	450,000
General Obligation Bonds of 2011.....	2031	1,310,041	3.00 - 5.00	1,080,000	-	(70,000)	1,010,000
MCWT CWS-09-06.....	2033	348,667	2.00	334,563	-	(14,410)	320,153
General Obligation Bonds of 2015.....	2033	569,486	2.00 - 2.75	505,000	-	(45,000)	460,000
MCWT CW-10-25.....	2033	5,389,000	2.00	5,171,010	-	(222,728)	4,948,282
Subtotal sewer bonds payable.....				21,106,642	-	(1,970,142)	19,136,500
<b>Transfer Station:</b>							
General Obligation Bonds of 2005.....	2025	746,000	3.00 - 5.00	396,000	-	(36,000)	360,000
General Obligation Bonds of 2011.....	2020	150,000	3.00 - 5.00	90,000	-	(15,000)	75,000
Subtotal transfer station bonds payable.....				486,000	-	(51,000)	435,000
<b>Widow's Walk Golf Course:</b>							
General Obligation Bonds of 2004.....	2017	3,755,000	2.00 - 4.00	1,080,000	-	(345,000)	735,000
<b>Waterways:</b>							
General Obligation Bonds of 2005.....	2024	4,175,000	3.00 - 5.00	2,195,000	-	(220,000)	1,975,000
General Obligation Bonds of 2008.....	2023	564,500	3.00 - 5.00	250,000	-	(35,000)	215,000
General Obligation Bonds of 2011.....	2025	903,489	3.00 - 5.00	690,000	-	(70,000)	620,000
Subtotal waterway's bonds payable.....				3,135,000	-	(325,000)	2,810,000
Total Enterprise Bonds Payable.....				\$ 30,557,908	\$ 15,553,907	\$ (3,165,627)	\$ 42,946,188

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$1,107,521 and interest costs for \$735,316. Thus, net sewer enterprise loan repayments, including interest, are scheduled to be \$20,586,546. The principal subsidies are guaranteed and therefore a \$1,107,521 intergovernmental receivable has been recorded in the sewer enterprise fund at June 30, 2015. 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 2015 principal and interest subsidies totaled \$224,464 and \$227,281, respectively.

Debt service requirements for principal and interest for enterprise fund bonds and notes payable in future years are as follows:

WATER ENTERPRISE FUND DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 991,000	\$ 585,996	\$ 1,576,996
2017.....	981,000	732,632	1,713,632
2018.....	956,000	692,880	1,648,880
2019.....	906,000	653,740	1,559,740
2020.....	891,000	615,250	1,506,250
2021.....	891,000	572,460	1,463,460
2022.....	861,000	529,670	1,390,670
2023.....	841,000	492,091	1,333,091
2024.....	826,000	454,594	1,280,594
2025.....	821,000	416,945	1,237,945
2026.....	760,000	379,403	1,139,403
2027.....	760,000	343,820	1,103,820
2028.....	755,000	311,131	1,066,131
2029.....	750,000	281,119	1,031,119
2030.....	750,000	251,294	1,001,294
2031.....	745,000	221,550	966,550
2032.....	585,000	191,900	776,900
2033.....	585,000	168,500	753,500
2034.....	575,000	145,500	720,500
2035.....	575,000	122,500	697,500
2036.....	555,000	99,900	654,900
2037.....	555,000	77,700	632,700
2038.....	555,000	55,500	610,500
2039.....	555,000	33,300	588,300
2040.....	555,000	11,100	566,100
Total.....	\$ <u>18,580,000</u>	\$ <u>8,440,475</u>	\$ <u>27,020,475</u>

SEWER ENTERPRISE FUND DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 2,012,811	\$ 601,744	\$ 2,614,555
2017.....	2,063,814	521,188	2,585,002
2018.....	2,100,633	421,371	2,522,004
2019.....	2,146,318	352,858	2,499,176
2020.....	1,377,601	288,326	1,665,927
2021.....	1,370,850	241,324	1,612,174
2022.....	1,258,105	197,849	1,455,954
2023.....	1,283,295	157,058	1,440,353
2024.....	1,294,778	115,651	1,410,429
2025.....	817,587	92,430	910,017
2026.....	681,846	71,823	753,669
2027.....	391,941	60,078	452,019
2028.....	393,612	51,151	444,763
2029.....	400,428	42,143	442,571
2030.....	407,392	32,968	440,360
2031.....	409,507	23,669	433,176
2032.....	361,777	14,274	376,051
2033.....	364,205	6,978	371,183
Total.....	\$ <u>19,136,500</u>	\$ <u>3,292,883</u>	\$ <u>22,429,383</u>

TRANSFER STATION ENTERPRISE FUND DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 51,000	\$ 17,847	\$ 68,847
2017.....	51,000	15,807	66,807
2018.....	51,000	13,766	64,766
2019.....	51,000	11,727	62,727
2020.....	51,000	9,687	60,687
2021.....	36,000	7,497	43,497
2022.....	36,000	6,057	42,057
2023.....	36,000	4,572	40,572
2024.....	36,000	3,060	39,060
2025.....	36,000	1,530	37,530
Total.....	\$ <u>435,000</u>	\$ <u>91,550</u>	\$ <u>526,550</u>

WIDOW'S WALK ENTERPRISE FUND DEBT SERVICE PAYMENTS

Year	Principal	Interest	Total
2016.....	\$ 360,000	\$ 22,200	\$ 382,200
2017.....	<u>375,000</u>	<u>7,500</u>	<u>382,500</u>
Total.....	\$ <u>735,000</u>	\$ <u>29,700</u>	\$ <u>764,700</u>

WATERWAYS ENTERPRISE FUND DEBT SERVICE PAYMENTS

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016..... \$	325,000 \$	113,254 \$	438,254
2017.....	325,000	100,429	425,429
2018.....	315,000	87,516	402,516
2019.....	315,000	74,916	389,916
2020.....	310,000	62,316	372,316
2021.....	310,000	49,266	359,266
2022.....	310,000	36,191	346,191
2023.....	305,000	24,060	329,060
2024.....	255,000	11,888	266,888
2025.....	40,000	1,400	41,400
Total..... \$	<u>2,810,000 \$</u>	<u>561,236 \$</u>	<u>3,371,236</u>

At June 30, 2015, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Marine park recreational facility..... \$	280,000
Departmental equipment.....	60,000
Energy savings contract.....	3,200,000
Facilities design engineering services.....	150,000
School improvements.....	27,721,115
Library renovations.....	5,360,808
Software.....	200,000
Foreshore protection.....	500,000
Water.....	8,000,000
Sewer.....	400,000
Dredging.....	395,000
Oceanside Drive seawall replacement.....	2,000,000
Public safety complex design and construction.....	1,155,000
Pump station replacement.....	625,000
Seawall repairs.....	2,000,000
Total..... \$	<u>52,046,923</u>

Changes in Long-Term Liabilities

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

	Balance June 30, 2014	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2015	Current Portion
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 15,484,278	\$ 72,463,000	\$ (6,306,856)	\$ -	\$ -	\$ 81,640,422	\$ 4,459,856
Add: Unamortized premium on bonds.....	-	5,913,457	-	-	-	5,913,457	365,481
Total bonds payable.....	15,484,278	78,376,457	(6,306,856)	-	-	87,553,879	4,825,337
Compensated absences.....	1,773,346	-	-	1,512,503	(1,454,200)	1,831,649	1,330,200
Capital lease obligations.....	206,248	-	-	-	(29,358)	176,890	29,975
Net pension liability.....	32,374,085	-	-	1,641,423	-	34,015,508	-
Other postemployment benefits.....	21,649,807	-	-	4,423,069	(2,090,293)	23,982,583	-
Total governmental activity long-term liabilities.....	\$ 71,487,764	\$ 78,376,457	\$ (6,306,856)	\$ 7,576,995	\$ (3,573,851)	\$ 147,560,509	\$ 6,185,512
<b>Business-Type Activities:</b>							
Long-term bonds payable.....	\$ 30,448,642	\$ 14,400,000	\$ (3,152,142)	\$ -	\$ -	\$ 41,696,500	\$ 3,739,811
Add: Unamortized premium on bonds.....	109,266	1,153,907	(13,485)	-	-	1,249,688	81,007
Total bonds payable.....	30,557,908	15,553,907	(3,165,627)	-	-	42,946,188	3,820,818
Compensated absences.....	146,317	-	-	107,916	(112,600)	141,633	88,400
Capital lease obligations.....	91,624	-	-	68,618	(32,318)	127,924	38,567
Landfill closure.....	1,188,000	-	-	-	(54,000)	1,134,000	76,000
Net pension liability.....	3,630,711	-	-	184,083	-	3,814,794	-
Other postemployment benefits.....	777,412	-	-	157,632	(76,838)	858,206	-
Total business-type activity long-term liabilities.....	\$ 36,391,972	\$ 15,553,907	\$ (3,165,627)	\$ 518,249	\$ (275,756)	\$ 49,022,745	\$ 4,023,785

The long-term liabilities will be liquidated in the future by the general fund and enterprise funds.

**NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS**

The Town utilizes a hierarchy for fund balance classifications based on the constraints imposed on the uses of those resources.

The Town reports 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 that 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, the Town utilizes 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 from 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.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in the governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to other purposes, it may be necessary to report a negative unassigned fund balance in that fund.

As of June 30, 2015, the governmental fund balances consisted of the following:

	General	Community Preservation	Affordable Housing	Town Capital Projects	Middle School Construction	Nonmajor Governmental Funds	Total Governmental Funds
<b>FUND BALANCES</b>							
Nonspendable:							
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ -	27,051	\$ 27,051
Restricted for:							
Community preservation.....	-	7,558,054	-	-	-	-	7,558,054
Affordable housing.....	-	-	985,549	-	-	-	985,549
Town capital projects.....	-	-	-	15,566,078	-	-	15,566,078
Middle school construction.....	-	-	-	-	44,885,921	-	44,885,921
School gifts and grants.....	-	-	-	-	-	307,536	307,536
School revolving funds.....	-	-	-	-	-	372,309	372,309
Town gifts and grants.....	-	-	-	-	-	318,272	318,272
Town revolving funds.....	-	-	-	-	-	4,335,449	4,335,449
Highway Improvements.....	-	-	-	-	-	4,353	4,353
Title V program.....	-	-	-	-	-	33,941	33,941
Permanent trust funds.....	-	-	-	-	-	286,604	286,604
School capital projects.....	-	-	-	-	-	84,657	84,657
Library renovation.....	-	-	-	-	-	6,429,285	6,429,285
Capital outlay.....	5,085,000	-	-	-	-	-	5,085,000
Future debt service - interest.....	27,685	-	-	-	-	-	27,685
Workers compensation.....	536,863	-	-	-	-	-	536,863
Committed for special articles to:							
General government.....	435,080	-	-	-	-	-	435,080
Public safety.....	146,264	-	-	-	-	-	146,264
Education.....	280,386	-	-	-	-	-	280,386
Public works.....	818,120	-	-	-	-	-	818,120
Debt service.....	404,069	-	-	-	-	-	404,069
Assigned to:							
Carryover encumbrances:							
General government.....	319,635	-	-	-	-	-	319,635
Public safety.....	5,323	-	-	-	-	-	5,323
Education.....	67,589	-	-	-	-	-	67,589
Public works.....	735,742	-	-	-	-	-	735,742
Human services.....	9,234	-	-	-	-	-	9,234
Culture and recreation.....	7,233	-	-	-	-	-	7,233
Unemployment insurance.....	10,000	-	-	-	-	-	10,000
Contributory group insurance.....	82,665	-	-	-	-	-	82,665
Free cash used for 2016 budget.....	425,000	-	-	-	-	-	425,000
Unassigned.....	6,646,114	-	-	-	-	(3,418)	6,642,696
<b>TOTAL FUND BALANCES.....</b>	<b>\$ 16,042,002</b>	<b>\$ 7,558,054</b>	<b>\$ 985,549</b>	<b>\$ 15,566,078</b>	<b>\$ 44,885,921</b>	<b>\$ 12,196,039</b>	<b>\$ 97,233,643</b>

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes on an as needed basis. 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 appropriations from the fund requires a two-thirds vote of the legislative body. The stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. Additions to and withdrawals from the funds can only be made upon Town Meeting approval. In accordance with Massachusetts General Law the Town has established a general stabilization fund, a capital stabilization fund, and an economic development stabilization fund.

At year end, the balance of the general stabilization fund, capital stabilization fund and economic development stabilization fund totaled approximately \$2.4 million, \$924,000, and \$13,500, respectively. These funds are reported as unassigned fund balance within the general fund.

**NOTE 10 – 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 participates in a health insurance risk pool trust administered by Mayflower Municipal Health Group (Mayflower), a municipal joint purchase group led by a Steering Committee and general board that obtains health insurance for member governments at costs eligible to larger groups. Mayflower offers a variety of premium based plans to its members with each participating governmental unit being charged a premium for coverage based on rates established by Mayflower. The Town is obligated to pay Mayflower its required premiums and, in the event Mayflower is terminated, its pro-rata share of a deficit, should one exist.

The Town is self-insured for workman's compensation and unemployment benefits. The incurred but not reported liability related to workman's compensation and unemployment claims is immaterial and therefore not recorded.

**NOTE 11 – PENSION PLAN***Plan Descriptions*

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

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

*Special Funding Situation*

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2014. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$4,170,542 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$60,029,569 as of the measurement date.

*Benefits Provided*

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

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

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

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

*Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the PCCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2014 and totaled \$3,912,145, 23.66% of covered payroll, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

*Pension Liabilities*

At June 30, 2015, the Town reported a liability of \$37,830,302 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2014, the Town's proportion was 6.490%, which did not change from its proportion measured at December 31, 2013.

*Pension Expense*

For the year ended June 30, 2015, the Town recognized pension expense of \$3,912,275. At June 30, 2015, the Town reported deferred outflows of resources related to pensions of \$1,749,360, from the net difference between projected and actual investment earnings on pension plan investments. Since the System performs an actuarial

valuation bi-annually, there are no reported differences between expected and actual experience or a change of assumptions as of December 31, 2014.

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

Year ended June 30:	
2016.....	\$ 437,340
2017.....	437,340
2018.....	437,340
2019.....	<u>437,340</u>
Total.....	\$ <u>1,749,360</u>

*Actuarial Assumptions*

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

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

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

*Investment policy*

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

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

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

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

*Rate of return*

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

*Discount rate*

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

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

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

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
The Town's proportionate share of the net pension liability.....	\$ 47,235,987	\$ 37,830,302	\$ 29,717,260

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* – In addition to the pension benefits previously described, the Town provides health and life insurance benefits to current and future retirees, their dependents and beneficiaries in accordance with Massachusetts General Law Chapter 32B. Specific benefit provisions and contribution rates are established by collective bargaining agreements, state law, and town ordinance. All benefits are provided through the Town’s insurance program.

At July 1, 2014, the Plan’s membership consisted of the following:

Current retirees, beneficiaries, and dependents.....	575
Current active members.....	<u>689</u>
Total.....	<u><u>1,264</u></u>

*Funding Policy* – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50% of their premium costs. For 2015, the Town contributed \$2.2 million to the plan.

*Annual OPEB Costs and Net OPEB Obligation* – The Town’s annual other postemployment benefit (OPEB) cost (expenses) 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 costs 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 (ARC).....	\$ 4,396,050
Interest on net OPEB Obligation.....	897,089
Adjustment to the ARC.....	<u>(712,438)</u>
Annual OPEB cost (expense).....	4,580,701
Contributions made.....	<u>(2,167,131)</u>
Increase/(Decrease) in net OPEB obligation.....	2,413,570
Net OPEB obligation - beginning of year.....	<u>22,427,219</u>
Net OPEB obligation - end of year.....	<u>\$ 24,840,789</u>

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

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2015	\$ 4,580,701	47%	\$ 24,840,789
6/30/2014	6,403,927	30%	22,427,219
6/30/2013	5,996,829	34%	17,944,411

*Funded Status and Funding Progress* – The funded status of the Plan as of the most recent actuarial valuation date, July 1, 2014, is as follows:

Actuarial Valuation Date	Value of Assets (A)	Liability (AAL) Projected Unit Cost (B)	AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2014	\$ -	\$ 60,252,654	\$ 60,252,654	0.00%	N/A	N/A

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 trends. 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.

Valuation date.....	July 1, 2014
Actuarial cost method.....	Projected Unit Credit, Closed
Amortization method.....	Amortization payments increasing at 4.00%
Remaining amortization period.....	30 years as of July 1, 2014, open
Actuarial Assumptions:	
Investment rate of return.....	4.00%
Inflation rate.....	3.00%
Projected salary increases.....	2.50%
Medical/drug cost trend rate.....	9% in 2015 grading down 1% per year reaching the ultimate rate of 5% in 2024

**NOTE 13 – LANDFILL CLOSURE COSTS**

The Town’s landfill is closed and a final cover has been installed in accordance with Federal and State laws and regulations. Those laws and regulations also require the Town to perform certain maintenance and monitoring functions (post-closure care) at the site for thirty years after the landfill cover is installed. The Town presently appropriates approximately \$76,000 per year for post-closure care costs and has recorded a liability of \$1,134,000 in the business-type activities as a result of this activity. Actual costs may change due to inflation, deflation, changes in technology, or changes in laws and regulations.

**NOTE 14 – COMMITMENTS**

The Town has various commitments related to the construction projects which will be financed through long-term borrowing. These projects include \$27.7 million for school improvements, \$5.4 million for the construction of a new library, \$8 million in water pipe improvement and replacement projects, and \$4 million in seawall replacement and repairs.

The Town has entered into a long-term contract with South Eastern Massachusetts Partnership (SEMASS) to provide solid waste disposal services. Total charges are based on a formula of tipping and transport fees with costs rising gradually through 2023 when the contract expires. Actual expenditures under this contract for year 2015 were \$282,056.

**NOTE 15 – CONTINGENCIES**

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2015, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

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

#### NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 16, 2015, which is the date the financial statements were available to be issued.

#### NOTE 17 – REVISION OF NET POSITION

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

	06/30/2014 Previously Reported Balances	Implementation of GASBs #68, & #71	06/30/2014 Revised Balances
<b>Government-Wide Financial Statements</b>			
Governmental activities.....	\$ 62,878,474	\$ (32,442,436)	30,436,038
Business-type activities.....	47,818,789	(3,638,376)	44,180,413
Total.....	<u>\$ 110,697,263</u>	<u>\$ (36,080,812)</u>	<u>\$ 74,616,451</u>
<b>Business-type Activities - Enterprise Funds</b>			
Water.....	\$ 10,755,864	\$ (1,479,137)	\$ 9,276,727
Sewer.....	31,275,083	(830,285)	30,444,798
Transfer Station.....	492,273	(445,577)	46,696
Widow's Walk Golf Course.....	970,078	(322,669)	647,409
Waterways.....	4,325,491	(560,708)	3,764,783
Total.....	<u>\$ 47,818,789</u>	<u>\$ (3,638,376)</u>	<u>\$ 44,180,413</u>

#### NOTE 18 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2015, the following GASB pronouncements were implemented:

- GASB Statement #67, *Financial Reporting for Pension Plans*; GASB Statement #68, *Accounting and Financial Reporting for Pensions*; and GASB Statement #71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Financial statement changes include the recognition of a net pension liability, pension expense and deferred outflows/inflows of resources depending on the nature of the change each year. The financial statements also recognized a restatement of the beginning net position to reflect the net pension liability at the beginning of the year. The notes to the basic financial statements and the required supplementary information were expanded to include additional required schedules and disclosures.

- GASB Statement #69, *Governmental Combinations and Disposals of Government Operations*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

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

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

## ***Required Supplementary Information***

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

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

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 51,268,474	\$ 51,268,474	\$ 51,366,474	\$ 51,172,340	\$ -	\$ (194,134)
Tax liens.....	-	-	-	-	406,612	-	406,612
Motor vehicle and other excise taxes.....	-	2,868,368	2,868,368	2,868,368	3,025,388	-	157,020
Penalties and interest on taxes.....	-	375,000	375,000	375,000	416,635	-	41,635
Fees and rentals.....	-	314,311	314,311	314,311	501,748	-	187,437
Licenses and permits.....	-	516,570	516,570	516,570	561,077	-	44,507
Fines and forfeitures.....	-	27,000	27,000	27,000	68,513	-	41,513
Intergovernmental.....	-	7,053,531	7,053,531	7,053,531	7,205,664	-	152,133
Departmental and other.....	-	1,128,744	1,128,744	1,128,744	1,192,815	-	64,071
Investment income.....	-	36,375	36,375	36,375	136,323	-	99,948
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>63,588,373</b>	<b>63,588,373</b>	<b>63,686,373</b>	<b>64,687,115</b>	<b>-</b>	<b>1,000,742</b>
<b>EXPENDITURES:</b>							
Current:							
General Government							
Town Administrator							
Personal services.....	21,003	296,393	317,396	317,396	299,500	17,744	152
Purchase of services.....	-	57,847	57,847	57,847	36,674	2,500	18,673
Town Counsel.....	-	136,945	136,945	132,838	78,005	-	54,833
Labor Counsel.....	155,410	172,500	327,910	327,909	83,942	243,967	-
Materials and supplies.....	-	2,625	2,625	2,625	2,625	-	-
Salary adjustments.....	-	10,000	10,000	10,000	4,416	5,584	-
Article - Collective bargaining.....	120,851	-	120,851	120,851	-	120,851	-
Article - Contractual obligations.....	25,000	-	25,000	25,000	-	25,000	-
Article - Investment grade audit.....	52,665	-	52,665	-	-	-	-
Article - Hybrid vehicles.....	-	-	-	70,000	61,770	8,230	-
<b>Total.....</b>	<b>374,929</b>	<b>676,310</b>	<b>1,051,239</b>	<b>1,064,466</b>	<b>566,932</b>	<b>423,876</b>	<b>73,658</b>
Advisory Committee							
Personal services.....	-	1,925	1,925	1,925	1,313	-	612
Purchase of services.....	-	250	250	250	236	-	14
Materials and supplies.....	-	5,700	5,700	5,700	5,557	-	143
<b>Total.....</b>	<b>-</b>	<b>7,875</b>	<b>7,875</b>	<b>7,875</b>	<b>7,106</b>	<b>-</b>	<b>769</b>
Reserve Fund.....							
<b>Total.....</b>	<b>-</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>17,000</b>	<b>-</b>	<b>73,000</b>
Town Accountant							
Personal services.....	-	197,352	197,352	197,352	196,133	-	1,219
Purchase of services.....	-	53,445	53,445	59,745	55,653	-	4,092
Materials and supplies.....	-	1,400	1,400	1,400	1,378	-	22
Article - Integrated financial system.....	200,000	-	200,000	200,000	-	200,000	-
<b>Total.....</b>	<b>200,000</b>	<b>252,197</b>	<b>452,197</b>	<b>458,497</b>	<b>253,164</b>	<b>200,000</b>	<b>5,333</b>
Assessors							
Personal services.....	-	190,255	190,255	190,255	188,499	-	1,756
Purchase of services.....	60	73,155	73,215	74,115	74,032	75	8
Materials and supplies.....	-	600	600	600	413	-	187
Article - Revaluation.....	2,312	-	2,312	-	-	-	-
<b>Total.....</b>	<b>2,372</b>	<b>264,010</b>	<b>266,382</b>	<b>264,970</b>	<b>262,944</b>	<b>75</b>	<b>1,951</b>
Treasurer/Collector							
Personal services.....	-	253,270	253,270	253,270	247,870	-	5,400
Purchase of services.....	-	77,985	77,985	77,985	64,733	1,040	12,212
Materials and supplies.....	-	2,000	2,000	2,000	1,271	-	729
<b>Total.....</b>	<b>-</b>	<b>333,255</b>	<b>333,255</b>	<b>333,255</b>	<b>313,874</b>	<b>1,040</b>	<b>18,341</b>
Administration							
Personal services.....	-	31,933	31,933	31,933	26,923	-	5,010
Purchase of services.....	75	67,500	67,575	67,575	42,506	7,500	17,569
Materials and supplies.....	-	3,800	3,800	3,800	3,771	-	29
<b>Total.....</b>	<b>75</b>	<b>103,233</b>	<b>103,308</b>	<b>103,308</b>	<b>73,200</b>	<b>7,500</b>	<b>22,608</b>
Information Technology							
Personal services.....	-	90,230	90,230	90,230	90,218	-	12
Purchase of services.....	7,884	148,595	156,479	156,479	116,718	4,097	35,664
Materials and supplies.....	-	1,000	1,000	1,000	90	-	910
Capital outlay.....	-	14,000	14,000	14,000	10,637	1,806	1,557
Article - GIS and permitting phase II.....	35,750	-	35,750	35,750	33,963	1,787	-
Article - Security cameras harbor area.....	-	-	-	15,000	-	15,000	-
<b>Total.....</b>	<b>43,634</b>	<b>253,825</b>	<b>297,459</b>	<b>312,459</b>	<b>251,626</b>	<b>22,690</b>	<b>38,143</b>

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Tax foreclosures.....	-	39,000	39,000	39,000	14,754	-	24,246
Cable TV							
Personal services.....	-	82,583	82,583	64,975	64,975	-	-
Purchase of services.....	-	2,300	2,300	1,944	1,944	-	-
Materials and supplies.....	-	1,900	1,900	1,722	1,722	-	-
Capital outlay.....	-	21,600	21,600	13,203	10,157	3,046	-
Total.....	-	108,383	108,383	81,844	78,798	3,046	-
Town Clerk							
Personal services.....	-	149,618	149,618	154,718	154,673	-	45
Purchase of services.....	-	39,400	39,400	41,500	39,598	-	1,902
Materials and supplies.....	-	4,300	4,300	4,300	3,767	-	533
Article - Special election US Senator.....	14,712	-	14,712	14,712	-	14,712	-
Article - Voting machines.....	49,500	-	49,500	49,500	-	49,500	-
Total.....	64,212	193,318	257,530	264,730	198,038	64,212	2,480
Conservation							
Personal services.....	-	110,554	110,554	110,554	110,554	-	-
Purchase of services.....	122	10,900	11,022	11,022	4,499	4,000	2,523
Materials and supplies.....	-	1,075	1,075	1,075	347	-	728
Total.....	122	122,529	122,651	122,651	115,400	4,000	3,251
Planning Board							
Personal services.....	-	159,583	159,583	159,583	154,225	-	5,358
Purchase of services.....	-	8,550	8,550	8,550	4,551	3,500	499
Materials and supplies.....	21	700	721	721	686	-	35
Total.....	21	168,833	168,854	168,854	159,462	3,500	5,892
Zoning Board of Appeals							
Personal services.....	-	25,607	25,607	25,607	24,812	-	795
Purchase of services.....	-	2,850	2,850	2,850	2,419	69	362
Materials and supplies.....	-	300	300	300	277	-	23
Total.....	-	28,757	28,757	28,757	27,508	69	1,180
Board of Selectmen/Economic Development							
Purchase of services.....	-	78,000	78,000	78,000	38,311	24,600	15,089
Property/Liability Insurance.....	-	430,000	430,000	442,000	439,084	107	2,809
Total General Government.....	685,365	3,149,525	3,834,890	3,860,666	2,817,201	754,715	288,750
Public Safety							
Police							
Personal services.....	-	3,320,446	3,320,446	3,320,446	3,303,332	-	17,114
Purchase of services.....	2,213	153,160	155,373	155,373	152,180	2,924	269
Materials and supplies.....	-	142,610	142,610	142,610	140,796	1,718	96
Capital outlay.....	-	122,000	122,000	122,000	121,913	-	87
Article - Radio communications project.....	80,000	-	80,000	80,000	4,826	75,174	-
Total.....	82,213	3,738,216	3,820,429	3,820,429	3,723,047	79,816	17,566
Fire							
Personal services.....	-	4,023,016	4,023,016	4,106,016	4,103,743	-	2,273
Purchase of services.....	160	90,345	90,505	90,505	89,517	46	942
Materials and supplies.....	9,754	219,250	229,004	214,005	202,290	635	11,080
Capital outlay.....	7,000	-	7,000	7,000	7,000	-	-
Article - Monitor/Defibrillator.....	76	-	76	-	-	-	-
Article - Defibrillator.....	106	-	106	-	-	-	-
Article - Refurbish rescue pumper.....	3,071	-	3,071	3,071	3,071	-	-
Article - Defibrillator.....	40,000	-	40,000	40,000	35,237	4,763	-
Article - Deputy command vehicle.....	40,000	-	40,000	40,000	39,414	586	-
Article - Turn out gear.....	-	-	-	66,000	259	65,741	-
Total.....	100,167	4,332,611	4,432,778	4,566,597	4,480,531	71,771	14,295
Inspections							
Personal services.....	-	288,133	288,133	288,133	269,834	-	18,299
Purchase of services.....	-	10,150	10,150	10,150	10,150	-	-
Materials and supplies.....	-	3,100	3,100	3,100	1,799	-	1,301
Total.....	-	301,383	301,383	301,383	281,783	-	19,600

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
<b>Shellfish</b>							
Personal services.....	-	10,569	10,569	10,569	10,413	-	156
Purchase of services.....	-	705	705	705	316	-	389
Materials and supplies.....	-	400	400	400	304	-	96
Capital outlay.....	-	200	200	200	-	-	200
Total.....	-	11,874	11,874	11,874	11,033	-	841
<b>Total Public Safety.....</b>	<b>182,380</b>	<b>8,384,084</b>	<b>8,566,464</b>	<b>8,700,283</b>	<b>8,496,394</b>	<b>151,587</b>	<b>52,302</b>
<b>Education</b>							
School Committee.....	102,501	32,812,582	32,915,083	32,985,083	32,917,494	67,589	-
South Shore Regional School Assessment.....	-	463,751	463,751	463,751	461,209	-	2,542
Article - School bus.....	5,112	-	5,112	5,112	-	5,112	-
Article - Two emergency generators.....	1,936	-	1,936	1,936	-	1,936	-
Article - School bus.....	54,741	-	54,741	54,741	33,689	21,052	-
Article - Carpeting various schools.....	5,000	-	5,000	5,000	-	5,000	-
Article - Gates feasibility study.....	453,431	-	453,431	453,431	448,221	5,210	-
Article - Gates replace stair and café door.....	60,000	-	60,000	60,000	60,000	-	-
Article - Handicapped accessible van.....	40,000	-	40,000	40,000	31,000	9,000	-
Article - High School generator.....	25,000	-	25,000	25,000	8,830	16,170	-
Article - Early childhood center.....	200,000	-	200,000	200,000	200,000	-	-
Article - Jenkins school playground stairs.....	33,000	-	33,000	33,000	-	33,000	-
Article - System wide carpet.....	65,000	-	65,000	65,000	56,094	8,906	-
Article - School technology phase 1 of 3.....	-	100,000	100,000	100,000	100,000	-	-
Article - School painting.....	-	50,000	50,000	50,000	-	50,000	-
Article - Gates ramp and fire escape.....	-	-	-	75,000	-	75,000	-
Article - Jenkins outside stairs.....	-	-	-	50,000	-	50,000	-
Total Education.....	1,045,721	33,426,333	34,472,054	34,667,054	34,316,537	347,975	2,542
<b>Public Works</b>							
Personal services.....	-	1,448,877	1,448,877	1,402,875	1,321,017	-	81,858
Purchase of services.....	95,396	482,065	577,461	496,005	417,268	11,993	66,744
Materials and supplies.....	942	294,425	295,367	295,215	276,723	3,313	15,179
Capital outlay.....	332,118	429,500	761,618	761,618	342,261	367,520	51,837
Article - DPW survey equipment.....	13,377	-	13,377	13,377	-	13,377	-
Article - 1 ton dump truck - highway.....	1,146	-	1,146	1,146	-	1,146	-
Article - Asphalt reclamation system.....	400	-	400	400	-	400	-
Article - DPW vehicles.....	1,897	-	1,897	1,897	-	1,897	-
Article - Stormwater compliance.....	34,572	-	34,572	34,572	-	34,572	-
Article - Public grounds loader.....	80,000	-	80,000	80,000	68,383	11,617	-
Article - Stormwater compliance.....	50,000	-	50,000	50,000	-	50,000	-
Article - 2 ton highway roller.....	44,000	-	44,000	44,000	43,500	500	-
Article - Cudworth cemetery.....	50,000	-	50,000	50,000	13,615	36,385	-
Article - FEMA Hurricane Sandy Town share.....	-	-	-	66,238	-	66,238	-
Article - Town Hall boilers.....	-	-	-	28,000	28,000	-	-
Article - Foreshore protection.....	-	-	-	200,000	-	200,000	-
Article - Diesel tank.....	-	-	-	29,773	-	29,773	-
Article - Roadway improvements.....	-	-	-	200,000	7,785	192,215	-
Article - Cudworth cemetery.....	-	-	-	85,000	-	85,000	-
Article - Dump trucks.....	-	-	-	60,000	-	60,000	-
Total.....	703,848	2,654,867	3,358,715	3,900,116	2,518,552	1,165,946	215,618
<b>Facilities</b>							
Personal services.....	-	216,351	216,351	209,351	208,885	-	466
Purchase of services.....	8,200	123,740	131,940	162,940	161,500	106	1,334
Materials and supplies.....	1,887	17,050	18,937	18,937	17,548	10	1,379
Capital outlay.....	42,350	101,110	143,460	143,460	56,830	59,903	26,727
Article - Town hall ventilation.....	35,000	-	35,000	35,000	-	35,000	-
Total.....	87,437	458,251	545,688	569,688	444,763	95,019	29,906
<b>Snow and Ice</b>							
Personal services.....	-	85,399	85,399	134,756	134,756	-	-
Purchase of services.....	15,523	192,000	207,523	535,784	533,854	-	1,930
Materials and supplies.....	24,450	218,002	242,452	264,834	263,011	-	1,823
Total.....	39,973	495,401	535,374	935,374	931,621	-	3,753
<b>Emergency Storm Clean Up</b>							
Personal services.....	-	-	-	64,127	64,127	-	-
Purchase of services.....	-	-	-	1,101,843	604,183	257,297	240,363
Materials and supplies.....	-	-	-	52,640	17,040	35,600	-
Total.....	-	-	-	1,218,610	685,350	292,897	240,363
<b>Street Lights and Beacons</b>							
Purchase of services.....	-	190,000	190,000	190,000	190,000	-	-

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Total Public Works.....	831,258	3,798,519	4,629,777	6,813,788	4,770,286	1,553,862	489,640
<b>Human Services</b>							
<b>Board of Health</b>							
Personal services.....	-	129,542	129,542	122,042	112,597	-	9,445
Purchase of services.....	134	7,530	7,664	15,164	14,177	-	987
Materials and supplies.....	-	1,550	1,550	1,550	1,518	-	32
Capital outlay.....	-	400	400	400	316	-	84
Total.....	134	139,022	139,156	139,156	128,608	-	10,548
<b>Council on Aging</b>							
Personal services.....	-	254,178	254,178	254,178	243,741	-	10,437
Purchase of services.....	277	54,900	55,177	55,178	41,493	2,234	11,451
Materials and supplies.....	54	8,850	8,904	8,904	7,344	-	1,560
Article - Study renovation of senior center.....	19,244	-	19,244	19,244	19,244	-	-
Article - Senior needs study.....	-	5,756	5,756	5,756	5,756	-	-
Total.....	19,575	323,684	343,259	343,260	317,578	2,234	23,448
<b>Veterans' Benefits/Services</b>							
Personal services.....	-	69,467	69,467	70,967	70,967	-	-
Purchase of services.....	36,520	147,910	184,430	180,140	115,244	7,000	57,896
Materials and supplies.....	-	1,225	1,225	1,225	1,200	-	25
Total.....	36,520	218,602	255,122	252,332	187,411	7,000	57,921
<b>Commission on Disabilities</b>							
Purchase of services.....	-	4,750	4,750	4,750	141	-	4,609
Materials and supplies.....	-	250	250	250	-	-	250
Total.....	-	5,000	5,000	5,000	141	-	4,859
Total Human Services.....	56,229	686,308	742,537	739,748	633,738	9,234	96,776
<b>Culture and Recreation</b>							
<b>Library</b>							
Personal services.....	-	742,994	742,994	742,994	675,848	-	67,146
Purchase of services.....	24	61,135	61,159	89,471	81,397	2,000	6,074
Materials and supplies.....	-	121,175	121,175	121,175	114,803	4,793	1,579
Capital outlay.....	-	18,100	18,100	5,100	4,611	-	489
Total.....	24	943,404	943,428	958,740	876,659	6,793	75,288
<b>Recreation</b>							
Personal services.....	-	127,829	127,829	127,829	127,623	-	206
Purchase of services.....	-	1,250	1,250	1,250	888	-	362
Materials and supplies.....	-	650	650	650	209	-	441
Capital outlay.....	-	1,050	1,050	1,050	1,022	-	28
Total.....	-	130,779	130,779	130,779	129,742	-	1,037
<b>Beautification</b>							
Materials and supplies.....	215	19,500	19,715	19,715	18,957	440	318
<b>Historical Buildings</b>							
Purchase of services.....	-	11,350	11,350	11,350	3,770	-	7,580
Total Culture and Recreation.....	239	1,105,033	1,105,272	1,120,584	1,029,128	7,233	84,223
<b>Debt Service</b>							
Principal.....	-	2,365,652	2,365,652	1,581,856	1,581,856	-	-
Interest.....	-	-	-	546,796	533,531	-	13,265
Article - Transfer station debt paydown.....	-	-	-	404,069	-	404,069	-
Total Debt Service.....	-	2,365,652	2,365,652	2,532,721	2,115,387	404,069	13,265

(Continued)

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

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance To Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Non-Contributory Pension.....	-	65,319	65,319	31,819	26,230	-	5,589
Plymouth County Retirement.....	-	3,912,852	3,912,852	3,836,129	3,836,129	-	-
Workers' Compensation.....	-	257,000	257,000	257,000	257,000	-	-
Unemployment Insurance.....	5,000	75,000	80,000	40,000	18,914	10,000	11,086
Contributory Group Insurance.....	96,590	4,975,632	5,072,222	5,022,222	4,892,164	82,665	47,393
Employee Benefits.....	-	626,454	626,454	703,177	666,153	-	37,024
State and county charges.....	-	477,839	477,839	477,839	499,806	-	(21,967)
<b>TOTAL EXPENDITURES.....</b>	<b>2,902,782</b>	<b>63,305,550</b>	<b>66,208,332</b>	<b>68,803,030</b>	<b>64,375,067</b>	<b>3,321,340</b>	<b>1,106,623</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(2,902,782)</b>	<b>282,823</b>	<b>(2,619,959)</b>	<b>(5,116,657)</b>	<b>312,048</b>	<b>(3,321,340)</b>	<b>2,107,365</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Premium from issuance of bonds.....	-	-	-	-	5,300,269	-	5,300,269
Transfers in.....	-	862,212	862,212	2,159,728	2,180,749	-	21,021
Transfers out.....	-	(1,271,331)	(1,271,331)	(2,097,870)	(2,097,870)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>-</b>	<b>(409,119)</b>	<b>(409,119)</b>	<b>61,858</b>	<b>5,383,148</b>	<b>-</b>	<b>5,321,290</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(2,902,782)</b>	<b>(126,296)</b>	<b>(3,029,078)</b>	<b>(5,054,799)</b>	<b>5,695,196</b>	<b>(3,321,340)</b>	<b>7,428,655</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>6,215,163</b>	<b>6,215,163</b>	<b>6,215,163</b>	<b>6,215,163</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (2,902,782)</b>	<b>\$ 6,088,867</b>	<b>\$ 3,186,085</b>	<b>\$ 1,160,364</b>	<b>\$ 11,910,359</b>	<b>\$ (3,321,340)</b>	<b>\$ 7,428,655</b>

(Concluded)

See notes to required supplementary information.

# ***Pension Plan Schedules***

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

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

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

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

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

---

	December 31, 2014
Town's proportion of the net pension liability (asset).....	6.490%
Town's proportionate share of the net pension liability (asset)..... \$	37,830,302
Town's covered employee payroll (*)..... \$	16,533,286
Net pension liability as a percentage of covered-employee payroll.....	228.81%
Plan fiduciary net position as a percentage of the total pension liability.....	58.88%

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

\*Covered employee payroll as reported in the January 1, 2015 funding  
valuation report.

See notes to required supplementary information.

**SCHEDULE OF CONTRIBUTIONS**  
**PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

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	December 31, 2014
Actuarially determined contribution (a).....	\$ 3,912,145
Contributions in relation to the actuarially determined contribution.....	(3,912,145)
Contribution deficiency (excess).....	\$ -
 Covered-employee payroll (*).....	\$ 16,533,286
 Contributions as a percentage of covered- employee payroll.....	23.66%

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

(a) Based on the results of the January 1, 2013 actuarial valuation (including assumptions and methods) which determined budgeted appropriations for fiscal 2015.

\*Covered employee payroll as reported in the January 1, 2015, funding valuation report.

See notes to required supplementary information.

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

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

<u>Fiscal Year</u>	<u>Commonwealth's 100% Share of the Net Pension Liability Associated with the Town</u>	<u>Town's Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2015.....	\$ 60,029,569	\$ 4,170,542	61.64%

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

See notes to required supplementary information.

# ***Other Postemployment Benefits 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 presents multi-year trend information for required and actual contributions relating to the plan.

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	Value of Assets (A)	Liability (AAL) Projected Unit Cost (B)	AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
7/1/2014	\$ -	\$ 60,252,654	\$ 60,252,654	0.00%	N/A	N/A
7/1/2012	-	65,117,566	65,117,566	0.00%	N/A	N/A
7/1/2010	-	53,916,330	53,916,330	0.00%	N/A	N/A

**Schedule of Employer Contributions**

Year Ended	Annual Required Contribution	Actual Contributions	Total Percentage Contributed
6/30/2015	\$ 4,396,050	\$ 2,167,131	49.3%
6/30/2014	5,568,342	1,921,119	34.5%
6/30/2013	5,320,551	2,015,132	37.9%
6/30/2012	5,368,371	1,890,814	35.2%
6/30/2011	5,100,217	1,735,058	34.0%
6/30/2010	5,317,917	1,670,005	31.4%

See notes to required supplementary information.

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

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Actuarial Methods:

Valuation date.....	July 1, 2014
Actuarial cost method.....	Projected Unit Credit, Closed
Amortization method.....	Amortization payments increasing at 4.00%
Remaining amortization period.....	30 years as of July 1, 2014, open

Actuarial Assumptions:

Investment rate of return.....	4.00%
Inflation rate.....	3.00%
Projected salary increases.....	2.50%
Medical/drug cost trend rate.....	9% in 2015 grading down 1% per year reaching the ultimate rate of 5% in 2024

Plan Membership:

Current retirees, beneficiaries, and dependents.....	575
Current active members.....	<u>689</u>
Total.....	<u><u>1,264</u></u>

See notes to required supplementary information.

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

Municipal Law requires the adoption of a balanced budget that is approved by the Town's Advisory Committee (Committee) and the Board of Selectmen (Board). The Town Administrator submits a proposed operating budget to the Committee and the Board for the ensuing year. The Board and the Committee hold public hearings on the proposed budget and present the proposed budget to an open Town meeting. The proposed budget includes detailed estimates of revenues and anticipated expenditures and other financing sources and other financing uses. Town meeting has full authority to amend and/or reject the budget or any line item, and adopts the expenditure budget by majority vote.

Increases or transfers between and within departments subsequent to the approval of the annual budget, requires a 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 authorized for an appropriation account. This level is typically at the individual department salary and expense level. 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 judgments may exceed the level of spending authorized with the approval of the Department of Revenue; and expenditures related to snow and ice removal may exceed the level of spending authorized with the approval of the Board of Selectmen.

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original 2015 approved budget for the General Fund includes \$64.6 million in current year appropriations and other amounts to be raised and \$2.9 million in encumbrances and appropriations carried over from previous years. During the year, additional appropriations were approved totaling \$3.4 million.

Along with the Town Administrator, the Finance Director has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

**B. Budgetary - GAAP Reconciliation**

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2015, is presented below:

Net change in fund balance - budgetary basis.....	\$ 5,695,196
<u>Perspective difference:</u>	
Funds recorded in the General Fund for GAAP:	
Stabilization Fund.....	(196,463)
Workers' Compensation Fund.....	79,094
<u>Basis of accounting differences:</u>	
Net change in revenue accruals.....	4,289
Recognition of revenue for on-behalf payments.....	4,170,542
Recognition of expenditures for on-behalf payments.....	<u>(4,170,542)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 5,582,116</u>

**C. Appropriation Deficits**

During 2015, expenditures exceeded the budgeted appropriation for state and county charges. The final budget is estimated by the state during the budget process and the Town has no control over the final charges.

**NOTE B – PENSION PLAN**

***Pension Plan Schedules***

A. Schedule of the Town’s Proportionate Share of the Net Pension Liability

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

B. Schedule of Town’s Contributions

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

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

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding

situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes in Assumptions

None.

E. Changes in Plan Provisions

None.

**NOTE C – OTHER POSTEMPLOYMENT BENEFITS**

The Town of Scituate administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare, dental and life insurance 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 (actuarial 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 multi-year 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, over time, the ratio of the actual annual employer contributions to the annual required contribution.

Projections of benefits for financial reporting purposes are based on the substantive plan 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 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***

The combining and individual fund financial statements provide a more detailed view of the “Basic Financial Statements presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given type.

Individual fund statements offer more descriptive account information.

# ***Nonmajor Governmental Funds***

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

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

*School Lunch* – To account for the operations of the public school lunch program.

*School Gifts & Grants* – To account for educational programs specifically financed by gifts, grants and other restricted revenues.

*School Revolving* – To account for self-supporting educational programs and activities.

*Town Gifts & Grants* – To account for various gifts, grants and legally restricted revenues for special programs administered by Town departments.

*Town Revolving* – To account for self-supporting programs and activities.

*Highway Improvements* – To account for construction, reconstruction and improvements of roadways, streets and sidewalks.

*Title V Program* – To account for the Massachusetts Title V assistance program to regulate septic systems.

## ***Capital Projects Funds:***

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

*School Capital Projects* – To account for the construction and renovation of educational projects.

*Library Renovation* – To account for the renovation of Town library.

## ***Permanent Fund:***

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.

*Town Trust Fund* – To account for various gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to other Town activities.

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET**

JUNE 30, 2015

	<b>Special Revenue Funds</b>					
	School Lunch	School Gifts & Grants	School Revolving	Town Gifts & Grants	Town Revolving	Highway Improvements
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ -	\$ 313,183	\$ 373,161	\$ 320,230	\$ 4,467,959	\$ -
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	-	6,750	-
Special assessments.....	-	-	-	-	-	-
Intergovernmental.....	16,639	6,002	-	84,954	-	1,404,321
Due from other funds.....	-	-	-	66,149	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 16,639</b>	<b>\$ 319,185</b>	<b>\$ 373,161</b>	<b>\$ 471,333</b>	<b>\$ 4,474,709</b>	<b>\$ 1,404,321</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 4,899	\$ 11,649	\$ 852	\$ 150,550	\$ 93,352	\$ 28,974
Accrued payroll.....	-	-	-	2,511	39,158	-
Due to other funds.....	15,158	-	-	-	-	50,991
<b>TOTAL LIABILITIES.....</b>	<b>20,057</b>	<b>11,649</b>	<b>852</b>	<b>153,061</b>	<b>132,510</b>	<b>79,965</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue.....	-	-	-	-	6,750	1,320,003
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	-	307,536	372,309	318,272	4,335,449	4,353
Unassigned.....	(3,418)	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>(3,418)</b>	<b>307,536</b>	<b>372,309</b>	<b>318,272</b>	<b>4,335,449</b>	<b>4,353</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 16,639</b>	<b>\$ 319,185</b>	<b>\$ 373,161</b>	<b>\$ 471,333</b>	<b>\$ 4,474,709</b>	<b>\$ 1,404,321</b>

(continued)

<b>Special Revenue Funds</b>		<b>Capital Projects Funds</b>			<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Title V Program</b>	<b>Subtotal</b>	<b>School Capital Projects</b>	<b>Library Renovation</b>	<b>Subtotal</b>	<b>Town Trust Fund</b>	
\$ 33,941	\$ 5,508,474	\$ 84,657	\$ 6,429,285	\$ 6,513,942	\$ 316,992	\$ 12,339,408
-	6,750	-	-	-	-	6,750
3,000	3,000	-	-	-	-	3,000
-	1,511,916	-	-	-	-	1,511,916
-	66,149	-	-	-	-	66,149
<u>\$ 36,941</u>	<u>\$ 7,096,289</u>	<u>\$ 84,657</u>	<u>\$ 6,429,285</u>	<u>\$ 6,513,942</u>	<u>\$ 316,992</u>	<u>\$ 13,927,223</u>
\$ -	\$ 290,276	\$ -	\$ -	\$ -	\$ 2,854	\$ 293,130
-	41,669	-	-	-	483	42,152
-	66,149	-	-	-	-	66,149
-	398,094	-	-	-	3,337	401,431
3,000	1,329,753	-	-	-	-	1,329,753
-	-	-	-	-	27,051	27,051
33,941	5,371,860	84,657	6,429,285	6,513,942	286,604	12,172,406
-	(3,418)	-	-	-	-	(3,418)
33,941	5,368,442	84,657	6,429,285	6,513,942	313,655	12,196,039
<u>\$ 36,941</u>	<u>\$ 7,096,289</u>	<u>\$ 84,657</u>	<u>\$ 6,429,285</u>	<u>\$ 6,513,942</u>	<u>\$ 316,992</u>	<u>\$ 13,927,223</u>

(concluded)

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

YEAR ENDED JUNE 30, 2015

	<b>Special Revenue Funds</b>					
	School Lunch	School Gifts & Grants	School Revolving	Town Gifts & Grants	Town Revolving	Highway Improvements
<b>REVENUES:</b>						
Fees and rentals.....	\$ -	\$ -	\$ -	\$ -	\$ 3,100	\$ -
Licenses and permits.....	-	-	-	-	251,310	-
Intergovernmental.....	169,884	2,058,628	-	1,062,560	87,253	225,164
Departmental and other.....	567,349	-	1,372,179	-	1,931,973	-
Contributions.....	-	-	67,476	-	75,144	-
Investment income.....	17	-	-	9	413	-
<b>TOTAL REVENUES.....</b>	<b>737,250</b>	<b>2,058,628</b>	<b>1,439,655</b>	<b>1,062,569</b>	<b>2,349,193</b>	<b>225,164</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	-	-	-	250,333	705,545	-
Public safety.....	-	-	-	795,360	42,687	-
Education.....	732,660	2,170,482	1,607,217	-	-	-
Public works.....	-	-	-	87,504	327,020	225,164
Human services.....	-	-	-	102,783	64,222	-
Culture and recreation.....	-	-	-	7,692	342,595	-
<b>TOTAL EXPENDITURES.....</b>	<b>732,660</b>	<b>2,170,482</b>	<b>1,607,217</b>	<b>1,243,672</b>	<b>1,482,069</b>	<b>225,164</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>4,590</b>	<b>(111,854)</b>	<b>(167,562)</b>	<b>(181,103)</b>	<b>867,124</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of long-term bonds.....	-	-	-	-	-	-
Transfers in.....	-	-	-	-	26,539	-
Transfers out.....	-	-	-	(1,006,632)	(216,500)	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,006,632)</b>	<b>(189,961)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>4,590</b>	<b>(111,854)</b>	<b>(167,562)</b>	<b>(1,187,735)</b>	<b>677,163</b>	<b>-</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>(8,008)</b>	<b>419,390</b>	<b>539,871</b>	<b>1,506,007</b>	<b>3,658,286</b>	<b>4,353</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ (3,418)</b>	<b>\$ 307,536</b>	<b>\$ 372,309</b>	<b>\$ 318,272</b>	<b>\$ 4,335,449</b>	<b>\$ 4,353</b>

(continued)

Special Revenue Funds		Capital Projects Funds			Permanent Fund	Total Nonmajor Governmental Funds
Title V Program	Subtotal	School Capital Projects	Library Renovation	Subtotal	Town Trust Fund	
\$ -	\$ 3,100	\$ -	\$ -	\$ -	\$ -	\$ 3,100
-	251,310	-	-	-	-	251,310
-	3,603,489	-	997,096	997,096	-	4,600,585
2,313	3,873,814	-	-	-	-	3,873,814
-	142,620	-	500,000	500,000	53,450	696,070
-	439	-	3,730	3,730	892	5,061
2,313	7,874,772	-	1,500,826	1,500,826	54,342	9,429,940
-	955,878	-	-	-	-	955,878
-	838,047	-	-	-	217	838,264
-	4,510,359	278,636	-	278,636	-	4,788,995
-	639,688	-	-	-	-	639,688
-	167,005	-	-	-	-	167,005
-	350,287	-	712,637	712,637	159,587	1,222,511
-	7,461,264	278,636	712,637	991,273	159,804	8,612,341
2,313	413,508	(278,636)	788,189	509,553	(105,462)	817,599
-	-	500,000	4,645,000	5,145,000	-	5,145,000
-	26,539	-	996,096	996,096	-	1,022,635
(6,858)	(1,229,990)	(181)	-	(181)	-	(1,230,171)
(6,858)	(1,203,451)	499,819	5,641,096	6,140,915	-	4,937,464
(4,545)	(789,943)	221,183	6,429,285	6,650,468	(105,462)	5,755,063
38,486	6,158,385	(136,526)	-	(136,526)	419,117	6,440,976
\$ 33,941	\$ 5,368,442	\$ 84,657	\$ 6,429,285	\$ 6,513,942	\$ 313,655	\$ 12,196,039

(concluded)

# ***Agency Fund***

The Agency Fund is used to account for assets held in a purely custodial capacity. The Town's Agency Fund activity consists primarily of performance bonds, security deposits and fees collected on-behalf of other governments.

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

YEAR ENDED JUNE 30, 2015

	July 1, 2014	Additions	Deletions	June 30, 2015
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 912,242	\$ 104,786	\$ (102,600)	\$ 914,428
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	134,192	100,788	(134,192)	100,788
<b>TOTAL ASSETS.....</b>	<b>\$ 1,046,434</b>	<b>\$ 205,574</b>	<b>(236,792)</b>	<b>\$ 1,015,216</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 32,068	\$ 12,911	(32,068)	\$ 12,911
Accrued liabilities.....	-	17,045	-	17,045
Liabilities due depositors.....	984,366	175,618	(204,724)	955,260
Other liabilities.....	30,000	-	-	30,000
<b>TOTAL LIABILITIES.....</b>	<b>\$ 1,046,434</b>	<b>\$ 205,574</b>	<b>(236,792)</b>	<b>\$ 1,015,216</b>

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# ***Statistical Section***

# Statistical Section

Statistical tables differ from financial statements since they usually cover more than one fiscal year and may present non-accounting data. The following tables reflect social and economic data, financial trends, and fiscal capacity.



*Warmer ocean temperatures and an increase in the seal population off the coast have brought an increasing number of great white sharks to the coastline of Massachusetts resulting in public awareness campaigns aimed at educating beach visitors and residents to the identification of and safety around these animals.*

# ***Statistical Section***

This part of the Town of Scituate'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 basic financial statements for the relevant year.

## Net Position By Component

### Last Ten Years

	2006	2007	2008	2009	2010	2011	2012	2013	(1) 2014	2015
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 48,248,391	\$ 49,183,701	\$ 49,384,451	\$ 49,839,475	\$ 54,816,911	\$ 54,601,696	\$ 55,977,544	\$ 56,560,454	\$ 57,977,964	\$ 58,009,621
Restricted.....	428,511	496,936	18,242	(199,509)	8,814,140	7,488,133	8,573,833	8,821,398	10,144,946	14,966,255
Unrestricted.....	16,574,115	16,031,337	17,329,409	13,013,951	27,219	1,208,526	413,970	(2,073,085)	(37,686,872)	(39,543,990)
<b>Total governmental activities net position.....</b>	<b>\$ 65,251,017</b>	<b>\$ 65,711,974</b>	<b>\$ 66,732,102</b>	<b>\$ 62,653,917</b>	<b>\$ 63,658,270</b>	<b>\$ 63,298,355</b>	<b>\$ 64,965,347</b>	<b>\$ 63,308,767</b>	<b>\$ 30,436,038</b>	<b>\$ 33,431,886</b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 29,855,119	\$ 29,353,547	\$ 35,825,501	\$ 35,437,109	\$ 35,539,137	\$ 25,231,111	\$ 26,572,988	\$ 27,524,735	\$ 28,948,580	\$ 30,168,211
Restricted.....	-	-	2,405,520	4,352,481	-	-	-	-	-	-
Unrestricted.....	2,594,043	3,161,780	1,672,984	943,745	4,725,581	15,346,008	14,228,936	13,527,535	15,231,833	15,476,554
<b>Total business-type activities net position.....</b>	<b>\$ 32,449,162</b>	<b>\$ 32,515,327</b>	<b>\$ 39,904,005</b>	<b>\$ 40,733,335</b>	<b>\$ 40,264,718</b>	<b>\$ 40,577,119</b>	<b>\$ 40,801,924</b>	<b>\$ 41,052,270</b>	<b>\$ 44,180,413</b>	<b>\$ 45,644,765</b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 78,103,510	\$ 78,537,248	\$ 85,209,952	\$ 85,276,584	\$ 90,356,048	\$ 79,832,807	\$ 82,550,532	\$ 84,085,189	\$ 86,926,544	\$ 88,177,832
Restricted.....	428,511	496,936	2,423,762	4,152,972	8,814,140	7,488,133	8,573,833	8,821,398	10,144,946	14,966,255
Unrestricted.....	19,168,158	19,193,117	19,002,393	13,957,696	4,752,800	16,554,534	14,642,906	11,454,450	13,625,773	(24,067,436)
<b>Total primary government net position.....</b>	<b>\$ 97,700,179</b>	<b>\$ 98,227,301</b>	<b>\$ 106,636,107</b>	<b>\$ 103,387,252</b>	<b>\$ 103,922,988</b>	<b>\$ 103,875,474</b>	<b>\$ 105,767,271</b>	<b>\$ 104,361,037</b>	<b>\$ 110,697,263</b>	<b>\$ 79,076,651</b>

(1) Reflects the implementation of GASB Statement #68 and #71.

Source: Audited Financial Statements

**Changes in Net Position**

**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 2,229,601	\$ 1,406,392	\$ 1,720,578	\$ 3,009,851	\$ 3,246,946	\$ 4,323,746	\$ 4,256,315	\$ 3,791,027	\$ 4,226,125	\$ 4,876,844
Public safety.....	7,197,557	7,560,671	7,610,879	7,546,848	11,084,521	10,738,455	11,473,602	11,893,978	12,168,321	13,092,547
Education.....	29,132,313	28,924,141	33,878,524	33,027,486	44,988,566	47,275,114	50,586,444	51,771,927	54,642,980	49,944,296
Public works.....	2,322,955	5,011,328	2,760,936	5,599,076	5,249,424	4,903,562	4,193,275	6,166,961	5,471,895	6,767,282
Human services.....	576,284	550,253	663,160	640,542	646,098	929,568	948,776	1,125,471	1,212,812	1,113,052
Culture and recreation.....	2,146,084	1,421,847	1,634,520	1,876,715	3,215,979	1,902,885	1,953,509	2,015,558	2,103,933	2,129,813
Pension and fringe benefits.....	9,834,205	11,284,274	12,886,060	17,687,715	-	-	-	-	-	-
State and county charges.....	412,750	452,904	440,570	519,199	-	-	-	-	-	-
Community Preservation.....	195,371	1,209,176	539,094	266,799	-	286,425	59,513	2,480	721,633	155,246
Interest.....	453,555	675,215	659,145	648,430	565,702	925,853	415,187	651,163	566,494	994,681
<b>Total government activities expenses.....</b>	<b>54,500,675</b>	<b>58,496,205</b>	<b>62,793,466</b>	<b>70,822,661</b>	<b>68,997,236</b>	<b>71,285,608</b>	<b>73,886,621</b>	<b>77,418,565</b>	<b>81,114,193</b>	<b>79,073,761</b>
Business-type activities:										
Water.....	2,079,348	2,042,407	2,382,885	2,623,876	3,356,155	2,606,437	2,567,621	2,638,627	2,144,201	2,664,045
Sewer.....	2,594,068	2,860,336	3,059,799	2,898,587	2,727,459	3,390,595	2,962,259	2,735,738	2,648,252	3,188,094
Transfer Station.....	1,042,306	1,161,043	1,120,254	1,098,783	966,933	971,757	1,015,410	958,265	1,056,911	953,805
Golf.....	1,165,880	1,163,634	1,120,329	1,133,153	1,085,893	990,937	1,045,083	1,083,881	913,694	1,004,683
Waterways.....	919,703	880,941	890,446	859,709	911,562	971,278	934,540	861,637	837,378	896,952
<b>Total business-type activities expenses.....</b>	<b>7,801,305</b>	<b>8,108,361</b>	<b>8,573,713</b>	<b>8,614,108</b>	<b>9,048,002</b>	<b>8,931,004</b>	<b>8,524,913</b>	<b>8,278,148</b>	<b>7,600,436</b>	<b>8,707,579</b>
<b>Total primary government expenses.....</b>	<b>\$ 62,301,980</b>	<b>\$ 66,604,566</b>	<b>\$ 71,367,179</b>	<b>\$ 79,436,769</b>	<b>\$ 78,045,238</b>	<b>\$ 80,216,612</b>	<b>\$ 82,411,534</b>	<b>\$ 85,696,713</b>	<b>\$ 88,714,629</b>	<b>\$ 87,781,340</b>
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 1,751,010	\$ 1,947,503	\$ 1,772,918	\$ 1,931,823	\$ 2,107,151	\$ 1,975,725	\$ 2,068,233	\$ 1,989,005	\$ 1,969,243	\$ 1,953,724
Public works charges for services.....	59,019	54,642	55,561	40,441	1,385,721	21,373	132,668	497,826	590,965	654,143
Culture and recreation charges for services.....	313,656	434,139	439,177	455,492	588,397	392,099	429,036	408,533	401,894	435,018
Other charges for services.....	1,996,149	1,677,612	1,871,175	2,062,647	737,027	1,550,241	2,097,650	2,205,136	2,130,181	3,032,230
Operating grants and contributions.....	11,017,046	12,620,858	14,028,181	15,276,240	15,955,756	15,283,108	16,542,324	15,220,665	16,949,683	13,015,067
Capital grant and contributions.....	2,554,858	1,172,340	220,938	367,699	2,346,192	1,956,834	1,612,713	958,424	1,344,565	4,496,678
<b>Total government activities program revenues.....</b>	<b>17,691,738</b>	<b>17,907,094</b>	<b>18,387,950</b>	<b>20,134,342</b>	<b>23,120,244</b>	<b>21,179,380</b>	<b>22,882,624</b>	<b>21,279,589</b>	<b>23,386,531</b>	<b>23,586,860</b>
Business-type activities:										
Charges for services - water.....	2,369,926	2,453,013	2,731,326	2,893,896	2,511,499	2,709,682	2,618,625	3,031,977	2,421,697	4,160,555
Charges for services - sewer.....	1,881,442	1,294,322	1,077,791	2,385,755	1,602,906	1,643,983	1,682,559	1,778,510	1,732,988	1,386,987
Charges for services - transfer station.....	873,627	930,776	888,102	1,050,712	1,093,206	1,231,388	1,373,639	1,228,419	1,201,259	1,202,974
Charges for services - golf.....	1,088,562	1,251,353	1,257,621	1,272,009	1,229,438	1,090,684	1,262,340	1,244,651	1,209,170	1,255,771
Charges for services - waterways.....	875,340	877,634	872,831	955,841	1,007,672	1,074,928	993,395	977,575	1,036,067	1,043,816
Operating grants and contributions.....	-	97,684	593,369	611,006	132,208	35,300	16,237	1,725	238,088	213,160
Capital grant and contributions.....	5,335,321	481,262	7,997,012	-	571,042	1,309,128	692,556	188,126	6,430,626	688,590
<b>Total business-type activities program revenues.....</b>	<b>12,424,218</b>	<b>7,386,044</b>	<b>15,418,052</b>	<b>9,169,219</b>	<b>8,147,971</b>	<b>9,095,093</b>	<b>8,639,351</b>	<b>8,450,983</b>	<b>14,269,895</b>	<b>9,951,853</b>
<b>Total primary government program revenues.....</b>	<b>\$ 30,115,956</b>	<b>\$ 25,293,138</b>	<b>\$ 33,806,002</b>	<b>\$ 29,303,561</b>	<b>\$ 31,268,215</b>	<b>\$ 30,274,473</b>	<b>\$ 31,521,975</b>	<b>\$ 29,730,572</b>	<b>\$ 37,656,426</b>	<b>\$ 33,538,713</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (36,808,937)	\$ (40,589,111)	\$ (44,405,516)	\$ (50,688,319)	\$ (45,876,992)	\$ (50,106,228)	\$ (51,003,997)	\$ (56,138,976)	\$ (57,727,662)	\$ (55,486,901)
Business-type activities.....	4,622,913	(722,317)	6,844,339	555,111	(900,031)	164,089	114,438	172,835	6,669,459	1,244,274
<b>Total primary government net expense.....</b>	<b>\$ (32,186,024)</b>	<b>\$ (41,311,428)</b>	<b>\$ (37,561,177)</b>	<b>\$ (50,133,208)</b>	<b>\$ (46,777,023)</b>	<b>\$ (49,942,139)</b>	<b>\$ (50,889,559)</b>	<b>\$ (55,966,141)</b>	<b>\$ (51,058,203)</b>	<b>\$ (54,242,627)</b>
<b>General Revenues and other</b>										
<b>Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 33,871,997	\$ 35,745,000	\$ 40,030,120	\$ 41,719,348	\$ 42,533,323	\$ 43,632,211	\$ 46,614,390	\$ 48,002,624	\$ 50,035,148	\$ 51,463,244
Motor vehicle and other excise taxes.....	2,567,186	2,293,988	2,282,228	2,130,682	2,145,931	2,305,255	2,328,915	2,530,107	2,818,956	3,026,616
Community preservation taxes.....	-	-	-	-	-	992,107	1,070,846	1,105,543	1,158,916	1,201,728
Penalties and interest on taxes.....	-	-	-	413,014	367,174	465,049	535,272	447,439	640,163	446,774
Payments in lieu of taxes.....	-	-	-	-	-	-	-	-	-	19,601
Grants and contributions not restricted to specific programs.....	2,268,155	2,512,898	2,654,850	2,278,639	1,738,954	1,803,153	1,799,495	1,806,527	1,933,158	1,938,534
Unrestricted investment income.....	678,865	1,070,123	717,397	339,229	188,874	102,462	74,257	55,527	88,567	186,336
Gain on sale of capital assets.....	-	-	-	-	-	32,277	32,690	-	-	-
Miscellaneous.....	313,431	216,540	285,388	3,441	-	219,218	284,355	576,098	679,700	311,551
Transfers.....	(581,637)	(788,482)	(544,339)	(274,219)	(249,436)	(105,159)	(69,231)	(41,469)	(57,239)	(111,635)
<b>Total governmental activities.....</b>	<b>39,117,997</b>	<b>41,050,068</b>	<b>45,425,644</b>	<b>46,610,134</b>	<b>46,724,820</b>	<b>49,446,573</b>	<b>52,670,989</b>	<b>54,482,396</b>	<b>57,297,369</b>	<b>58,482,749</b>
Business-type activities:										
Boat excise taxes.....	n/a	n/a	n/a	n/a	n/a	43,153	41,136	36,042	39,821	40,363
Tax liens.....	-	-	-	-	-	-	-	-	-	42,128
Unrestricted investment income.....	-	-	-	-	-	-	-	-	-	25,952
Transfers.....	581,637	788,482	544,339	274,219	249,436	105,159	69,231	41,469	57,239	111,635
<b>Total business-type activities.....</b>	<b>581,637</b>	<b>788,482</b>	<b>544,339</b>	<b>274,219</b>	<b>249,436</b>	<b>148,312</b>	<b>110,367</b>	<b>77,511</b>	<b>97,060</b>	<b>220,078</b>
<b>Total primary government.....</b>	<b>\$ 39,699,634</b>	<b>\$ 41,838,550</b>	<b>\$ 45,969,983</b>	<b>\$ 46,884,353</b>	<b>\$ 46,974,256</b>	<b>\$ 49,594,885</b>	<b>\$ 52,781,356</b>	<b>\$ 54,559,907</b>	<b>\$ 57,394,429</b>	<b>\$ 58,702,827</b>
<b>Changes in Net Position</b>										
Governmental activities.....	\$ 2,309,060	\$ 460,957	\$ 1,020,128	\$ (4,078,185)	\$ 847,828	\$ (659,655)	\$ 1,666,992	\$ (1,656,580)	\$ (430,293)	\$ 2,995,848
Business-type activities.....	5,204,550	66,165	7,388,678	829,330	(650,595)	312,401	224,805	250,346	6,766,519	1,464,352
<b>Total primary government.....</b>	<b>\$ 7,513,610</b>	<b>\$ 527,122</b>	<b>\$ 8,408,806</b>	<b>\$ (3,248,855)</b>	<b>\$ 197,233</b>	<b>\$ (347,254)</b>	<b>\$ 1,891,797</b>	<b>\$ (1,406,234)</b>	<b>\$ 6,336,226</b>	<b>\$ 4,460,200</b>

n/a = Boat excise taxes prior to 2011 are not available.  
Source: Audited Financial Statements

**Fund Balances, Governmental Funds**

**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved.....	\$ 2,067,450	\$ 2,286,908	\$ 1,592,931	\$ 979,933	\$ 1,961,484	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	1,707,620	1,187,179	534,398	626,910	1,715,555	-	-	-	-	-
Restricted.....	-	-	-	-	-	86,767	86,767	454,518	530,298	5,649,548
Committed.....	-	-	-	-	-	-	327,128	959,038	1,936,899	2,083,919
Assigned.....	-	-	-	-	-	1,260,786	1,255,617	1,308,703	1,025,883	1,662,421
Unassigned.....	-	-	-	-	-	5,276,801	6,863,867	6,645,152	6,966,806	6,646,114
<b>Total general fund.....</b>	<b>\$ 3,775,070</b>	<b>\$ 3,474,087</b>	<b>\$ 2,127,329</b>	<b>\$ 1,606,843</b>	<b>\$ 3,677,039</b>	<b>\$ 6,624,354</b>	<b>\$ 8,533,379</b>	<b>\$ 9,367,411</b>	<b>\$ 10,459,886</b>	<b>\$ 16,042,002</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ 11,128,489	\$ 10,601,464	\$ 10,938,194	\$ 11,732,402	\$ 9,362,759	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	1,178,947	1,408,045	2,977,148	2,325,982	2,841,657	-	-	-	-	-
Capital projects funds.....	(809,858)	(2,910,213)	(594,121)	(1,415,510)	(1,661,998)	-	-	-	-	-
Permanent funds.....	1,238,369	496,936	612,363	1,216,002	402,398	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	27,051	27,051	27,051	27,051	27,051
Restricted.....	-	-	-	-	-	11,925,417	14,708,235	17,065,311	15,336,177	81,168,008
Unassigned.....	-	-	-	-	-	-	(851,672)	(177,208)	(144,534)	(3,418)
<b>Total all other governmental funds.....</b>	<b>\$ 12,735,947</b>	<b>\$ 9,596,232</b>	<b>\$ 13,933,584</b>	<b>\$ 13,858,876</b>	<b>\$ 10,944,816</b>	<b>\$ 11,952,468</b>	<b>\$ 13,883,614</b>	<b>\$ 16,915,154</b>	<b>\$ 15,218,694</b>	<b>\$ 81,191,641</b>

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

**Changes in Fund Balances, Governmental Funds**

**Last Ten Years**

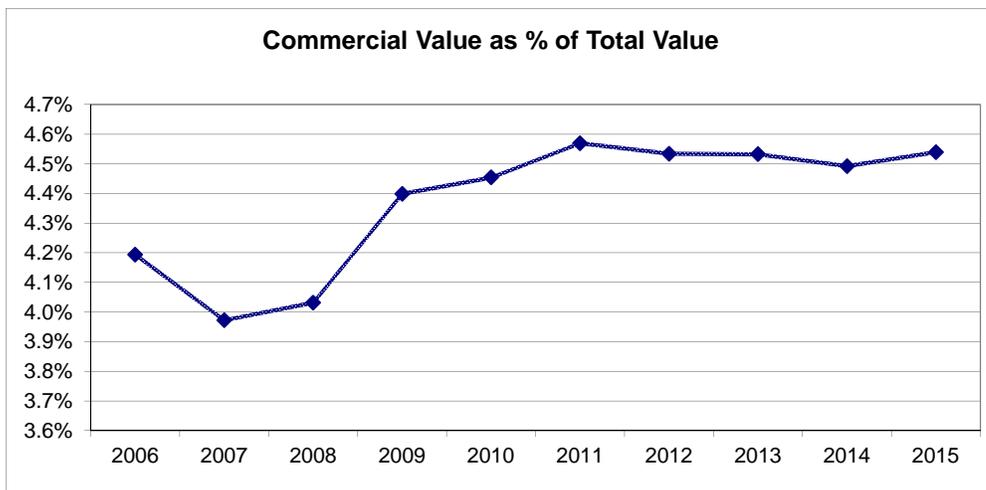
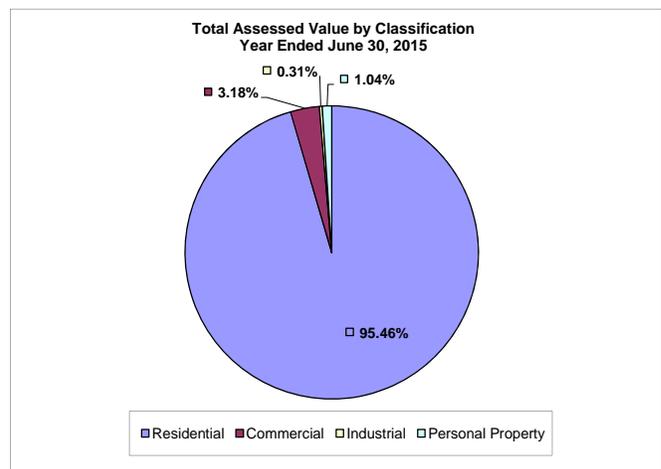
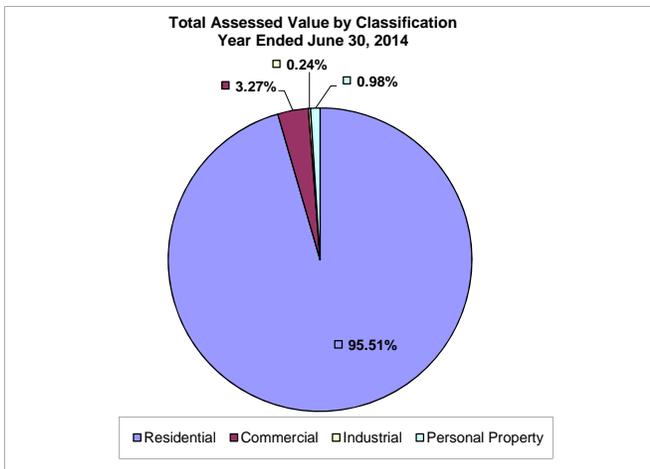
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 32,899,751	\$ 34,753,273	\$ 38,310,697	\$ 40,825,496	\$ 42,007,719	\$ 43,516,682	\$ 46,526,693	\$ 47,666,579	\$ 49,925,979	\$ 51,176,629
Tax liens.....	-	-	-	-	-	-	-	-	-	415,491
Motor vehicle and other excise taxes.....	2,626,191	2,336,044	2,325,182	2,153,281	2,125,130	2,283,729	2,329,038	2,449,218	2,837,763	3,025,388
Penalties and interest.....	291,766	231,409	295,176	413,014	367,174	420,610	498,556	351,965	403,063	422,000
Fees.....	-	-	-	-	139,064	197,399	204,034	1,338,592	419,408	504,848
Licenses and permits.....	707,771	580,033	697,481	490,717	515,326	707,500	715,175	880,443	812,414	812,387
Fines and forfeitures.....	79,617	73,586	67,496	80,288	131,502	103,033	80,716	95,779	99,660	68,513
Intergovernmental.....	20,433,508	16,134,771	16,602,433	17,473,280	19,475,135	17,824,475	20,153,547	17,685,685	19,680,358	18,044,124
Departmental and other.....	3,534,833	3,460,708	3,305,664	3,903,905	3,995,975	3,853,829	4,248,297	3,742,481	4,650,874	5,066,629
Community Preservation surtax.....	790,495	840,630	935,660	969,281	994,875	1,002,872	1,084,819	1,108,110	1,166,312	1,203,127
Contributions.....	407,803	171,325	301,536	449,298	434,265	145,106	122,159	197,296	170,014	696,070
Investment income.....	678,856	1,070,123	717,396	367,970	188,874	123,988	91,962	76,516	110,983	186,336
<b>Total Revenues.....</b>	<b>62,450,591</b>	<b>59,651,902</b>	<b>63,558,721</b>	<b>67,126,530</b>	<b>70,375,039</b>	<b>70,179,223</b>	<b>76,054,996</b>	<b>75,592,664</b>	<b>80,276,828</b>	<b>81,621,542</b>
<b>Expenditures:</b>										
General government.....	2,222,618	2,059,034	2,254,091	2,979,441	4,725,393	3,429,776	3,327,927	2,771,675	3,272,671	3,784,374
Public safety.....	7,357,581	7,448,082	7,711,551	7,502,617	7,269,292	7,288,645	8,309,063	8,404,591	8,182,628	10,949,793
Education.....	28,575,024	29,633,735	34,158,677	32,660,421	31,965,248	32,850,453	37,050,312	36,361,663	37,757,488	41,648,733
Public works.....	4,627,272	5,628,138	3,592,402	4,885,712	5,487,621	4,179,529	4,012,096	5,732,789	7,752,748	5,852,812
Human services.....	-	-	654,433	668,375	492,225	490,552	554,189	618,433	712,977	800,743
Culture and recreation.....	2,640,655	3,111,747	1,657,153	1,813,187	2,226,679	1,539,837	1,425,568	1,494,656	1,533,887	2,251,639
Community preservation.....	195,371	1,209,176	539,095	266,799	1,386,130	1,670,961	769,314	597,218	2,171,859	1,819,538
Pension benefits.....	-	-	-	-	9,397,998	9,953,489	10,171,678	10,963,813	11,179,729	8,032,901
Employee benefits.....	9,920,989	11,249,825	12,812,347	13,813,269	5,289,402	5,653,254	5,876,878	5,795,367	5,671,426	5,757,387
State and county charges.....	412,750	452,904	440,570	519,199	547,726	520,678	472,015	445,762	476,139	499,806
Debt service:										
Principal.....	733,710	854,287	879,114	1,674,529	1,488,858	1,463,858	1,474,328	1,413,858	1,767,879	1,581,856
Principal - current refunding.....	-	-	-	-	-	-	-	-	-	4,818,188
Interest.....	-	657,190	662,856	663,957	692,885	771,919	579,727	488,798	584,080	533,531
<b>Total Expenditures.....</b>	<b>56,685,970</b>	<b>62,304,118</b>	<b>65,362,289</b>	<b>67,447,506</b>	<b>70,969,457</b>	<b>69,812,951</b>	<b>74,023,095</b>	<b>75,088,623</b>	<b>81,063,511</b>	<b>88,331,301</b>
Excess (deficiency) of revenues over (under) expenditures.....	5,764,621	(2,652,216)	(1,803,568)	(320,976)	(594,418)	366,272	2,031,901	504,041	(786,683)	(6,709,759)
<b>Other Financing Sources (Uses):</b>										
Proceeds from bonds and notes.....	-	-	5,338,500	-	-	3,245,470	1,859,021	3,403,000	-	68,258,000
Proceeds from refunding bonds.....	-	-	-	-	-	-	-	-	-	4,205,000
Premium from issuance of bonds and notes.....	-	-	-	-	-	148,644	18,480	-	-	5,300,269
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	613,188
Capital lease financing.....	-	-	-	-	-	-	-	-	239,937	-
Transfers in.....	6,030,338	1,744,587	1,594,015	700,000	-	1,691,667	932,770	940,174	1,814,552	2,131,049
Transfers out.....	(6,611,975)	(2,533,069)	(2,138,353)	(974,218)	3,365,070	(1,796,826)	(1,002,001)	(981,643)	(1,871,791)	(2,242,684)
<b>Total other financing sources (uses).....</b>	<b>(581,637)</b>	<b>(788,482)</b>	<b>4,794,162</b>	<b>(274,218)</b>	<b>3,365,070</b>	<b>3,288,955</b>	<b>1,808,270</b>	<b>3,361,531</b>	<b>182,698</b>	<b>78,264,822</b>
<b>Net change in fund balance.....</b>	<b>\$ 5,182,984</b>	<b>(3,440,698)</b>	<b>2,990,594</b>	<b>(595,194)</b>	<b>2,770,652</b>	<b>\$ 3,655,227</b>	<b>\$ 3,840,171</b>	<b>\$ 3,865,572</b>	<b>\$ (603,985)</b>	<b>\$ 71,555,063</b>
Debt service as a percentage of noncapital expenditures.....	1.29%	2.43%	2.36%	3.47%	3.07%	3.20%	2.77%	2.53%	3.15%	2.68%

**Notes:**

Prior to 2010, the Town reported fees with departmental and other revenues.  
 Prior to 2006, the Town reported licenses and permits with departmental and other revenue.  
 Prior to 2008, the Town reported human services expenditures with culture and recreation.  
 Prior to 2010, the Town reported pension benefits with employee benefits.  
 Prior to 2007, the Town reported debt service interest and principal expenditures as a single line item.

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

Year	Assessed and Actual Values and Tax Rates										
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Commercial % of Total Value	Total Direct Rate	Total Town Value	
2006	(1)	\$3,877,915,021	\$8.16	\$133,491,729	\$5,901,300	\$30,352,170	\$169,745,199	\$8.16	4.2%	\$ 8.16	\$4,047,660,220
2007		\$4,049,283,488	\$8.31	\$130,959,842	\$6,048,900	\$30,498,320	\$167,507,062	\$8.31	4.0%	\$ 8.31	\$4,216,790,550
2008		\$4,072,204,708	\$9.22	\$131,446,292	\$5,877,500	\$33,776,310	\$171,100,102	\$9.22	4.0%	\$ 9.22	\$4,243,304,810
2009	(1)	\$4,029,488,420	\$9.68	\$138,848,190	\$6,152,800	\$40,416,000	\$185,416,990	\$9.68	4.4%	\$ 9.68	\$4,214,905,410
2010		\$3,804,980,088	\$10.56	\$130,039,832	\$5,585,400	\$41,772,270	\$177,397,502	\$10.56	4.5%	\$ 10.56	\$3,982,377,590
2011		\$3,675,696,207	\$11.25	\$127,662,193	\$5,585,400	\$42,758,110	\$176,005,703	\$11.25	4.6%	\$ 11.25	\$3,851,701,910
2012	(1)	\$3,610,700,846	\$12.34	\$127,007,544	\$5,181,100	\$39,308,800	\$171,497,444	\$12.34	4.5%	\$ 12.34	\$3,782,198,290
2013		\$3,608,700,390	\$12.20	\$126,075,000	\$5,181,100	\$40,087,220	\$171,343,320	\$12.20	4.5%	\$ 12.20	\$3,780,043,710
2014		\$3,654,706,380	\$13.05	\$125,105,420	\$9,112,700	\$37,686,890	\$171,905,010	\$13.05	4.5%	\$ 13.05	\$3,826,611,390
2015	(1)	\$3,763,130,865	\$13.10	\$125,426,835	\$12,415,000	\$41,124,550	\$178,966,385	\$13.10	4.5%	\$ 13.10	\$3,942,097,250



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

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

**Principal Taxpayers**

**Current Year and Nine Years Ago**

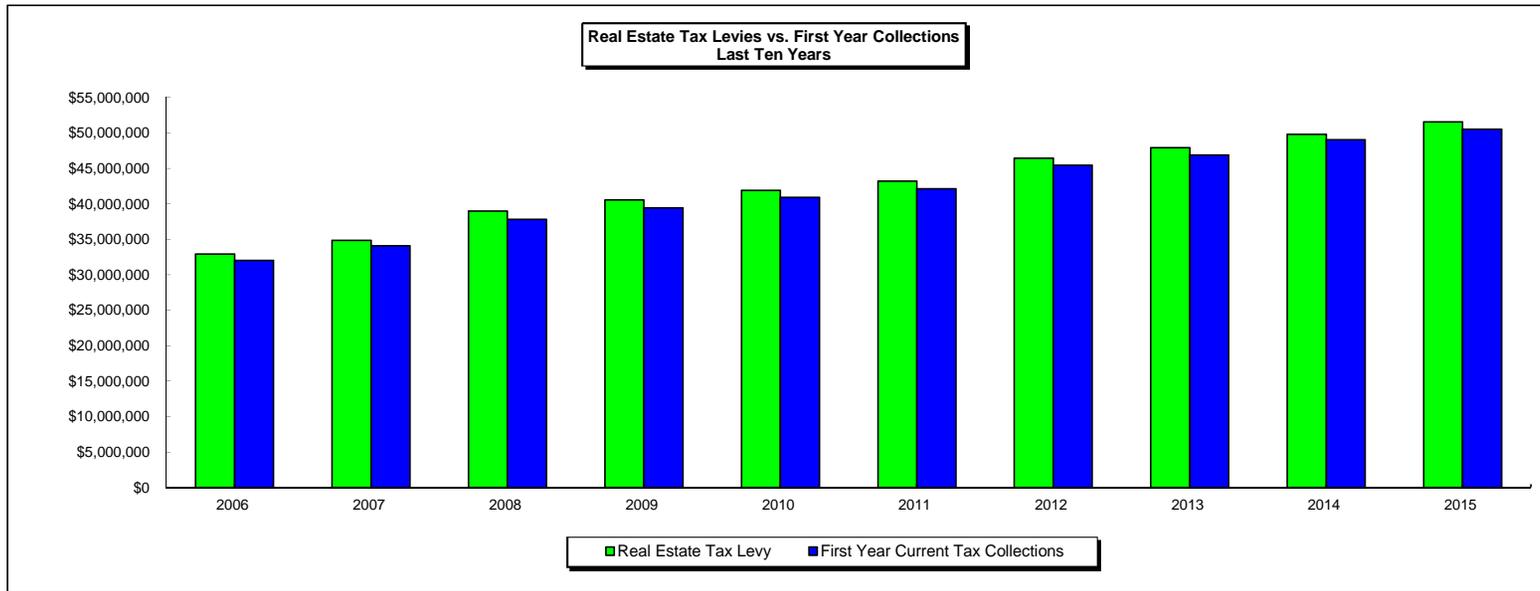
Name	Nature of Business	2015			2006		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Bay State Gas Company	Utility	\$ 11,625,280	1	0.29%	\$ 4,703,500	4	0.14%
Massachusetts Electric Company	Utility	11,012,140	2	0.28%	7,010,990	2	0.21%
Abbott P M/Chamberlain Management	Real Estate	7,989,150	3	0.20%	7,155,600	1	0.22%
Kent Village Associates	Housing	5,726,100	4	0.15%	4,336,000	5	0.13%
Verizon New England Inc.	Utility	5,581,400	5	0.14%	3,639,400	9	0.11%
Scituate Solar LLC	Real Estate	5,449,600	6	0.14%	-	-	-
Hatherly Country Club	Country Club	4,261,570	7	0.11%	-	-	-
Individual	Residential	4,236,300	8	0.11%	-	-	-
HCRI Mass. Pro. Inc. Tr./Life Care Ctr	Nursing	4,194,200	9	0.11%	4,636,700	3	0.14%
Suburban Realty Trust	Real Estate	3,830,200	10	0.10%	-	-	-
First Parish Road Co	Real Estate	-	-	-	3,928,600	6	0.12%
Suburban Realty Trust	Real Estate	-	-	-	3,674,700	7	0.11%
Grabau Russell & Co., Inc.	Real Estate	-	-	-	3,605,000	8	0.11%
Sealund, Kaven and Stone Thomas	Real Estate	-	-	-	3,291,000	10	0.10%
<b>Totals \$</b>		<u>63,905,940</u>		<u>1.62%</u>	<u>\$ 45,981,490</u>		<u>1.39%</u>

Source: Official Statements, Town of Scituate

**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
2006	(1)	\$33,028,907	\$115,643	\$32,913,264	99.65%	\$32,012,707	97.26%	\$435,972	\$32,448,679	98.59%
2007		\$35,041,529	\$166,938	\$34,874,591	99.52%	\$34,096,596	97.77%	\$531,195	\$34,627,791	99.29%
2008		\$39,123,270	\$141,118	\$38,982,152	99.64%	\$37,823,804	97.03%	\$739,620	\$38,563,424	98.93%
2009	(1)	\$40,800,384	\$249,897	\$40,550,487	99.39%	\$39,438,104	97.26%	\$564,340	\$40,002,444	98.65%
2010		\$42,053,907	\$152,088	\$41,901,819	99.64%	\$40,930,180	97.68%	\$489,615	\$41,419,795	98.85%
2011		\$43,334,646	\$115,758	\$43,218,888	99.73%	\$42,119,403	97.46%	\$400,032	\$42,519,435	98.38%
2012	(1)	\$46,672,324	\$249,523	\$46,422,801	99.47%	\$45,433,883	97.87%	\$434,613	\$45,868,496	98.81%
2013		\$48,082,156	\$144,913	\$47,937,243	99.70%	\$46,882,580	97.80%	\$551,114	\$47,433,694	98.95%
2014		\$49,937,279	\$114,882	\$49,822,397	99.77%	\$49,062,343	98.47%	\$474,070	\$49,536,413	99.43%
2015	(1)	\$51,671,474	\$112,627	\$51,558,847	99.78%	\$50,540,571	98.03%	\$0	\$50,540,571	98.03%



(1) Revaluation year.

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

**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	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	18,219	\$ 793,737,000	\$ 4,047,660,220	\$ 12,654,998	\$ -	\$695	1.59%	0.31%
2007	18,319	\$ 837,398,000	\$ 4,216,790,550	\$ 11,800,711	\$ -	\$644	1.41%	0.28%
2008	18,538	\$ 811,816,000	\$ 4,243,304,810	\$ 16,260,097	\$ -	\$877	2.00%	0.38%
2009	18,313	\$ 763,419,000	\$ 4,214,905,410	\$ 14,585,568	\$ -	\$796	1.91%	0.35%
2010	18,297	\$ 819,169,000	\$ 3,982,377,590	\$ 16,829,570	\$ -	\$920	2.05%	0.42%
2011	17,985	\$ 869,098,000	\$ 3,851,701,910	\$ 14,878,322	\$ -	\$827	1.71%	0.39%
2012	18,234	\$ 902,123,724	\$ 3,782,198,290	\$ 15,263,015	\$ -	\$837	1.69%	0.40%
2013	18,648	\$ 936,404,426	\$ 3,780,043,710	\$ 17,252,157	\$ -	\$925	1.84%	0.46%
2014	18,847	\$ 971,987,794	\$ 3,826,611,390	\$ 15,484,278	\$ 206,248	\$833	1.61%	0.41%
2015	18,847	\$ 1,008,923,330	\$ 3,942,097,250	\$ 87,553,879	\$ 176,890	\$4,655	8.70%	2.23%

Year	Business-Type Activities		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2006	\$ 34,444,242	\$ 32,248	\$ 47,131,488	\$2,587	5.94%	1.16%
2007	\$ 32,174,920	\$ 148,639	\$ 44,124,270	\$2,409	5.27%	1.05%
2008	\$ 31,580,104	\$ 206,854	\$ 48,047,055	\$2,592	5.92%	1.13%
2009	\$ 29,467,207	\$ 166,190	\$ 44,218,965	\$2,415	5.79%	1.05%
2010	\$ 30,117,542	\$ 134,305	\$ 47,081,417	\$2,573	5.75%	1.18%
2011	\$ 31,721,353	\$ 116,999	\$ 46,716,674	\$2,598	5.38%	1.21%
2012	\$ 30,443,774	\$ 65,028	\$ 45,771,817	\$2,510	5.07%	1.21%
2013	\$ 33,747,274	\$ 70,717	\$ 51,070,148	\$2,739	5.45%	1.35%
2014	\$ 30,557,908	\$ 91,624	\$ 46,340,058	\$2,469	4.74%	1.20%
2015	\$ 42,946,188	\$ 127,924	\$ 130,804,881	\$6,940	12.96%	3.32%

Source: Audited Financial Statements, U. S. Census

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2015**

<u>Town of Scituate, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt and Direct Debt</u>
Debt repaid with property taxes:			
Plymouth County.....\$	2,475,000	5.90%	\$ 146,025
Massachusetts Bay Transportation Authority.....	5,145,089,000	0.030%	1,543,527
South Shore Regional Vocational Technical School District (SSRSD).....	805,000	7.58%	<u>61,019</u>
Estimated share of overlapping debt.....			<u>1,750,571</u>
Town direct debt.....			<u>87,730,769</u>
Total direct and overlapping debt.....			<u>\$ 89,481,340</u>

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

Source: Plymouth County Treasurer, SSRSD & Official statements

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

**Computation of Legal Debt Margin**

**Last Ten Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equalized Valuation.....	\$ 4,327,989,400	\$ 4,327,989,400	\$ 4,575,033,600	\$ 4,575,033,600	\$ 4,326,753,800	\$ 4,326,753,800	\$ 4,137,906,200	\$ 4,137,906,200	\$ 4,103,767,600	\$ 4,103,767,600
Debt Limit -5% of Equalized Valuation.....	\$ 216,399,470	\$ 216,399,470	\$ 228,751,680	\$ 228,751,680	\$ 216,337,690	\$ 216,337,690	\$ 206,895,310	\$ 206,895,310	\$ 205,188,380	\$ 205,188,380
Less:										
Outstanding debt applicable to limit.....	47,099,740	43,975,631	47,840,201	44,052,776	40,378,637	46,445,430	42,612,765	50,875,921	34,685,631	52,276,219
Authorized and unissued debt.....	20,344,045	16,108,555	10,168,525	20,793,525	25,765,797	18,003,396	18,198,557	6,072,096	11,247,288	71,060,704
Legal debt margin.....	\$ 148,955,685	\$ 156,315,284	\$ 170,742,954	\$ 163,905,379	\$ 150,193,256	\$ 151,888,864	\$ 146,083,988	\$ 149,947,293	\$ 159,255,461	\$ 81,851,457
Total debt applicable to the limit as a percentage of the limit.....	31.17%	27.77%	25.36%	28.35%	30.57%	29.79%	29.39%	27.53%	22.39%	60.11%

Source: Town Accountant's Office, Town of Scituate

## Demographic and Economic Statistics

### Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2006	18,219	\$ 793,737,000	\$ 44,390	45	3,256	3.90%
2007	18,319	\$ 837,398,000	\$ 46,714	45	3,218	3.70%
2008	18,538	\$ 811,816,000	\$ 44,369	45	3,440	5.10%
2009	18,313	\$ 763,419,000	\$ 42,101	45	3,247	6.70%
2010	18,297	\$ 819,169,000	\$ 45,176	45	3,277	7.00%
2011	17,985	\$ 869,098,000	\$ 47,824	45	3,286	5.70%
2012	18,234	\$ 902,123,724	\$ 49,475	45	3,276	5.30%
2013	18,648	\$ 936,404,426	\$ 50,215	45	3,286	5.70%
2014	18,847	\$ 971,987,794	\$ 51,573	45	3,122	5.20%
2015	18,847	\$ 1,008,923,330	\$ 53,532	45	3,097	4.50%

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

**Principal Employers**

**Current Year and Nine Years Ago**

<b>Employer</b>	<b>Nature of Business</b>	<b>2015</b>			<b>2006</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Town Employment</b>
Town of Scituate	Municipal Government	776	1	8.11%	620	1	6.47%
Life Care Center	Nursing Home	185	2	1.93%	135	2	1.41%
Scituate Marketplace	Supermarket	65	3	0.68%	120	3	1.25%
Total		<u>1,026</u>		<u>10.72%</u>	<u>875</u>		<u>9.13%</u>

The Town is reporting all employers with more than 100 employees.

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

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

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Function										
General government.....	27	27	26	26	26	26	28	28	30	31
Police.....	39	38	38	38	35	35	33	33	33	34
Fire.....	56	56	55	57	53	52	53	53	53	53
Education.....	484	486	402	412	388	365	376	379	396	466
Water.....	11	12	11	13	12	11	12	12	12	13
Sewer.....	8	7	7	9	7	8	8	8	8	8
Solid waste.....	5	5	5	4	4	4	4	4	4	4
Public works.....	24	26	25	28	25	24	25	25	23	27
Human services.....	8	8	8	8	7	7	8	8	8	9
Culture and recreation.....	22	21	26	25	24	24	23	22	22	22
Total .....	<u>682</u>	<u>684</u>	<u>602</u>	<u>619</u>	<u>580</u>	<u>555</u>	<u>568</u>	<u>572</u>	<u>589</u>	<u>667</u>

Source: Town personnel records and various Town departments.

## Operating Indicators by Function/Program

### Last Ten Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Government</b>										
Population.....	18,219	18,319	18,538	18,313	18,297	17,985	18,234	18,648	18,847	18,847
Registered voters, annual town election.....	12,680	12,806	12,680	13,121	12,924	13,048	13,827	13,941	13,961	14,170
<b>Town Clerk</b>										
Births.....	144	137	126	131	140	145	167	161	152	172
Marriages.....	61	67	59	68	49	54	74	78	70	56
Deaths.....	193	181	185	193	200	219	176	167	174	207
<b>Police</b>										
MV Accidents investigated by an officer.....	275	279	211	211	199	232	251	232	252	287
Citations issued.....	819	733	927	1,206	903	851	712	808	904	199
Arrests.....	368	338	280	411	395	382	285	290	314	241
Total Incidents.....	15,076	14,123	14,374	14,554	14,688	14,852	14,268	16,480	17,850	16,074
<b>Fire</b>										
Permits/certificate issued.....	1,802	1,569	1,487	1,175	1,015	1,015	942	1,289	1,228	1,270
False alarm.....	194	228	250	256	290	333	292	342	325	346
Fires.....	96	99	92	68	104	75	118	82	88	79
Rescue/EMS incidents.....	1,741	1,717	1,810	1,823	1,928	1,895	1,823	1,981	1,925	1,880
Total Incidents.....	2,741	2,633	2,755	2,735	2,846	2,986	2,928	3,256	2,963	3,017
<b>Building Department</b>										
Building permits issued.....	874	775	629	625	604	797	789	869	822	926
Gas & Plumbing permits issued.....	943	694	694	654	688	763	785	1,098	1,046	892
Electrical permits issued.....	730	613	594	540	554	589	606	814	844	648
<b>Education</b>										
Public school enrollment.....	3,256	3,218	3,440	3,247	3,277	3,286	3,276	3,286	3,122	3,097
High school graduates.....	199	188	231	189	174	175	208	206	185	205
<b>Public Works</b>										
<b>Water</b>										
Service connections.....	7,445	7,473	7,503	7,541	7,573	7,624	7,641	7,636	7,659	7,721
Consumption in millions of gallons.....	623	594	648	679	638	549	516	545	552	452
Daily consumption in millions of gallons.....	1.71	1.63	1.78	1.86	1.75	1.50	1.41	1.49	1.51	1.24
<b>Highway</b>										
Miles of public road.....	100	100	100	101	101	101	101	101	101	103
<b>Human Services</b>										
<b>Board of Health</b>										
Inspections.....	732	791	577	527	609	612	549	549	590	577
Sewage Permits.....	374	225	149	120	99	106	85	85	69	91
<b>Council on Aging</b>										
Total Rides .....	16,432	12,808	7,330	6,406	6,406	6,757	6,860	6,845	6,542	6,976
<b>Library</b>										
Circulation.....	235,034	237,628	256,930	285,866	273,484	279,607	262,136	250,194	236,357	243,490
Visitors.....	101,032	109,337	115,411	126,952	140,155	155,544	153,247	138,640	140,109	155,000
Volunteer hours of service.....	820	1,101	652	717	1,872	1,673	1,369	1,178	770	570

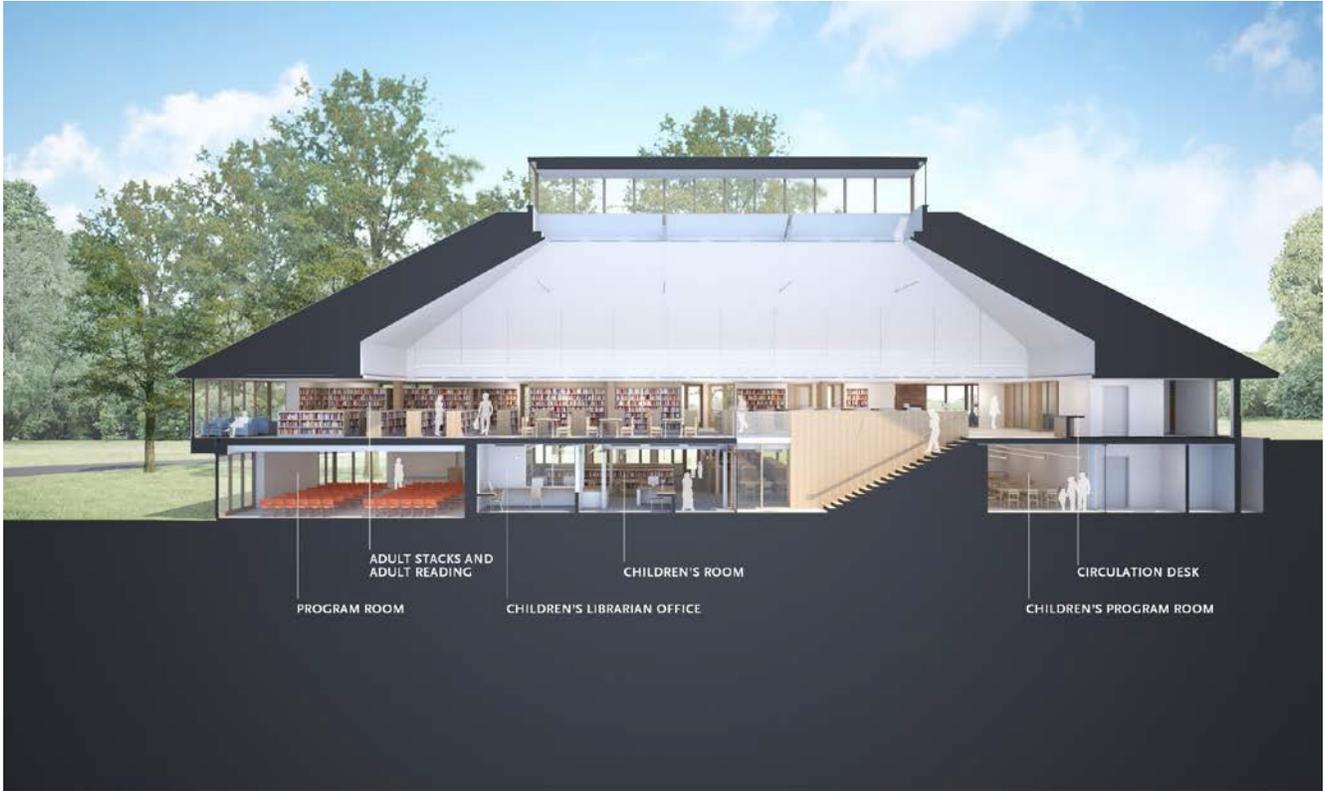
Source: Various Town Departments & annual reports

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2014</u>	<u>2015</u>
General Government									
Number of buildings.....	1	1	1	1	1	1	1	1	1
Police									
Number of stations.....	1	1	1	1	1	1	1	1	1
Fire									
Number of stations.....	3	3	3	3	3	3	3	3	3
Education									
Number of elementary schools.....	4	4	4	4	4	4	4	4	4
Number of middle schools.....	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1
Public Works									
Number of wells.....	6	6	6	6	6	6	6	6	6
Number of water storage tanks.....	2	2	2	2	2	2	2	2	2
Number of pump stations.....	2	2	2	2	2	2	2	2	2
Human Services									
Senior center.....	1	1	1	1	1	1	1	1	1
Culture and Recreation									
Maritime Center.....	1	1	1	1	1	1	1	1	1
Library.....	1	1	1	1	1	1	1	1	1
Scituate Harbor Community Bldg.....					1	1	1	1	1

Source: Various Town Departments



*At the November 2013 special town meeting, the Town approved a debt exclusion of \$12M to renovate the Scituate Town Library located at 85 Branch Street. The cost will be offset by a \$5M construction grant from the Massachusetts Library Building Commissioners and private donations. The library moved to a temporary site within Town on June 5, 2015 until renovation work is completed on the existing site with an expected re-opening date in the fall of 2016.*