



Town of Hingham
Comprehensive Annual Financial Report



For the Fiscal Year Ended June 30, 2013

On the Cover: The Hingham Shipyard

In 1942 a vast tract of land on the Hingham waterfront that was home to woodlands, a polo field, an airstrip, family farms and private homes, and small businesses was cleared and turned into an industrial complex. It was wartime and the U.S. Navy was in desperate need of more ships. Hingham, with its deep water and rail access filled the need and the Bethlehem-Hingham Shipyard was built on the site. From 1942-1945, 227 ships were built by the nearly 24,000 workers employed at the yard.

At the conclusion of World War II, the United States government declared the Hingham Shipyard surplus to its' needs and sold the land, stripped of its ship building capacity, to private interests with the exception of the steel mill and fabrication building that was transferred to the General Service Administration and used for storage. The building, which covered almost 10 acres, slowly deteriorated but remained standing until August 2006 when it was torn down.

An extended period of time passed (1946 to the 1980s) with limited use of the Shipyard property because of the prohibitive cost of its conversion to a private industrial area. In the 1980s the Town of Hingham and the Shipyard owner, together began a series of studies to determine how the Shipyard property could be converted from its deteriorating condition to a vital commercial center. The conclusion of these studies was to create a special "mixed use" district where the property could be revitalized using a zoning concept that did not predetermine the appropriate use but instead allowed for an extended public/private dialogue and a two phased permitting process. Special attention was given to the coastal location. Prior to the permitting phase beginning, the Town initiated a number of infrastructure improvement efforts including the rebuilding of Route 3A and the construction of Shipyard Drive in support of the Shipyard revitalization. In 1997 the Shipyard property was sold to Sea Chain LLC led by Paul Trendowicz. In an ongoing public/private effort the Shipyard redevelopment went through stages of conceptual, preliminary and final design; then permitting and construction. Roseland Development, Avalon Bay and Samuels Associates were brought into the project as partners to provide their expertise in the housing and retail components of the redevelopment program. The Hingham Shipyard is a multi-modal center served by MBTA bus and boat public transportation.

Photo by Kate Richardsson



TOWN OF HINGHAM, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

Prepared by:

**Accounting Department
Town Accountant
Susan M. Nickerson**

TOWN OF HINGHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2013

TABLE OF CONTENTS

Introductory Section	1
Letter of Transmittal.....	3
Certificate of Achievement for Excellence in Financial Reporting.....	8
Organization Chart.....	9
Elected Officials.....	10
Administrative Staff.....	11
Financial Section	13
Independent Auditor's Report.....	15
Management's Discussion and Analysis.....	18
Basic Financial Statements.....	28
Statement of Net Position.....	29
Statement of Activities.....	30
Governmental Funds – Balance Sheet.....	32
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position.....	33
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances.....	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	35
Proprietary Funds – Statement of Net Position.....	36
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position.....	37
Proprietary Funds – Statement of Cash Flows.....	38
Fiduciary Funds – Statement of Fiduciary Net Position.....	39
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	40
Notes to Basic Financial Statements.....	41
Required Supplementary Information.....	79
General Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	81
Other Postemployment Benefit Plan Schedule of Funding Progress and Employer Contributions.....	85
Other Postemployment Benefit Plan Actuarial Methods and Assumptions.....	86
Notes to Required Supplementary Information.....	87

Combining and Individual Fund Statements.....	89
Nonmajor Funds.....	90
Fiduciary Funds.....	100
Statistical Section.....	103
Net Position by Component.....	104
Changes in Net Position.....	105
Fund Balances, Governmental Funds.....	106
Changes in Fund Balances, Governmental Funds	107
General Fund Revenues by Source.....	108
General Fund Expenditures by Function.....	109
General Fund Tax Revenue by Source.....	110
General Fund Balance Compared to Annual Expenditures	111
Real Estate Tax Levies and Collections.....	112
Assessed and Estimated Equal Value of Taxable Property.....	113
Assessed Value of Taxable Property by Classification.....	114
Property Tax Rates	115
Principal Taxpayers.....	116
Ratios of Outstanding Debt and General Bonded Debt	117
Computation of Legal Debt Margin	118
Computation of Overlapping Debt.....	119
Ratio of Annual Debt Service for General Bonded Debt to Total General Fund Expenditures	120
Demographic Statistics.....	121
Population Changes	122
School Enrollment Statistics.....	123
Median Age, Median Family Income, and Per Capita Income.....	124
Unemployment Rates.....	125
Building Permits and Construction Activity.....	126
Principal Employers.....	127
Number of Employees per Function of Government.....	128
Capital Assets Statistics by Function/Program	129
Operating Indicators by Function/Program	130
Free Cash and Stabilization Fund Balances	131

Introductory Section



**Town of Hingham, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

Introductory Section

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TOWN OF HINGHAM

OFFICE OF SELECTMEN

L. Bruce Rabuffo, Chairman
Irma H. Lauter
Paul K. Healey



Ted C. Alexiades
Town Administrator

Letter of Transmittal

November 25, 2013

To the Citizens of the Town of Hingham, Massachusetts:

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013 for the Town of Hingham, Massachusetts is hereby submitted for your consideration.

State law requires the Town of Hingham to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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 Hingham 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 Hingham to review and understand.

The Town of Hingham'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 Hingham for the fiscal year ended June 30, 2013 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town of Hingham's financial statements for the fiscal year ended June 30, 2013 and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

This CAFR is presented in three sections: **Introductory**, **Financial** and **Statistical**. This **Introductory Section** contains this transmittal letter with economic conditions and outlook, major initiatives, financial information and other relevant information. The **Financial Section** contains the Report of our Independent Auditor, a Management's Discussion and Analysis (MD&A) section, and the Basic Financial Statements, including the Notes to the Basic Financial Statements. The **Statistical Section** contains, in most cases, a ten-year history of trends of both financial and demographic data.

Profile of the Town of Hingham

This CAFR includes all of the operational departments of the Town. The Hingham Housing Authority is not included in the reporting entity because they do not meet the criteria for inclusion. The Hingham Public Library the Lincoln Apartments, LLC, and the Hingham Contributory Retirement System are included in this report as component units, with the Hingham Public Library and the Lincoln Apartments, LLC being presented as discrete units, and the Hingham Contributory Retirement System being presented as a fiduciary fund within the statement of fiduciary net position.

The Town of Hingham is a seacoast community located approximately 20 miles southeast of downtown Boston. Primarily an established single family community, Hingham has several historic village districts and more recent single family subdivisions that were constructed within the last 40 years.

The Town provides general government services including police and fire protection, disposal of rubbish, public education, streets, recreation and a municipal golf course (The South Shore Country Club). The Massachusetts Water Resources Authority (MWRA) provides certain sewer services to the Town. A municipal sewer system serves approximately 27% of the households of the Town. The Hingham Municipal Lighting Plant, a self-supporting enterprise, provides electric power to the Town, while the Aquarion Water Company of Massachusetts, a private firm, provides water services to the Town. The Hingham Housing Authority maintains housing for elderly and handicapped residents. In addition, the Town has a Department of Elder Services to service senior citizens with various programs as well as outreach projects. Bus services are provided by the Massachusetts Bay Transit Authority and connect to established stations of the Authority.

Several recreational programs are provided among the parks located throughout the Town, in addition to significant beach and swimming facilities. Bare Cove Park contains 468 acres and was a former federal ammunition depot. It is mostly in its original pristine condition with many trees and forests and is adjacent to the scenic Back River. It provides walking and bicycle trails, nature studies, picnic facilities and other items of interest.

The Commonwealth of Massachusetts maintains Wompatuck State Park in the Towns of Hingham and Cohasset containing 3,509 acres, of which 2,047 acres are in Hingham. In addition to the facilities provided by Bare Cove Park, it offers hiking trails in the summer which become cross country skiing trails in the winter, and extensive camping facilities are provided.

The principal services provided by the County are court facilities, a jail and house of correction and registry of deeds and probate.

The three member elected Board of Selectmen is the administrative authority; however, the Town has a diverse government with many elected and autonomous boards and committees. A Town Administrator is appointed by the Selectmen and is responsible for day to day administration.

Factors Affecting Economic and Financial Condition

Unemployment rates in Massachusetts, which had been rising slightly for several years prior to a short decline during 2005 and 2007; continue to fall below the state and national percentages. The Town traditionally has a more stable employment profile than the state or the nation, and has maintained this consistency over the past decade.

The Town's population has modestly increased in the nineties, after having declined through most of the late eighties, and over the past decade has once again begun modest increases. There is a parallel impact in school enrollment, which declined through the late eighties and then increased 11% during the nineties. Over the past ten years the town's population has increased approximately 9% while school enrollment has increased 15%.

Long-term Financial Planning

The Finance Director along with the financial officers, which consist of the Town Accountant, the Treasurer/Collector, and the Director of Assessing work closely with the Board of Selectmen, Advisory Committee, Capital Outlay Committee and Department Heads to develop short-term and long-term financial goals and to address the financial stability of the Town.

Major Initiatives

Since the mid 1990's the Town has consistently made capital expenditures a high priority. Due to current economic conditions and budget restraints the amount of capital spending has been reduced from normal levels of \$2-\$3 million annually. The Town expects to be able to appropriate capital spending in the \$1-\$2 million range for fiscal year 2014.

Financial Information

Financial Management. The Advisory Committee, Board of Selectmen and School Committee have adopted a Financial Policy. It is a comprehensive statement covering financial management, capital expenditures and debt service. The purpose of the Policy is to stabilize tax rates and control expenditures. It is expected to give guidance to the preparation, review and approval of budgets.

The Policy recommends that Available Reserves (Unassigned Fund Balance) be maintained at a level of no less than 14% and no more than 18% of total annual appropriations. Each year that Available Reserves increase, any excess of the above level should be available for spending or for tax reductions.

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 accurate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Town Administrator and the fiscal team are responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements. Because the cost of internal controls should not outweigh their benefits, the Town of Hingham'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.

The Town voted at the Annual Town Meeting held on April 27, 2010 to establish an Audit Committee. The Committee shall assist in the selection and monitoring of an independent auditing firm to conduct annual audits of the financial statements of the Town. The Committee will supervise and review the conduct of the audit and its relationship with the Town.

Budgetary Controls. The Town Administrator is responsible for the preparation of the executive budget and initiates the process with the development of a five-year financial forecast and budget guidelines for the coming fiscal year. The various boards prepare the budgets for departments under their jurisdiction. The Town Administrator reviews all budgets and recommendations are submitted to the Board of Selectmen. The 15 member Advisory Committee reviews the budgets approved by the Board of Selectmen; attempts to resolve any differences and then prepares the annual budget recommendations to the Town Meeting, which is the body that has final approval authority. Once approved, the budgets are controlled at the department level with the Town Accountant approving all payrolls and invoices. The Advisory Committee, based on a recommendation of the Board of Selectmen, may approve subsequent transfers from a reserve fund.

The Treasurer/Collector is responsible for all of the Town's cash and investments, debt management and payment of invoices. The Assessors set the tax rate and commit the Real Estate taxes, Personal Property taxes and Motor Vehicle Excise taxes to the Treasurer/Collector for collection. About 97% of all Real Estate taxes are collected during the fiscal year of billing with the remaining 3% collected the following year. This efficiency greatly aids the Treasurer/Collector in not only reducing or avoiding temporary loans but also maximizing investment potential.

The Treasurer/Collector, in common with other towns as a result of permissive legislation, changed from a semi-annual billing system to a quarterly billing system in Fiscal Year 1992. This change has not only eliminated the need for temporary borrowings, which were costing the Town \$150,000 per year, but also provided temporary excess cash beyond immediate needs which is available for short-term investment.

In addition to approval authority over all disbursements, the Town Accountant is responsible for providing accurate and timely estimates of the Town's current and future financial position to the Town Administrator. Also, the Town Accountant holds quarterly budget review meetings with departments to ensure they are within their approved budgeted appropriation.

The Finance Director holds quarterly meetings with the Town's financial officers to establish goals and objectives and to review monthly reports of comparison of budgeted revenues and expenditures with actual.

Risk Management

The Town of Hingham is a member of the Mayflower Municipal Health Group, a cooperative having members in excess of 10,000 subscribers. The Town receives annual premium costs per subscriber. Annual premiums are reviewed and changed annually. The Town is also self-insured for worker's compensation and unemployment benefits. For insured programs, there have been no significant reductions in insurance coverage. (Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.)

The Town is self-insured for property coverage over a group of vacant buildings given to them by the Federal Government. The Town maintains liability coverage on these respective buildings. Additional information on the Town of Hingham's risk management activity can be found in the notes to the financial statements.

Other Information

Certificate of Achievement for Excellence in Financial Reporting. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Hingham for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the sixteenth consecutive year that the government has achieved this prestigious award. In order to be awarded the Certificate of Achievement, a governmental unit (state, county, district, or town) must publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards established by the Government Finance Officers Association of the United States and Canada (GFOA). Such reports must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report 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.

Independent Audit. The financial statements for the fiscal year ended June 30, 2013 were audited by the public accounting firm of Powers & Sullivan, LLC. The financial statements have received an "unmodified opinion" from the auditors. An "unmodified opinion" is the best opinion which a governmental unit can receive. It indicates that the financial statements were prepared in accordance with generally accepted accounting principles and that they are fairly presented in all material aspects.

Additionally, the Town is required to have a single audit, under the requirements of the Single Audit Act of 1984, of all Federal programs, as prescribed in the Federal Office of Management & Budget's Circular A133.

Acknowledgments

A special gratitude is owed to Michael Nelligan and James Powers, partners at Powers & Sullivan, LLC, whose attention to the fiscal year 2013 financial statements was invaluable.

We want to express our appreciation to the accounting personnel, Steve Becker, Nancy Skillings, Lynn Phillips, Nancy Hutt, and Kaitlyn James for their invaluable assistance with the preparation of this CAFR; and to Kate Richardsson (IT Department) and Betty Tower (Selectmen's Office) for their work on the cover design. We wish to acknowledge their efforts, and the efforts of all the Town departments that assisted in the production of the final report.

Cordially yours,



Ted C. Alexiades, CPFO
Town Administrator/Finance Director



Susan M. Nickerson
Town Accountant



Government Finance Officers Association

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

Presented to

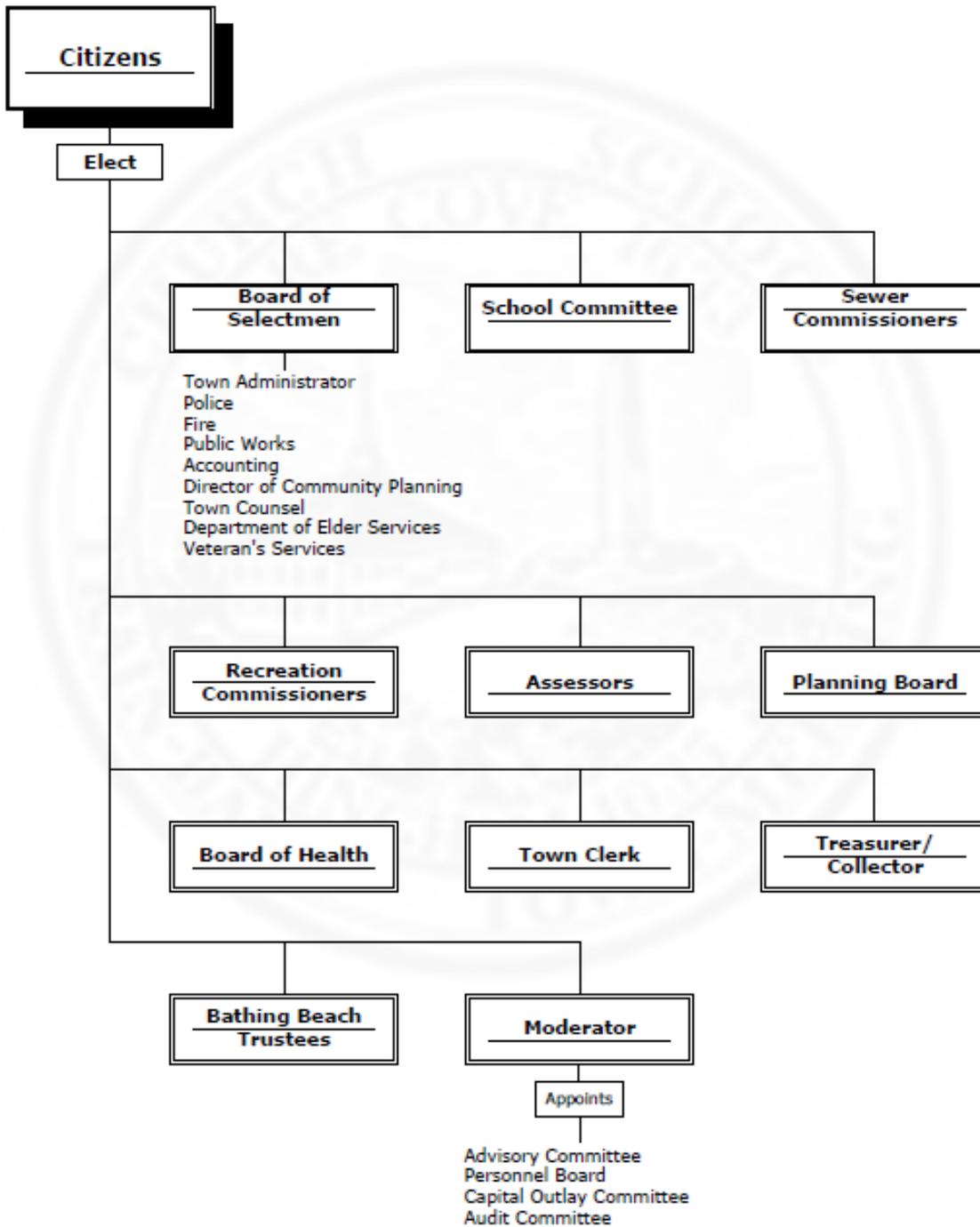
**Town of Hingham
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

The Town of Hingham Organizational Chart



Elected Officials

		<u>Term Expires</u>
MODERATOR	Michael J. Puzo	2014
BOARD OF SELECTMEN	Lawrence Bruce Rabuffo, Chairman Irma H. Lauter Paul K. Healey	2014 2015 2016
TOWN CLERK	Eileen A. McCracken	2015
TREASURER/COLLECTOR (3 Year Term)	Jean Montgomery	2016
BOARD OF ASSESSORS (3 Year Term)	Harold S. Goldstein Michael P. Shaughnessy Stuart Gregory Hall, Chairman	2016 2015 2014
BOARD OF HEALTH (3 Year Term)	Kirk J. Shilts Peter B. Bickford Stephan J. White	2016 2015 2014
SCHOOL COMMITTEE (3 Year Term)	Elizabeth O'Reilly Raymond C. Estes Andrew A. Shafter Dennis C. Friedman Paul J. Gannon Carol M. Falvey Edward J. Schreier	2016 2016 2016 2015 2015 2014 2014
PLANNING BOARD (5 Year Term)	Judith Sneath Gary S. Tondorf-Dick William C. Ramsey Paul K. Healey, Chairperson Sarah H. Corey	2017 2016 2015 2014 2013
SEWER COMMISSIONERS (3 Year Term)	Edmund Demko Michael A. Salerno Edward F. Monahan	2016 2015 2014

Administrative Staff

Position	Official
Town Administrator/Finance Director	Ted C. Alexiades
Superintendent of Schools	Dr. Dorothy H. Galo
Chief of Police	Michael Peraino
Fire Chief	Mark Duff
Light Plant General Manager	Paul Heanue
Asst. Superintendent of Schools	Ellen Keane
School Business Manager	John Ferris
Light Plant Business Manager	Joan Griffin
SSCC Superintendent	Jay McGrail
DPW Superintendent	Randy Sylvester
Town Engineer	Roger Fernandes
Asst. Town Administrator	Betty Foley
Town Accountant	Susan M. Nickerson
Treasurer/Collector	Jean Montgomery
Library Director	Dennis Corcoran
Director Community Planning	Mary Savage Dunham
Executive Health Officer	Bruce Capman
Town Clerk	Eileen McCracken
Director of Recreation	Mark Thorell
Director of Assessing	Richard Nowlan
Director of Elder Affairs	Barbara Farnsworth
Veteran's Agent	Keith Jermyn
Light Plant Engineer	Panos Tokadjian

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Financial Section



**Town of Hingham, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

Financial Section

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Independent Auditor's Report

To the Audit Committee
Town of Hingham, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Hingham, Massachusetts, as of and for the year ended June 30, 2013 (except for the Hingham Contributory Retirement System and Lincoln Apartments, LLC which are as of and for the year ended December 31, 2012), and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hingham Municipal Lighting Plant as of December 31, 2012, which is both a major fund and 80%, 79%, and 94%, respectively, of the assets, net position, and revenues of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the business-type activities of the Hingham Municipal Lighting Plant, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Hingham, Massachusetts, as of June 30, 2013 (except for the Hingham Municipal Lighting Plant, the Hingham Contributory Retirement System, and Lincoln Apartments, LLC which are as of December 31, 2012), 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 and other auditors 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 Hingham's basic financial statements. The introductory section, combining and individual fund statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and were derived from and relates 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining 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 November 25, 2013, on our consideration of the Town of Hingham, 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 the 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 Hingham's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Powers + Juliani, LLC". The signature is written in a cursive, flowing style.

November 25, 2013

Management's Discussion and Analysis

Management's Discussion and Analysis

This analysis, prepared by the Finance Director and the Town Accountant, offers readers of the Town's financial statements a narrative overview and analysis of the financial activities of the Town of Hingham for the fiscal year ended June 30, 2013. This is the eleventh year our financial statements have been prepared under the Government Accounting Standards Board Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

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

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

Financial Highlights

- The government-wide assets of the Town of Hingham exceeded its liabilities at the close of the most recent fiscal year by \$111 million and \$42 million (net position) for governmental activities and business-type activities, respectively.
- Of these amounts, 20% or \$31 million (unrestricted net position) may be used to meet the government's on-going obligations to citizens and creditors.
- At the close of the current fiscal year, the Town of Hingham's general fund reported an ending fund balance of \$22 million, including \$2.1 million set aside in stabilization funds, an increase of \$3.0 million over the prior year. Total fund balance represents 24% of total general fund expenditures. Approximately \$16.7 million of this total amount is available for appropriation at the Town's discretion.
- The Town of Hingham's total governmental debt increased by approximately \$12.2 million during the current fiscal year as a result of issuing \$19.7 million of Bond Anticipation Notes for the Middle School offset by approximately \$7.5 million of redemptions.

Overview of the Financial Statements

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

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

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

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

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

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

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

Fiscal year 2011 was the Town's initial year of implementation of GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of this standard has changed the fund balance components into nonspendable, restricted, committed, assigned and unassigned. Additionally, under the new standard, the Town's stabilization funds are reported within the general fund as unassigned.

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

The Town's general fund and the Middle School Building Project fund are shown separately and the remaining governmental funds are aggregated and shown as nonmajor governmental funds.

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

Proprietary funds. The Town maintains one proprietary fund type.

Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements, only in more detail. The Town uses enterprise funds to account for its country club and electric lighting operations, both of which are considered major funds of the Town.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Hingham, assets exceeded liabilities by \$153.1 million at the close of the fiscal year 2013.

Government-wide net position of \$118.7 million (78%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Hingham's net position, \$3.1 million (2%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, \$31.3 (20%), may be used to meet the Town's ongoing obligations to citizens and creditors.

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

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

Governmental activities. The governmental activities net position increased by \$15.4 million during the current fiscal year as compared to an increase in net position of \$1.7 million during the prior fiscal year. The change was mostly affected by capital grants of approximately \$12.2 million received from the Massachusetts School Building Authority who is providing contract assistance for the Middle School building project.

Governmental Activities Condensed Statement of Net Position

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets.....	\$ 59,456,638	\$ 55,641,167
Noncurrent assets (excluding capital).....	13,178,664	15,147,768
Capital assets, non depreciable.....	46,790,866	11,800,852
Capital assets, net of accumulated depreciation.....	<u>105,322,429</u>	<u>109,945,759</u>
Total assets.....	<u>224,748,597</u>	<u>192,535,546</u>
Liabilities:		
Current liabilities (excluding debt).....	9,280,916	6,519,034
Noncurrent liabilities (excluding debt).....	9,289,952	9,127,126
Current debt.....	45,304,483	26,078,015
Noncurrent debt.....	<u>50,222,555</u>	<u>55,512,838</u>
Total liabilities.....	<u>114,097,906</u>	<u>97,237,013</u>
Net Position:		
Net investment in capital assets.....	86,629,936	72,361,430
Restricted.....	3,091,710	4,322,038
Unrestricted.....	<u>20,929,045</u>	<u>18,615,065</u>
Total net position.....	<u>\$ 110,650,691</u>	<u>\$ 95,298,533</u>

Non-Depreciable capital assets and current debt have both increased relating to the activities of the new Middle School construction project.

Governmental Activities Condensed Statement of Activities

	2013	2012
Program revenues:		
Charges for services.....	\$ 10,241,015	\$ 10,088,999
Operating grants and contributions.....	20,313,250	21,061,709
Capital grants and contributions.....	12,190,209	2,706,963
General Revenues:		
Real estate, personal property taxes, and motor vehicle and other excise taxes.....	71,812,957	68,836,981
Penalties & interest	252,485	431,791
Nonrestricted grants, contributions, and other.....	1,604,856	1,576,677
Unrestricted investment income.....	157,975	89,498
Gain on sale of capital assets.....	250,561	-
Total revenues.....	116,823,308	104,792,618
Expenses:		
General government.....	5,531,669	5,942,879
Public safety.....	16,670,337	16,278,421
Education.....	61,329,548	60,092,877
Public works.....	10,283,605	10,743,766
Human services.....	1,307,992	1,191,783
Culture and recreation.....	3,122,258	3,127,819
Community preservation.....	376,463	123,324
Interest.....	2,430,517	1,940,022
Total expenses.....	101,052,389	99,440,891
Excess before contributions and transfers.....	15,770,919	5,351,727
Capital assets contributed to joint venture (SSRECC).....	(394,283)	(3,910,618)
Transfers.....	(24,478)	247,829
Change in net position.....	\$ 15,352,158	\$ 1,688,938

Other financial notes related to governmental activities:

- Charges for services represented 9% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Town are included in this category.
- Operating grants and contributions accounted for 17% of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their General Fund operating budget.
- Capital grants and contributions accounted for 10% of the governmental activities resources. These mainly consist of state grants for the new Middle School.
- Property and other excise taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 61% of current resources.
- All other revenues comprised a total of 3% percent of the governmental activities resources. These primarily include unrestricted contributions, investment earnings, and in 2013 a gain on the sale of property acquired for Affordable Housing.

- Education is by far the largest governmental activity of the Town. After subtracting \$33 million of program revenues (charges for services and operating and capital grants) as shown on the Statement of Activities, approximately \$28.3 million in taxes and other revenue were needed to cover its fiscal 2013 net operating expenses. A pension contribution of approximately \$9.3 million made by the State on-behalf of Hingham teachers was recorded as an expense and grant revenue.
- Public safety and public works are the second and third largest activities of the Town. Approximately \$14.6 million and \$7.3 million, respectively, of taxes and other revenue were needed to cover their fiscal 2013 operating expenses.

Business-type activities. Business-type activities, consisting of the South Shore Country Club and the Hingham Municipal Lighting Plant, increased the Town's net position by \$2.4 million. These results continue to reflect management's goal of maintaining the systems while only charging users for the cost of operations.

As shown below, business-type activities assets exceeded liabilities by \$42.4 million at the close of fiscal year 2013. Net investment in capital assets was \$32.1 million (76%) while unrestricted net position was \$10.4 million (24%).

Business-Type Activities Condensed Statement of Net Position

	2013	2012
Assets:		
Current assets.....	\$ 17,707,122	\$ 16,078,042
Noncurrent assets (excluding capital).....	1,521,330	1,508,123
Capital assets, non depreciable.....	7,185,302	7,185,302
Capital assets, net of accumulated depreciation.....	25,957,751	26,706,519
Total assets.....	52,371,505	51,477,986
Liabilities:		
Current liabilities (excluding debt).....	4,524,633	6,589,083
Non-current liabilities (excluding debt).....	4,453,893	3,715,729
Current debt.....	145,000	135,000
Noncurrent debt.....	805,000	950,000
Total liabilities.....	9,928,526	11,389,812
Net Position:		
Net investment in capital assets.....	32,068,037	32,642,589
Unrestricted.....	10,374,942	7,445,585
Total net position.....	\$ 42,442,979	\$ 40,088,174

Noncurrent assets include \$1.3 million of pre-funded other postemployment benefits of the Municipal Lighting Plant.

The South Shore Country Club includes facilities for golf, bowling, tennis, swimming, and dining. Total revenues amounted to \$1,958,000 as compared to \$1,983,000 in 2012. Expenses decreased by \$85,000 and after a transfer in from the general fund in the amount of \$535,000 the Country Club's net position increased by \$517,000 for the year.

The Hingham Municipal Lighting Plant provides electricity to Hingham residents. Total revenues amounted to \$28,644,000 as compared to \$30,109,000 in the prior year. Expenses decreased by \$972,000 and after transferring \$510,000 to the general fund the Lighting Plant's net position increased by \$1,838,000 for the year.

Business-Type Activities Condensed Statement of Activities

	<u>2013</u>	<u>2012</u>
Program revenues:		
Charges for services.....	\$ 30,560,936	\$ 32,042,902
General Revenues:		
Unrestricted investment income.....	41,556	49,287
Total revenues.....	<u>30,602,492</u>	<u>32,092,189</u>
Expenses:		
South Shore Country Club.....	1,976,008	2,061,404
Electric Lighting.....	26,296,157	27,268,237
Total expenses.....	<u>28,272,165</u>	<u>29,329,641</u>
Excess before transfers.....	2,330,327	2,762,548
Transfers.....	<u>24,478</u>	<u>(247,829)</u>
Change in net position.....	<u>\$ 2,354,805</u>	<u>\$ 2,514,719</u>

Financial Analysis of the Government's Major Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$7.0 million, a decrease of \$18.4 million for the year.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$16.7 million, while the total fund balance was \$21.7 million. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and the total fund balance to total fund expenditures. The unassigned fund balance represents 18% of total general fund expenditures, while the total fund balance represents 24% of that same amount.

The fund balance of the General Fund increased by just over \$3.0 million during the current fiscal year from revenue surpluses in virtually all categories and by monitoring expenditures against the budget.

Middle School Building Project

The Middle School Building Project is a capital project fund used to account for the activities of constructing the new school. The project is being funded with a combination of debt and state grants from the Massachusetts School Building Authority (MSBA). During the year the Town borrowed \$30.9 million of Bond Anticipation Notes,

received grant reimbursements of \$12.2 million from the MSBA, and expended approximately \$28.7 million for construction. The fund ended the year with a deficit of \$18.7 million.

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

General Fund Budgetary Highlights

Total general fund revenues exceeded budget overall by approximately 2%.

Total expenditures and carryovers were less than budgeted amounts by approximately \$1.8 million. The largest savings were from school department expenses; however virtually every Town department contributed to the savings.

Capital Assets and Debt Management

In conjunction with the operating budget, the Town annually prepares a capital budget which includes detailed information concerning those capital requests for the upcoming fiscal year as well as summary information for the following four fiscal years to identify current projections of what level of capital outlay will be required in future years.

The Town of Hingham has maintained its bond rating of "Aaa" from Moody's Investor Services, "AAA" from Fitch Ratings, and "AAA" from Standard & Poor's. This is a significant achievement as only about 6% of Massachusetts communities receive these highest ratings.

Major capital assets are funded primarily by the issuance of long-term debt and at times from the receipt of capital grants. For capital assets acquired through debt, the effect on net position during the construction phase of the project is neutral since the Town increases its assets and associated liabilities by the same amount. For capital assets acquired through capital grants, the effect on net position is positive since the Town does not use its own resources to acquire the assets. In subsequent years the net position will be reduced through depreciation and will be increased by the revenues raised to support the debt principal payments. Outstanding long-term debt of the general government, as of June 30, 2013, totaled \$55.5 million, a decrease of \$5.7 million from the prior year. Funding for the majority of this debt service is from real estate taxes that have been exempt from the tax levy limitation of Massachusetts' Proposition 2 ½.

The enterprise funds have \$950,000 in Country Club debt used to install an irrigation system for the golf course.

The Town's major capital projects have been related to school construction, DPW building construction, land acquisition, and Affordable Housing. During fiscal year 2013, the Town has spent approximately \$28.7 million on the new Middle School project which was funded by Bond Anticipation Notes and State grants.

Please refer to notes 5, 7, 8, and 9 to the financial statements for further discussion of the major capital and debt activity.

Pension Trust Fund

The Pension Trust Fund (System) realized an increase in net position of \$8.2 million for the year. Contributions of \$6.7 million and investment income and other additions of \$8.7 million were offset by \$7.2 million of benefits and other deductions. Total net position of the System amounted to \$81.6 at December 31, 2012.

Other Postemployment Benefits

The Town and the Municipal Lighting Plant implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (OPEB)*, as of June 30, 2009 and December 31, 2008, respectively. The governmental-activities have accumulated a liability for other postemployment benefits in the amount of \$8.7 million at June 30, 2013 and have pre-funded future obligations in the amount of approximately \$3.5 million. The business-type activities (Municipal Lighting Plant) have pre-funded benefits in the amount of \$1.5 million which has created an OPEB asset in the amount of \$1.3 million at December 31, 2012. The total assets set aside in trust for future benefits amounted to approximately \$5.6 million at fiscal year end.

Discretely Presented Component Units

The net position of the Component Units represent the Hingham Public Library, a separate legal entity established in 1872, and the Lincoln Apartments, LLC a Massachusetts Limited Liability Company established in 2009 to operate affordable housing at the Lincoln School Apartment building owned by the Town.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Susan M. Nickerson, Town Accountant, 210 Central Street, Hingham, MA 02403.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Hingham Public Library	Lincoln Apartments, LLC (December 31, 2012)
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 52,696,508	\$ 12,481,710	\$ 65,178,218	\$ 75,483	\$ 303,812
Investments.....	316,455	-	316,455	1,468,127	-
Receivables, net of allowance for uncollectibles:					
Real estate, personal property and tax deferrals.....	1,288,881	-	1,288,881	-	-
Tax liens.....	724,248	-	724,248	-	-
Motor vehicle and other excise taxes.....	353,776	-	353,776	-	-
User charges.....	-	2,475,152	2,475,152	-	-
Sewer fees.....	398,595	-	398,595	-	-
Departmental and other.....	417,484	237,802	655,286	-	10,300
Special assessments.....	153,210	-	153,210	-	-
Intergovernmental.....	2,784,769	-	2,784,769	-	-
Tax foreclosures.....	122,712	-	122,712	-	-
Inventory.....	-	925,952	925,952	-	-
Purchased power advance deposits.....	-	787,791	787,791	-	-
Other assets.....	-	798,715	798,715	-	52,315
Advance to Lincoln Apartments, LLC.....	200,000	-	200,000	-	-
Total Current Assets.....	59,456,638	17,707,122	77,163,760	1,543,610	366,427
NONCURRENT:					
Receivables, net of allowance for uncollectibles:					
Special assessments.....	1,243,428	-	1,243,428	-	-
Intergovernmental.....	11,935,236	-	11,935,236	-	-
Investment in Hydro Quebec.....	-	181,965	181,965	-	-
Other postemployment benefits asset.....	-	1,339,365	1,339,365	-	-
Capital assets, non depreciable.....	46,790,866	7,185,302	53,976,168	154,036	112,482
Capital assets, net of accumulated depreciation.....	105,322,429	25,957,751	131,280,180	-	173,651
Total Noncurrent Assets.....	165,291,959	34,664,383	199,956,342	154,036	286,133
TOTAL ASSETS.....	224,748,597	52,371,505	277,120,102	1,697,646	652,560
LIABILITIES					
CURRENT:					
Warrants payable.....	4,718,798	2,071,532	6,790,330	1,280	20,919
Accrued liabilities.....	2,762,019	2,380,821	5,142,840	-	66,513
Tax refunds payable.....	6,055	-	6,055	-	-
Accrued interest.....	382,871	11,083	393,954	-	-
Unearned revenues.....	385,410	-	385,410	-	6,345
Due to the Town of Hingham for rent.....	-	-	-	-	197,594
Capital lease obligations.....	-	40,419	40,419	-	-
Compensated absences.....	777,662	20,778	798,440	-	-
Workers' compensation.....	248,101	-	248,101	-	-
Notes payable.....	40,014,200	-	40,014,200	-	-
Bonds payable.....	5,290,283	145,000	5,435,283	-	-
Total Current Liabilities.....	54,585,399	4,669,633	59,255,032	1,280	291,371
NONCURRENT:					
Capital lease obligations.....	-	84,597	84,597	-	-
Compensated absences.....	320,056	-	320,056	-	-
Workers' compensation.....	238,406	-	238,406	-	-
Rate stabilization reserve.....	-	2,876,562	2,876,562	-	-
Customer deposits.....	-	1,492,734	1,492,734	-	-
Other postemployment benefits.....	8,731,490	-	8,731,490	-	-
Bonds payable.....	50,222,555	805,000	51,027,555	-	-
Total Noncurrent Liabilities.....	59,512,507	5,258,893	64,771,400	-	-
TOTAL LIABILITIES.....	114,097,906	9,928,526	124,026,432	1,280	291,371
NET POSITION					
Net investment in capital assets.....	86,629,936	32,068,037	118,697,973	154,036	286,133
Restricted for:					
Permanent funds:					
Expendable.....	64,312	-	64,312	-	-
Nonexpendable.....	35,000	-	35,000	-	-
Grants and gifts.....	1,388,215	-	1,388,215	-	-
Community preservation.....	1,604,183	-	1,604,183	-	-
Unrestricted.....	20,929,045	10,374,942	31,303,987	1,542,330	75,056
TOTAL NET POSITION.....	\$ 110,650,691	\$ 42,442,979	\$ 153,093,670	\$ 1,696,366	\$ 361,189

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 5,531,669	\$ 2,786,484	\$ 586,985	\$ -	\$ (2,158,200)
Public safety.....	16,670,337	1,590,872	519,022	-	(14,560,443)
Public education.....	61,329,548	2,306,585	18,570,998	12,174,339	(28,277,626)
Public works.....	10,283,605	2,606,859	328,371	15,870	(7,332,505)
Human services.....	1,307,992	228,411	26,420	-	(1,053,161)
Culture and recreation.....	3,122,258	721,804	12,100	-	(2,388,354)
Community preservation.....	376,463	-	211,950	-	(164,513)
Interest.....	2,430,517	-	57,404	-	(2,373,113)
Total Governmental Activities.....	101,052,389	10,241,015	20,313,250	12,190,209	(58,307,915)
<i>Business-Type Activities:</i>					
South Shore Country Club.....	1,976,008	1,957,909	-	-	(18,099)
Hingham Municipal Lighting Plant.....	26,296,157	28,603,027	-	-	2,306,870
Total Business-Type Activities.....	28,272,165	30,560,936	-	-	2,288,771
Total Primary Government.....	\$ 129,324,554	\$ 40,801,951	\$ 20,313,250	\$ 12,190,209	\$ (56,019,144)
Component Units:					
Hingham Public Library.....	\$ 1,716,837	\$ 143,704	\$ 128,120	\$ -	\$ (1,445,013)
Lincoln Apartments, LLC.....	1,087,932	280,928	825,950	-	18,946
Total Component Units.....	\$ 2,804,769	\$ 424,632	\$ 954,070	\$ -	\$ (1,426,067)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Hingham Public Library	Lincoln Apartments, LLC (December 31, 2012)
Changes in net position:					
Net (expense) revenue from previous page.....	\$ (58,307,915)	\$ 2,288,771	\$ (56,019,144)	\$ (1,445,013)	\$ 18,946
<i>General revenues:</i>					
Real estate and personal property taxes, net of tax refunds.....	66,648,950	-	66,648,950	-	-
Tax liens.....	137,197	-	137,197	-	-
Motor vehicle and other excise taxes.....	3,579,082	-	3,579,082	-	-
Local meals tax.....	615,746	-	615,746	-	-
Community preservation tax.....	831,982	-	831,982	-	-
Penalties and interest on taxes.....	252,485	-	252,485	-	-
Grants and contributions not restricted to specific programs.....	1,604,856	-	1,604,856	-	-
Unrestricted investment income.....	157,975	41,556	199,531	162,774	101
Gain on sale of assets held for resale.....	250,561	-	250,561	-	-
Payments from the Town of Hingham.....	-	-	-	1,441,600	-
Capital assets contributed to joint venture (SSRECC).....	(394,283)	-	(394,283)	-	-
Transfers, net.....	(24,478)	24,478	-	-	-
Total general revenues, contributions and transfers.....	<u>73,660,073</u>	<u>66,034</u>	<u>73,726,107</u>	<u>1,604,374</u>	<u>101</u>
Change in net position.....	15,352,158	2,354,805	17,706,963	159,361	19,047
<i>Net Position:</i>					
Beginning of year.....	<u>95,298,533</u>	<u>40,088,174</u>	<u>135,386,707</u>	<u>1,537,005</u>	<u>342,142</u>
End of year.....	\$ <u>110,650,691</u>	\$ <u>42,442,979</u>	\$ <u>153,093,670</u>	\$ <u>1,696,366</u>	\$ <u>361,189</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2013

ASSETS	General	Middle School Building Project	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 23,657,790	\$ 14,684,757	\$ 14,353,961	\$ 52,696,508
Investments.....	-	-	316,455	316,455
Receivables, net of uncollectibles:				
Real estate, personal property and tax deferrals	1,288,881	-	-	1,288,881
Tax liens.....	724,248	-	-	724,248
Excise taxes.....	353,776	-	-	353,776
Departmental and other.....	396,794	-	20,690	417,484
User charges.....	-	-	398,595	398,595
Special assessments.....	1,396,638	-	-	1,396,638
Intergovernmental.....	13,469,914	863,985	386,106	14,720,005
Tax foreclosures.....	122,712	-	-	122,712
Due from other funds.....	1,406,677	-	-	1,406,677
Advance to Lincoln Apartments, LLC.....	-	-	200,000	200,000
TOTAL ASSETS.....	\$ 42,817,430	\$ 15,548,742	\$ 15,675,807	\$ 74,041,979
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Warrants payable.....	\$ 945,466	\$ 3,361,583	\$ 411,749	\$ 4,718,798
Accrued payroll.....	1,885,997	-	-	1,885,997
Tax refunds payable.....	6,055	-	-	6,055
Other liabilities.....	876,022	-	-	876,022
Deferred revenues and advance collections.....	17,434,043	-	696,946	18,130,989
Due to other funds.....	-	-	1,406,677	1,406,677
Notes payable.....	-	30,850,000	9,164,200	40,014,200
TOTAL LIABILITIES.....	21,147,583	34,211,583	11,679,572	67,038,738
FUND BALANCES:				
Nonspendable.....	-	-	35,000	35,000
Restricted.....	1,250,000	-	9,112,470	10,362,470
Committed.....	1,033,485	-	-	1,033,485
Assigned.....	2,679,682	-	-	2,679,682
Unassigned.....	16,706,680	(18,662,841)	(5,151,235)	(7,107,396)
TOTAL FUND BALANCES.....	21,669,847	(18,662,841)	3,996,235	7,003,241
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 42,817,430	\$ 15,548,742	\$ 15,675,807	\$ 74,041,979

See notes to basic financial statements.

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

JUNE 30, 2013

Total governmental fund balances.....		\$ 7,003,241
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		152,113,295
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		17,745,579
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(382,871)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(55,512,838)	
Compensated absences.....	(1,097,718)	
Workers' compensation.....	(486,507)	
Other postemployment benefits.....	<u>(8,731,490)</u>	
Net effect of reporting long-term liabilities.....		<u>(65,828,553)</u>
Net position of governmental activities.....		<u>\$ 110,650,691</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

	General	Middle School Building Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 66,609,512	\$ -	\$ -	\$ 66,609,512
Tax liens.....	137,197	-	-	137,197
Motor vehicle and other excise taxes.....	3,527,929	-	-	3,527,929
Local meals tax.....	615,746	-	-	615,746
Penalties and interest.....	252,485	-	-	252,485
Charges for services.....	2,146,763	-	2,567,099	4,713,862
Intergovernmental.....	9,729,651	12,174,339	3,875,053	25,779,043
State grant for teachers pension.....	9,258,650	-	-	9,258,650
Departmental and other.....	1,986,384	-	4,245,264	6,231,648
Community preservation tax.....	-	-	832,137	832,137
Contributions.....	-	-	491,365	491,365
Investment income.....	94,959	-	63,016	157,975
TOTAL REVENUES.....	94,359,276	12,174,339	12,073,934	118,607,549
EXPENDITURES:				
Current:				
General government.....	3,677,745	-	4,415,612	8,093,357
Public safety.....	11,344,339	-	1,122,610	12,466,949
Public education.....	39,728,604	28,663,195	5,014,587	73,406,386
Public works.....	4,850,241	-	3,174,082	8,024,323
Human services.....	843,532	-	151,163	994,695
Culture and recreation.....	1,565,213	-	719,554	2,284,767
Community preservation.....	-	-	2,070,939	2,070,939
Teachers pension benefits - state funded.....	9,258,650	-	-	9,258,650
Town pension.....	3,648,502	-	-	3,648,502
Property and liability insurance.....	381,000	-	-	381,000
Employee benefits.....	8,247,415	-	-	8,247,415
State and county charges.....	784,666	-	-	784,666
Debt service:				
Principal.....	4,870,183	-	654,881	5,525,064
Interest.....	2,111,485	-	225,025	2,336,510
TOTAL EXPENDITURES.....	91,311,575	28,663,195	17,548,453	137,523,223
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	3,047,701	(16,488,856)	(5,474,519)	(18,915,674)
OTHER FINANCING SOURCES (USES):				
Sale of assets held for resale.....	-	-	550,442	550,442
Transfers in.....	534,280	-	30,238	564,518
Transfers out.....	(564,935)	-	(24,061)	(588,996)
TOTAL OTHER FINANCING SOURCES (USES).....	(30,655)	-	556,619	525,964
NET CHANGE IN FUND BALANCES.....	3,017,046	(16,488,856)	(4,917,900)	(18,389,710)
FUND BALANCES AT BEGINNING OF YEAR.....	18,652,801	(2,173,985)	8,914,135	25,392,951
FUND BALANCES AT END OF YEAR.....	\$ 21,669,847	\$ (18,662,841)	\$ 3,996,235	\$ 7,003,241

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds..... \$ (18,389,710)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	36,581,803
Capital assets contributed to joint venture.....	(394,283)
Depreciation expense.....	<u>(5,820,836)</u>

Net effect of reporting capital assets..... 30,366,684

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue..... (2,334,683)

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.

Amortization of bond premiums.....	222,951
Debt service principal payments.....	<u>5,525,064</u>

Net effect of reporting long-term debt..... 5,748,015

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences accrual.....	(32,815)
Net change in other postemployment benefits accrual.....	(238,064)
Net change in accrued interest on long-term debt.....	103,848
Net change in workers' compensation accrual.....	<u>128,883</u>

Net effect of recording long-term liabilities..... (38,148)

Change in net position of governmental activities..... \$ 15,352,158

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2013

	Business-type Activities - Enterprise Funds		
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2012)	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 83,704	\$ 12,398,006	\$ 12,481,710
Receivables, net of allowance for uncollectibles:			
User charges.....	-	2,475,152	2,475,152
Departmental and other.....	-	237,802	237,802
Inventory.....	-	925,952	925,952
Purchased power advance deposits.....	-	787,791	787,791
Other assets.....	-	798,715	798,715
Total current assets.....	<u>83,704</u>	<u>17,623,418</u>	<u>17,707,122</u>
NONCURRENT:			
Investment in Hydro Quebec.....	-	181,965	181,965
Other postemployment benefits asset.....	-	1,339,365	1,339,365
Capital assets, nondepreciable.....	7,008,200	177,102	7,185,302
Capital assets, net of accumulated depreciation.....	<u>3,133,754</u>	<u>22,823,997</u>	<u>25,957,751</u>
Total noncurrent assets.....	<u>10,141,954</u>	<u>24,522,429</u>	<u>34,664,383</u>
TOTAL ASSETS.....	<u>10,225,658</u>	<u>42,145,847</u>	<u>52,371,505</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	11,817	2,059,715	2,071,532
Accrued liabilities.....	-	2,380,821	2,380,821
Accrued interest.....	11,083	-	11,083
Capital lease obligations.....	40,419	-	40,419
Compensated absences.....	20,778	-	20,778
Bonds payable.....	<u>145,000</u>	<u>-</u>	<u>145,000</u>
Total current liabilities.....	<u>229,097</u>	<u>4,440,536</u>	<u>4,669,633</u>
NONCURRENT:			
Capital lease obligations.....	84,597	-	84,597
Customer deposits.....	-	1,492,734	1,492,734
Rate stabilization reserve.....	-	2,876,562	2,876,562
Bonds payable.....	<u>805,000</u>	<u>-</u>	<u>805,000</u>
Total noncurrent liabilities.....	<u>889,597</u>	<u>4,369,296</u>	<u>5,258,893</u>
TOTAL LIABILITIES.....	<u>1,118,694</u>	<u>8,809,832</u>	<u>9,928,526</u>
NET POSITION			
Net investment in capital assets.....	9,066,938	23,001,099	32,068,037
Unrestricted.....	<u>40,026</u>	<u>10,334,916</u>	<u>10,374,942</u>
TOTAL NET POSITION.....	<u>\$ 9,106,964</u>	<u>\$ 33,336,015</u>	<u>\$ 42,442,979</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>South Shore Country Club</u>	<u>Hingham Municipal Lighting Plant (December 31, 2012)</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for services	\$ 1,957,909	\$ 28,469,206	\$ 30,427,115
Other.....	-	133,821	133,821
TOTAL OPERATING REVENUES	1,957,909	28,603,027	30,560,936
OPERATING EXPENSES:			
Program expenses.....	65,559	21,889,503	21,955,062
Administrative and general salaries and wages.....	681,470	164,573	846,043
Grounds and custodial expenses.....	688,982	719,171	1,408,153
Facility expenses.....	148,290	308,378	456,668
Other administrative expenses.....	-	1,335,724	1,335,724
Depreciation.....	352,395	1,876,967	2,229,362
TOTAL OPERATING EXPENSES	1,936,696	26,294,316	28,231,012
OPERATING INCOME.....	21,213	2,308,711	2,329,924
NONOPERATING REVENUES (EXPENSES):			
Investment income.....	86	41,470	41,556
Interest expense.....	(39,312)	(1,841)	(41,153)
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(39,226)	39,629	403
INCOME BEFORE TRANSFERS.....	(18,013)	2,348,340	2,330,327
TRANSFERS:			
Transfers in.....	534,697	-	534,697
Transfers out.....	-	(510,219)	(510,219)
TOTAL TRANSFERS.....	534,697	(510,219)	24,478
CHANGE IN NET POSITION.....	516,684	1,838,121	2,354,805
NET POSITION AT BEGINNING OF YEAR.....	8,590,280	31,497,894	40,088,174
NET POSITION AT END OF YEAR.....	\$ 9,106,964	\$ 33,336,015	\$ 42,442,979

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds		
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2012)	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users.....	\$ 1,988,423	\$ 29,352,836	\$ 31,341,259
Payments to vendors.....	(930,265)	(23,582,350)	(24,512,615)
Payments to employees.....	(680,653)	(2,363,866)	(3,044,519)
NET CASH FROM OPERATING ACTIVITIES.....	377,505	3,406,620	3,784,125
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers in.....	534,697	-	534,697
Transfers out.....	-	(510,219)	(510,219)
Advances from other funds.....	(443,341)	-	(443,341)
Pre-funding transfer for OPEB benefits.....	-	(20,141)	(20,141)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	91,356	(530,360)	(439,004)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Acquisition and construction of capital assets.....	(170,140)	(1,310,454)	(1,480,594)
Principal payments on bonds and notes.....	(135,000)	-	(135,000)
Principal payments on capital lease obligations.....	(39,216)	-	(39,216)
Interest expense.....	(40,887)	(1,841)	(42,728)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(385,243)	(1,312,295)	(1,697,538)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Increase in investment in Hydro Quebec.....	-	6,935	6,935
Investment income.....	86	41,470	41,556
NET CASH FROM INVESTING ACTIVITIES.....	86	48,405	48,491
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	83,704	1,612,370	1,696,074
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	-	10,785,636	10,785,636
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 83,704	\$ 12,398,006	\$ 12,481,710
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>			
Operating income (loss).....	\$ 21,213	\$ 2,308,711	\$ 2,329,924
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation.....	352,395	1,876,967	2,229,362
Changes in assets and liabilities:			
User charges.....	-	209,157	209,157
Department and other receivables.....	30,514	(102,931)	(72,417)
Inventory.....	-	384,911	384,911
Other assets.....	-	(57,509)	(57,509)
Purchased power advance deposits.....	-	46,193	46,193
Warrants payable.....	(27,434)	(1,902,336)	(1,929,770)
Accrued liabilities.....	(1,330)	(126)	(1,456)
Rate stabilization reserve.....	-	709,508	709,508
Customer deposits.....	-	(65,925)	(65,925)
Compensated absences.....	2,147	-	2,147
Total adjustments.....	356,292	1,097,909	1,454,201
NET CASH FROM OPERATING ACTIVITIES.....	\$ 377,505	\$ 3,406,620	\$ 3,784,125

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2013

	Pension Trust Fund (as of December 31, 2012)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS				
Cash and cash equivalents.....	\$ 479,785	\$ 25,023	\$ 237,282	\$ 704,769
Investments:				
Equity securities.....	-	261,535	-	-
Equity mutual funds.....	-	253,361	3,506,140	-
Fixed income mutual funds.....	-	389,154	-	-
Debt securities.....	-	651,187	-	-
PRIT funds.....	81,000,486	4,016,540	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other receivables.....	107,983	-	-	-
TOTAL ASSETS.....	81,588,254	5,596,800	3,743,422	704,769
LIABILITIES				
Liabilities due depositors.....	-	-	-	704,769
NET POSITION				
Held in trust for pension benefits, OPEB benefits, and other purposes.....	\$ 81,569,743	\$ 5,596,800	\$ 3,743,422	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FISCAL YEAR ENDED JUNE 30, 2013

	Pension Trust Fund (as of December 31, 2012)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:			
Contributions:			
Employer.....	\$ 3,913,402	\$ 1,054,299	\$ -
Plan members.....	2,813,972	-	-
Private donations.....	-	-	13,716
Total contributions.....	<u>6,727,374</u>	<u>1,054,299</u>	<u>13,716</u>
Net investment income:			
Net change in fair value of investments.....	6,282,433	438,746	523,546
Interest.....	1,307,829	72,810	-
Dividends.....	1,017,288	-	-
Total investment income.....	8,607,550	511,556	523,546
Less: investment expense.....	<u>(219,595)</u>	<u>-</u>	<u>-</u>
Net investment income.....	<u>8,387,955</u>	<u>511,556</u>	<u>523,546</u>
Intergovernmental.....	132,996	-	-
Transfers from other systems.....	132,143	-	-
TOTAL ADDITIONS.....	<u>15,380,468</u>	<u>1,565,855</u>	<u>537,262</u>
DEDUCTIONS:			
Administration.....	137,564	-	-
Transfers to other systems.....	489,092	-	-
Retirement benefits and refunds.....	6,590,210	-	-
Educational scholarships.....	-	-	164,048
TOTAL DEDUCTIONS.....	<u>7,216,866</u>	<u>-</u>	<u>164,048</u>
CHANGE IN NET POSITION.....	8,163,602	1,565,855	373,214
NET POSITION AT BEGINNING OF YEAR.....	<u>73,406,141</u>	<u>4,030,945</u>	<u>3,370,208</u>
NET POSITION AT END OF YEAR.....	<u>\$ 81,569,743</u>	<u>\$ 5,596,800</u>	<u>\$ 3,743,422</u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town was incorporated in 1635 under the statutes of the Commonwealth of Massachusetts (the "Commonwealth"). The Town is a municipal corporation 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. Three entities have been included as component units in the reporting entity, because of the significance of its operational and/or financial relationship.

Component Unit Presented as a Fiduciary Fund – The following component unit is presented as a Fiduciary Fund of the primary government due to the nature and significance of the relationship between the Town and the component unit.

In the Fiduciary Funds:

- (1) The Hingham Contributory Retirement System (the System) was established to provide retirement benefits to Town employees, the Hingham Housing Authority employees, and their beneficiaries. Board members of the Retirement System consist of two elected members, who are employees or retirees within the system and who are elected by the members-in-service and retirees, an ex-officio member, who is a member by virtue of holding the office of Town Accountant, and an appointed member who is chosen by the Board of Selectmen. The remaining four members select the fifth member of the Board. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

Discretely Presented Component Units – Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has included the following Discretely Presented Component Units:

- (2) The Hingham Public Library is a private non-profit corporation that operates a library for the Town of Hingham residents. The Board of Trustees for the Hingham Public Library consists of the members of the corporation, the superintendent of schools of the Town, the treasurer of the Town, a member of the Board of Selectmen, and five residents of which three are appointed by the Board of Selectmen and two are appointed by the Town Moderator. The library is financially accountable to the Town as a result of fiscal dependency. The Town has the authority to approve and modify the budget of the library.
- (3) The Lincoln Apartments, LLC is a Massachusetts limited liability company that operates affordable housing for Hingham residents at the Lincoln School Apartment building owned by the Town. The

affordable housing program is subsidized by the U.S. Department of Housing and Urban Development (HUD). Under the terms of a 30 year lease agreement, Lincoln Apartments, LLC will pay the Town an annual base rent equal to the debt service on the bonds issued by the Town to finance the building plus "Cash Flow Rent" and "Additional Rent" as defined in the Agreement.

Availability of Financial Information for Component Units, Lighting Plant Enterprise Fund, and Joint Venture

The Hingham Contributory Retirement System issues a publicly available statutory basis financial report that includes financial statements and required supplemental information. Copies of these financial statements may be obtained by writing to the Hingham Retirement Board, 210 Central Street, Hingham, MA 02043.

The Hingham Public Library does not issue separate financial statements. Further information about the Public Library can be obtained from the Library's administrative offices, at 66 Leavitt Street, Hingham, MA 02043.

The Lincoln Apartments, LLC issues a publicly available financial report that includes financial statements and supplementary information. Copies of these financial statements may be obtained by writing to the Board of Managers, C/O the Hingham Affordable Housing Trust, 210 Central Street, Hingham, MA 02043.

The Hingham Municipal Lighting Plant issues a publicly available financial report that includes financial statements and supplemental information. Copies of these financial statements may be obtained by writing to the Hingham Municipal Lighting Plant, 350 Lincoln Street, Suite 110, Hingham, MA 02043-1585.

Joint Venture – The Town has entered into a joint venture for the South Shore Regional Emergency Communications Center (SSRECC) along with the Towns of Cohasset, Hull, and Norwell to pool resources and share costs, risks, and rewards of operating a regional 911 call center. The Center became operational as of January 1, 2012, and the Town's fiscal year 2013 assessment totaled \$508,618. Since the assets of the SSRECC were acquired with State grants there is currently no significant equity interest accruing to the member communities. The annual assessments are based on the operating costs of the Center. The SSRECC issues a publically available financial report that includes its financial statements. Copies of these financial statements may be obtained by writing to the SSRECC's Executive Director, 210 Central Street, Hingham, MA 02043.

B. Government-Wide and Fund-Level Financial Statements

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Major Fund Criteria

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

- If the total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

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

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

The *middle school building project fund* is a capital project fund used to account for all activity related to the middle school project, which will be partially reimbursed by MSBA.

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

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

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

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

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

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

The following major proprietary funds are reported:

The *South Shore Country Club* manages and operates a recreational complex which primarily includes a municipal golf course in the Town of Hingham.

The *Hingham Municipal Lighting Plant* is used to account for the operations of the municipal lighting plant's activities.

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

The following fiduciary fund types are reported:

The *pension trust fund* is used to account for the activities of the Hingham Contributory Retirement System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future OPEB (other postemployment benefits) 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 trust funds 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 approve spending of the realized investment earnings. The Town's educational scholarships are accounted for in this fund.

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

The Town's 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 the 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, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st 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 fiscal year of the levy.

Real estate tax liens are processed annually after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

A statewide limitation statute known as "Proposition 2 ½" limits the annual property tax levy increases to an amount equal to 2 ½% of the value of all taxable property in the Town, plus taxes levied on property newly added to the tax rolls. Certain Proposition 2 ½ taxing limitations can be overridden by a Town wide referendum vote.

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.

Although the Hingham Municipal Lighting Plant is exempt from property taxes, they pay amounts in lieu of taxes to the Town of Hingham.

Motor Vehicle Excise

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

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

User Charges

User charges and liens consist primarily of amounts due from residents for the providing of services by various departments including the Hingham Municipal Lighting Plant.

The allowance for uncollectibles is estimated based on historical trends and account analysis.

Departmental and Other

Departmental and other receivables consist primarily of police and fire details and are recorded as receivables in the fiscal year in which the service is performed.

Departmental and other receivables are recorded net of an allowance for uncollectible accounts. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Special Assessments

Special Assessments consist of apportioned and unapportioned sewer betterments assessed to homeowners whose properties were improved through Town-run construction projects.

Since these receivables are secured via 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 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.

Materials and supplies held by the Municipal Lighting Plant are generally recorded at the lower of cost or market, using the weighted average method.

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

Capital assets, which include land, construction in process, land improvements, buildings, plant in service, machinery and equipment, and infrastructure (e.g., roads, street lights, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide 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.

For the Town of Hingham capital assets are defined as all purchases and construction costs in excess of \$5,000 which are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than three years.

Capital assets (excluding land and construction-in-progress) are depreciated over the estimated useful lives using the straight-line method. The estimated useful lives of capital assets being depreciated are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	10 - 30
Buildings.....	35
Plant in service.....	30 - 40
Machinery and equipment.....	3-20
Infrastructure.....	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.

The statutory provision for depreciation of utility plant is computed on the straight-line method at three percent of cost of plant in service at the beginning of the year, exclusive of land and land rights. Therefore, no depreciation is taken in the year of plant additions. Massachusetts’ law stipulates that the Hingham Municipal Lighting Plant may change from the statutory depreciation rate only with the approval of the DTE. The Hingham Municipal Lighting Plant has consistently used a rate of 3.0%, which approximates GAAP. The Hingham Municipal Lighting Plant charges maintenance to expense when incurred. Replacements and betterments are charged to the utility plant.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal 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 then. The Town currently has no items that qualify for reporting 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 currently has no items that qualify for this reporting category.

I. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

K. Deferred Revenue

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

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

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

Net position 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 funds. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted funds.

“Grants and gifts” represents amounts held for school grants, and other grants and gift funds.

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

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

M. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

N. 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

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

O. Investment Income

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

Investment income from proprietary funds is maintained in those funds.

P. Individual Fund Deficits

Several individual fund deficits exist at June 30, 2013, within the Special Revenue and Capital Project Funds. These deficits will be funded through grants and bond proceeds in future fiscal years.

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 fiscal year. Actual results could vary from estimates that were used.

R. 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 – AFFORDABLE HOUSING TRUST

In January 2009 the Town entered into a lease agreement with Lincoln Apartments, LLC, a Massachusetts limited liability company that operates affordable housing for Hingham residents at the Lincoln School Apartments. The affordable housing program is subsidized by the U.S. Department of Housing and Urban Development (HUD). Under the terms of the 30 year lease agreement, Lincoln Apartments, LLC will pay the Town an annual base rent equal to the debt service on the bonds used by the Town to finance the Premises plus “Cash Flow Rent” and “Additional Rent” as defined in the Agreement.

In fiscal year 2013, the Town advanced Lincoln Apartments, LLC \$200,000 from a short-term borrowing to be placed in the Lincoln School Apartments property replacement reserve account. Lincoln Apartments, LLC is expected to repay the \$200,000 as additional rent payments under the terms of the agreement. The re-payment schedule will be determined once the bond sale takes place.

NOTE 3 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U. S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer’s Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. The Town Treasurer is responsible for adhering to these statutes, and at June 30, 2013 the Town is in compliance with these requirements.

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

The Retirement System participates in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

Town policy provides that up to 100% of available cash may be invested in the State Treasurer's pooled fund. Investment in a single institution may not exceed 10% of the institution's capital and surplus position as of the most recent quarterly data available to the Town Treasurer. Investment in a single institution (other than MMDT) may not exceed 25% of the total cash balance at any time. The Town treasurer shall subscribe to information reports from a recognized bank rating company. Direct investment in an institution shall be restricted to those ranked in the upper half of rating categories utilized by the Town unless the Town Treasurer obtains additional adequate security for the investment or otherwise determines and documents in writing that the rating provided does not properly reflect the strength of the institution. Maintenance of disbursement or other types of accounts at an institution below a mid-range rating shall be limited, to the maximum extent possible, to a balance below \$100,000. When the rating falls to a "warning stage" or when more than one-half of the institution's capital and surplus has been lost in a 12-month period, any accounts shall be closed forthwith.

The System participates in PRIT. The effective weighted duration rate for PRIT investments ranged from .08 to 10.37 years.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk.

At fiscal year-end the carrying amount (book value) of the Town's deposits totaled \$30,433,327 and the bank balances totaled \$32,407,475. Of the bank balance, \$2,100,011 was covered by Federal Depository Insurance, \$1,787,915 was covered by the Depositors Insurance Fund, \$3,408,923 was collateralized, and \$25,110,626 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2012 the carrying amount (book value) of the Retirement System's deposits totaled \$479,785 and the bank balance totaled \$691,235. The bank balance was fully covered by Federal Depository Insurance.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			<u>Over 10 Years</u>	<u>Rating</u>
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>		
<u>Debt Securities</u>						
U.S. Government Treasuries.....	\$ 327,524	\$ 50,391	\$ 210,961	\$ -	\$ 66,172	Aaa - AAA
Government Sponsored Enterprises.....	224,361	61,896	-	162,465	-	Aaa - AAA
Corporate Bonds.....	<u>1,076,529</u>	<u>-</u>	<u>216,205</u>	<u>860,324</u>	<u>-</u>	NR - AAA
Total Debt Securities.....	1,628,414	<u>\$ 112,287</u>	<u>\$ 427,166</u>	<u>\$ 1,022,789</u>	<u>\$ 66,172</u>	
<u>Other Investments</u>						
Equity Mutual Funds.....	3,098,729					N/A
Fixed Income Mutual Funds.....	389,154					A - AAA
Equity Securities.....	261,535					N/A
PRIT Core Fund.....	4,016,540					Not Rated
Money Market Mutual Funds.....	357,828					N/A
MMDT.....	<u>35,354,137</u>					Not Rated
Total Investments.....	<u>\$ 45,106,337</u>					

MMDT maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 2 months.

As of December 31, 2012 the Retirement System had investments in the following segmented portfolios:

<u>PRIT Investment</u>	<u>Fair Value</u>
Core Fixed Income.....	\$ 34,000,257
Domestic Equity.....	20,830,614
International Equity.....	11,533,137
Emerging Markets Equity.....	3,694,974
Core Real Estate.....	4,595,609
Hedge Funds.....	4,059,362
General Allocation Acct.....	2,162,769
Private Equity Vintage Year 2011.....	105,406
Private Equity Vintage Year 2012.....	18,334
Cash Fund.....	<u>24</u>
Total Investments.....	<u>\$ 81,000,486</u>

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party.

The Town investments of \$1,076,529 and \$261,535 in corporate bonds and equity securities, respectively, are subject to custodial credit risk exposure because the related securities are uninsured, unregistered and held by the counterparty.

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

At December 31, 2012, the System's \$81,000,486 investment in PRIT is not subject to custodial credit risk exposure because it is not evidenced by securities that exist in physical or book-entry form.

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Town has not adopted a formal policy related to Credit Risk. At June 30, 2013 the Town's investments in corporate bonds and fixed income mutual funds were proportionally rated between NR and AAA. The credit ratings for the money market mutual funds and for MMDT are not available.

Concentration of Credit Risk

The Town and the System do not have any investments in any one issuer that represents 5% or more of its total investments requiring disclosure in these financial statements.

NOTE 4 – RECEIVABLES

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

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,302,640	\$ (13,759)	\$ 1,288,881
Tax liens.....	724,248	-	724,248
Motor vehicle and other excise taxes.....	486,074	(132,298)	353,776
User fees.....	398,595	-	398,595
Departmental and other.....	560,242	(142,758)	417,484
Special assessments.....	1,396,638	-	1,396,638
Intergovernmental.....	14,720,005	-	14,720,005
Total.....	<u>\$ 19,588,442</u>	<u>\$ (288,815)</u>	<u>\$ 19,299,627</u>

At December 31, 2012 and June 30, 2013, respectively, receivables for the electric lighting and South Shore Country Club enterprise funds consisted of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
<i>Electric Light</i>			
User fees.....	\$ 2,475,152	\$ -	\$ 2,475,152
Departmental and other.....	237,802	-	237,802
Total.....	<u>\$ 2,712,954</u>	<u>\$ -</u>	<u>\$ 2,712,954</u>

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

	General Fund	Nonmajor Governmental Funds	Total
<u>Receivables and other asset types:</u>			
Real estate and personal property taxes.....	\$ 984,694	\$ -	\$ 984,694
Tax liens.....	724,248	-	724,248
Motor vehicle and other excise taxes.....	353,776	-	353,776
User charges.....	-	398,595	398,595
Departmental and other.....	396,794	298,351	695,145
Special assessments.....	1,396,638	-	1,396,638
Intergovernmental.....	13,455,181	-	13,455,181
Tax foreclosures.....	122,712	-	122,712
Total.....	<u>\$ 17,434,043</u>	<u>\$ 696,946</u>	<u>\$ 18,130,989</u>

Included in the deferred revenues above are \$94,248 and \$291,162 of advance collections for FY2013 real estate taxes and summer recreation fees, respectively.

NOTE 5 – CAPITAL ASSETS

A summary of changes in capital asset activity for the fiscal year ended June 30, 2013, is as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 8,584,069	\$ 5,289,968	\$ -	\$ 13,874,037
Construction in progress.....	3,216,783	30,094,329	(394,283)	32,916,829
Total capital assets not being depreciated....	<u>11,800,852</u>	<u>35,384,297</u>	<u>(394,283)</u>	<u>46,790,866</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	2,439,568	47,000	-	2,486,568
Buildings.....	149,898,985	76,629	-	149,975,614
Machinery and equipment.....	13,032,516	1,010,583	(399,345)	13,643,754
Infrastructure.....	50,743,365	63,294	-	50,806,659
Total capital assets being depreciated.....	<u>216,114,434</u>	<u>1,197,506</u>	<u>(399,345)</u>	<u>216,912,595</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(319,822)	(89,767)	-	(409,589)
Buildings.....	(68,493,642)	(3,894,419)	-	(72,388,061)
Machinery and equipment.....	(10,174,055)	(806,508)	399,345	(10,581,218)
Infrastructure.....	(27,181,156)	(1,030,142)	-	(28,211,298)
Total accumulated depreciation.....	<u>(106,168,675)</u>	<u>(5,820,836)</u>	<u>399,345</u>	<u>(111,590,166)</u>
Total capital assets being depreciated, net.....	<u>109,945,759</u>	<u>(4,623,330)</u>	<u>-</u>	<u>105,322,429</u>
Total governmental activities capital assets, net.....	<u>\$ 121,746,611</u>	<u>\$ 30,760,967</u>	<u>\$ (394,283)</u>	<u>\$ 152,113,295</u>

Capital assets contributed to Joint Venture

As described in Note 1 the Town of Hingham, along with 3 other towns, entered into a joint venture to operate the South Shore Regional Emergency Communications Center (SSRECC); a regional 911 call center. Hingham, as the host community, received state funding to construct the SSRECC and to purchase necessary equipment for it while negotiations were being finalized for the other towns to join. Once the negotiations were completed and the SSRECC became operational in January of 2012, the Town contributed the assets purchased with state funds to the SSRECC in the amounts of \$3,910,618 and \$394,283 during fiscal years 2012 and 2013, respectively.

Business-Type Activities:

South Shore Country Club

Capital assets not being depreciated:

	Beginning Balance	Increases	Decreases	Ending Balance
Land.....	\$ 7,008,200	\$ -	\$ -	\$ 7,008,200

Capital assets being depreciated:

Land improvements.....	2,042,638	71,043	-	2,113,681
Building improvements.....	3,009,486	73,741	-	3,083,227
Machinery and equipment.....	1,172,626	25,356	-	1,197,982
Total capital assets being depreciated.....	<u>6,224,750</u>	<u>170,140</u>	<u>-</u>	<u>6,394,890</u>

Less accumulated depreciation for:

Land improvements.....	(366,868)	(69,707)	-	(436,575)
Building improvements.....	(1,935,579)	(140,139)	-	(2,075,718)
Machinery and equipment.....	(606,294)	(142,549)	-	(748,843)
Total accumulated depreciation.....	<u>(2,908,741)</u>	<u>(352,395)</u>	<u>-</u>	<u>(3,261,136)</u>

Total capital assets being depreciated, net.....	<u>3,316,009</u>	<u>(182,255)</u>	<u>-</u>	<u>3,133,754</u>
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Total business-type activities capital assets, net.....	<u>\$ 10,324,209</u>	<u>\$ (182,255)</u>	<u>\$ -</u>	<u>\$ 10,141,954</u>
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Hingham Municipal Light Plant

Capital assets not being depreciated:

	Beginning Balance	Increases	Decreases	Ending Balance
Land.....	\$ 17,856	\$ 416,245	\$ -	\$ 434,101
Construction in progress.....	159,246	41,755	(159,246)	41,755
Total capital assets not being depreciated....	<u>177,102</u>	<u>458,000</u>	<u>(159,246)</u>	<u>475,856</u>

Capital assets being depreciated:

Plant in service.....	46,924,216	1,011,700	(32,919)	47,902,997
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Less accumulated depreciation for:

Plant in service.....	(23,533,706)	(1,876,967)	32,919	(25,377,754)
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Total capital assets being depreciated, net.....	<u>23,390,510</u>	<u>(865,267)</u>	<u>-</u>	<u>22,525,243</u>
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Total business-type activities capital assets, net.....	<u>\$ 23,567,612</u>	<u>\$ (407,267)</u>	<u>\$ (159,246)</u>	<u>\$ 23,001,099</u>
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Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities:	
General government.....	\$ 600,193
Public safety.....	785,582
Education.....	2,521,502
Public works.....	1,624,334
Human services.....	2,250
Culture and recreation.....	<u>286,975</u>
Total depreciation expense - governmental activities.....	\$ <u>5,820,836</u>
Business-Type Activities:	
South shore country club.....	\$ 352,395
Hingham municipal light plant.....	<u>1,876,967</u>
Total depreciation expense - business-type activities.....	\$ <u>2,229,362</u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
General Fund	Town Grants	\$ 204,173
General Fund	Sewer Capital Projects	8,383
General Fund	New Elementary School	244,738
General Fund	Plymouth River School	236,907
General Fund	South Shore Regional Emergency Communications Center	<u>712,476</u>
		<u>\$ 1,406,677</u> (1)

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

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

Transfers Out:	Transfers In:			Total	
	General Fund	South Shore Country Club	Nonmajor Governmental Funds		
General Fund.....	\$ -	\$ 534,697	\$ 30,238	\$ 564,935	(1)
Nonmajor Governmental Funds.....	24,061	-	-	24,061	(2)
Lighting Plant Enterprise Fund.....	510,219	-	-	510,219	(3)
Total.....	\$ 534,280	\$ 534,697	\$ 30,238	\$ 1,099,215	

(1) Represents budgeted transfers from the general fund to the South Shore Country Club for amounts raised on the recap for the prior year fund deficit and a year end reserve fund transfer.

(2) Represents transfers in from the Lighting Plant Enterprise Fund as a payment in lieu of taxes.

NOTE 7 – LEASES

Capital Leases

The Town has entered into lease agreements to finance the acquisition of equipment and golf carts for the South Shore Country Club, an enterprise fund of the Town. The two 5 year lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception dates.

The following identifies the assets acquired through capital lease agreements:

Asset:	Business-Type Activities
Machinery and equipment.....	\$ 975,556
Less: accumulated depreciation.....	(559,139)
Total.....	\$ 416,417

Future minimum lease payments under capitalized leases consist of the following at June 30, 2013:

<u>Fiscal Years Ending June 30,</u>	<u>Governmental Activities</u>
2014.....	\$ 44,256
2015.....	44,255
2016.....	<u>44,256</u>
Total minimum lease payments.....	132,767
Less: amounts representing interest.....	<u>(7,751)</u>
Present value of minimum lease payments.....	<u>\$ 125,016</u>

Operating Leases

The Town leases school buses under noncancelable operating leases that expire in fiscal year 2015. The cost of the leases for the fiscal year ended June 30, 2013, totaled approximately \$398,000, and is reported as an educational expenditure of the general fund.

The future minimum lease payments are as follows at June 30, 2013:

<u>Fiscal Years Ending June 30,</u>	<u>Governmental Activities</u>
2014.....	\$ 407,341
2015.....	<u>417,525</u>
Total lease payments.....	<u>\$ 824,866</u>

NOTE 8 – 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.

Short term debt outstanding as of June 30, 2013 was as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2012	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2013
BAN	Municipal Purpose.....	0.75%	06/28/13	\$ 20,330,000	\$ -	\$ 20,330,000	\$ -
BAN	Municipal Purpose.....	1.00%	05/23/14	-	40,014,200	-	40,014,200
				<u>\$ 20,330,000</u>	<u>\$ 40,014,200</u>	<u>\$ 20,330,000</u>	<u>\$ 40,014,200</u>

NOTE 9 – 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 Town’s outstanding general obligation and other indebtedness at June 30, 2013, and the debt service requirements are as follows:

Governmental Activities

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
Municipal Purpose GOB of 1998 - Refunding Debt.....	2019	\$ 3,700,000	0.0	\$ 2,560,000	\$ -	\$ 420,000	\$ 2,140,000
Municipal Purpose GOB of 2002 - Refunding Debt.....	2021	19,080,000	2.0 - 4.0	18,910,000	-	2,285,000	16,625,000
2007 Multi Purpose Bonds.....	2027	4,929,750	4.0	3,965,000	-	240,000	3,725,000
MWPAT - 93 Bonds.....	2014	131,769	0.0	21,535	-	14,158	7,377
MWPAT - 98 Bonds.....	2019	2,505,200	0.0	1,326,700	-	97,400	1,229,300
MWPAT - 2001 Bonds.....	2019	97,838	0.0	38,042	-	5,436	32,606
MWPAT - 2006 Bonds.....	2027	400,000	2.0	315,002	-	18,189	296,813
Municipal Purpose Bonds of 2010.....	2029	38,565,991	3.0 - 5.0	32,045,000	-	2,145,000	29,900,000
Total general obligation indebtedness.....				59,181,279	-	5,225,183	53,956,096
Affordable Housing indebtedness.....	2013	299,881	4.75	299,881	-	299,881	-
Total.....				59,481,160	-	5,525,064	53,956,096
Unamortized Premium on Bonds.....				1,779,693	-	222,951	1,556,742
Total Long-Term Debt.....				\$ 61,260,853	\$ -	\$ 5,748,015	\$ 55,512,838

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

Fiscal Year	Principal	Interest	Total
2014.....	\$ 5,081,369	\$ 2,051,531	\$ 7,132,900
2015.....	4,985,065	1,891,909	6,876,974
2016.....	4,956,447	1,716,441	6,672,888
2017.....	4,932,937	1,541,429	6,474,366
2018.....	4,894,436	1,362,428	6,256,864
2019.....	4,686,142	1,156,614	5,842,756
2020.....	4,255,922	977,361	5,233,283
2021.....	4,226,345	787,886	5,014,231
2022.....	2,256,776	629,131	2,885,907
2023.....	2,262,216	539,191	2,801,407
2024.....	2,267,664	449,042	2,716,706
2025.....	2,273,122	358,685	2,631,807
2026.....	2,273,589	268,218	2,541,807
2027.....	2,279,066	177,641	2,456,707
2028.....	1,965,000	93,000	2,058,000
2029.....	360,000	14,400	374,400
Total.....	\$ 53,956,096	\$ 14,014,907	\$ 67,971,003

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$319,000 and interest costs for \$140,000. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$1,330,000. The principal subsidies are guaranteed and therefore a \$319,000 intergovernmental receivable and corresponding revenue have been reported in the Sewer fund. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. In fiscal year 2013 the Town was subsidized for interest only in the amount of \$99,000.

The Town is receiving school construction assistance through the Massachusetts School Building Authority (MSBA) on bonded projects completed in prior fiscal years. The MSBA provides resources for eligible construction costs and related debt interest and borrowing costs. During fiscal year 2013, approximately \$1.8 million of such assistance was received. Approximately \$13.9 million is expected to be received in future fiscal years. Of this amount, \$730,000 represents reimbursement of long-term interest costs, and \$13.1 million represents reimbursement of approved construction costs. Accordingly, a \$13.1 million intergovernmental receivable and corresponding deferred revenue have been reported in the governmental fund financial statements. The deferred revenue for the entire grant has been recognized as revenue in the conversion to the government-wide financial statements in prior fiscal years.

In addition, the MSBA offers a construction grant program which pays the Town the State’s share of approved school construction costs and therefore eliminates the need for the Town to fund the State’s share through long-term debt. The Hingham Middle School project is being funded by this grant program. The total grant received by the Town is expected to be approximately \$25.6 million. During the fiscal year, the Town received \$11,310,354 and recorded a receivable for \$863,985 for reimbursements that were received subsequent to year end.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2013, the Town had the following authorized and un-issued debt:

Purpose	Amount
Sewer Construction.....	\$ 40,000
Sewer MWRA I & I Removal.....	212,600
Sewer Route 3a.....	800,000
Sewer Weir River 2.....	451,887
Sewer Green Street Court.....	17,842
School Buildings.....	19,000
Lincoln School Apartments Acquisition.....	100,000
Sewer Construction / Thaxter to Kents Lane.....	35,000
School Buildings / Hingham Middle School.....	59,679
Wastewater Treatment Facility / Engineer & Permit.....	190,000
High School Fields Improvement Project.....	100,000
School Buildings/New Middle School.....	20,016,404
Sewer Construction - Ship and Cottage Streets.....	600,000
Heritage Museum.....	1,100,000
Total.....	\$ <u>23,742,412</u>

Business-Type Activities

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2012	Issued	Redeemed	Outstanding at June 30, 2013
SSCC - Irrigation.....	2019	\$ 1,585,000	4.0	\$ 1,085,000	\$ -	\$ 135,000	\$ 950,000

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

Fiscal Year	Principal	Interest	Total
2014.....	\$ 145,000	\$ 35,100	\$ 180,100
2015.....	150,000	29,200	179,200
2016.....	155,000	23,100	178,100
2017.....	160,000	16,800	176,800
2018.....	165,000	10,300	175,300
2019.....	175,000	3,500	178,500
Total.....	\$ 950,000	\$ 118,000	\$ 1,068,000

Calculation of the Net Investment in Capital Assets

	Governmental Activities	Business-Type Activities
Capital assets, net of accumulated depreciation.....	\$ 152,113,295	\$ 33,143,053
Outstanding principal of related debt:		
Bonds payable.....	(55,512,838)	(950,000)
Notes payable.....	(40,014,200)	-
Capital lease obligations.....	-	(125,016)
Less:		
Unspent proceeds of capital debt.....	16,907,867	-
Non capital-related debt (1).....	13,135,812	-
Net investment in capital assets.....	\$ 86,629,936	\$ 32,068,037

(1) School construction grant financing.

Changes in Long-term Liabilities

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

	Balance June 30, 2012	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2013	Due Within One Year
Governmental Activities:							
Bonds payable.....	\$ 59,481,160	\$ -	\$ (5,525,064)	\$ -	\$ -	\$ 53,956,096	\$ 5,081,369
Unamortized bond premium.....	1,779,693	-	-	-	(222,951)	1,556,742	208,914
Workers' compensation.....	615,390	-	-	184,966	(313,849)	486,507	248,101
Compensated absences.....	1,064,903	-	-	765,559	(732,744)	1,097,718	777,662
Other postemployment benefits....	8,493,426	-	-	4,579,348	(4,341,284)	8,731,490	-
Total governmental activity long-term liabilities.....	\$ <u>71,434,572</u>	\$ <u>-</u>	\$ <u>(5,525,064)</u>	\$ <u>5,529,873</u>	\$ <u>(5,610,828)</u>	\$ <u>65,828,553</u>	\$ <u>6,316,046</u>
Business-Type Activities:							
Bonds payable.....	\$ 1,085,000	\$ -	\$ (135,000)	\$ -	\$ -	\$ 950,000	\$ 145,000
Compensated absences.....	18,631	-	-	20,778	(18,631)	20,778	20,778
Capital lease obligations.....	164,232	-	-	-	(39,216)	125,016	40,419
Rate stabilization reserve.....	2,167,054	-	-	709,508	-	2,876,562	-
Customer deposits.....	1,558,659	-	-	-	(65,925)	1,492,734	-
Total business-type activity long-term liabilities.....	\$ <u>4,993,576</u>	\$ <u>-</u>	\$ <u>(135,000)</u>	\$ <u>730,286</u>	\$ <u>(123,772)</u>	\$ <u>5,465,090</u>	\$ <u>206,197</u>

Governmental activities long-term liabilities are generally liquidated by the general fund. Business-type activities long-term liabilities are normally paid from the funds reporting the liability, namely the South Shore Country Club or the Hingham Municipal Lighting Plant.

NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government 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.

At June 30, 2013, approximately \$2,057,000 has been set aside in a stabilization fund that is classified as part of the general fund in the governmental funds financial statements. Municipal finance laws of the Commonwealth of Massachusetts authorize municipalities to establish stabilization funds on an as needed basis. The number of and exact purpose of the stabilization funds of the Town are dependent upon authorization and approval of Town Meeting. The stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. Additions to the fund can only be made upon Town Meeting approval.

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

	Governmental Funds			
	General	Middle School Building Project	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances				
Nonspendable:				
Permanent fund principal.....	\$ -	\$ -	\$ 35,000	\$ 35,000
Restricted for:				
Town gift funds.....	-	-	620,693	620,693
School gift funds.....	-	-	105,253	105,253
School state grant funds.....	-	-	455,729	455,729
School federal grant funds.....	-	-	36,005	36,005
Affordable housing trust.....	-	-	430,303	430,303
School revolving funds.....	-	-	1,588,360	1,588,360
Town revolving funds.....	-	-	626,118	626,118
Town trust funds.....	-	-	170,535	170,535
Town other funds.....	-	-	466,077	466,077
Community preservation.....	-	-	1,604,183	1,604,183
Preservation projects.....	-	-	1,581,062	1,581,062
Conservation.....	-	-	75,915	75,915
Sewer inflow/infiltration.....	-	-	676,240	676,240
Landfill.....	-	-	2,449	2,449
Harbor dredging.....	-	-	445,067	445,067
Central fire station.....	-	-	89,756	89,756
DPW building.....	-	-	29,601	29,601
Foster school.....	-	-	33,187	33,187
Middle school additions.....	-	-	9,319	9,319
Other capital project funds.....	-	-	2,306	2,306
Conservation permanent fund.....	-	-	64,154	64,154
Town permanent funds.....	-	-	158	158
Proceeds from the sale of the Hersey House.....	1,250,000	-	-	1,250,000
Committed to:				
Harbor maintenance.....	813,098	-	-	813,098
Public works.....	15,118	-	-	15,118
Special articles.....	205,269	-	-	205,269
Assigned to:				
General government.....	248,780	-	-	248,780
Public safety.....	202,235	-	-	202,235
Education.....	399,296	-	-	399,296
Public works.....	252,630	-	-	252,630
Human services.....	315	-	-	315
Culture and recreation.....	156,857	-	-	156,857
Employee benefits.....	13,285	-	-	13,285
Subsequent year expenditures.....	1,406,284	-	-	1,406,284
Unassigned.....	<u>16,706,680</u>	<u>(18,662,841)</u>	<u>(5,151,235)</u>	<u>(7,107,396)</u>
Total Fund Balances.....	\$ <u>21,669,847</u>	\$ <u>(18,662,841)</u>	\$ <u>3,996,235</u>	\$ <u>7,003,241</u>

NOTE 11 – 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 premium-based health care plans for its active employees and retirees. The Town is self-insured for workers’ compensation and unemployment benefits, and also self-insures property coverage over a group of vacant buildings given to them by the federal government. The Town maintains liability coverage on these respective buildings. The Town records an estimated liability for workers’ compensation claims based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported based on historical experience. At June 30, 2013, the estimated liability for workers’ compensation claims totaled \$486,507.

Changes in the Workers’ Compensation claims liability amount for the fiscal years ended June 30 were as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-End
Fiscal Year 2012.....\$	728,750 \$	(98,453) \$	(14,907) \$	615,390
Fiscal Year 2013.....	615,390	(120,990)	(7,893)	486,507

Any liability for unemployment claims at June 30, 2013 is considered to be immaterial for these financial statements.

NOTE 12 – CONTRIBUTORY RETIREMENT SYSTEM

Plan Description - The Town contributes to the System, a cost sharing multiple-employer defined benefit pension plan administered by the Hingham Contributory Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$9,259,000 for the fiscal year ended June 30, 2013, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Hingham Contributory Retirement Board and are borne by the System. The System issues a publicly available audited financial report that may be obtained by contacting the System located at 210 Central Street, Hingham, Massachusetts 02043.

At December 31, 2012, the System's membership consists of the following:

Active members.....	571
Inactive members.....	127
Retirees and beneficiaries currently receiving benefits.....	<u>289</u>
 Total.....	 <u><u>987</u></u>

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. The current and two preceding fiscal years apportionment of the annual pension cost between the two employers required the Town to contribute approximately 99% of the total. Chapter 32 of the MGL governs the contributions of plan members and the Town.

Annual Pension Cost - The Town's contributions to the System for the last three fiscal years ended June 30, 2013, 2012, and 2011 were \$3,900,316, \$3,772,827, and \$3,140,071, respectively, which equaled its required contribution for each fiscal year. At June 30, 2013, the Town did not have a net pension obligation. The required contribution was determined as part of the January 1, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included an 8.0% investment rate of return and projected salary increases of 4.0% per year. The actuarial value of the System's assets was determined using the fair value of the assets. The System's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls. The remaining amortization period at January 1, 2012 was 20 years.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/12	\$ 79,699,482	\$ 114,766,986	\$ 35,067,504	69.4%	\$ 23,273,757	150.7%
1/1/10	72,255,686	104,411,776	32,156,090	69.2%	22,266,750	144.4%
1/1/09	62,299,932	99,303,172	37,003,240	62.7%	21,715,745	170.4%
1/1/08	75,680,784	94,518,253	18,837,469	80.1%	19,856,230	94.9%
1/1/07	64,778,166	88,204,142	23,425,976	73.4%	19,177,310	122.2%
1/1/06	58,096,713	85,429,148	27,332,435	68.0%	18,005,014	151.8%
1/1/04	53,284,103	75,260,838	21,976,735	70.8%	16,669,815	131.8%

NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Fiscal year 2009 and calendar year 2008 were the initial years that the Town and the Hingham Municipal Lighting Plant (HMLP) implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* (GASB 45). As allowed by GASB 45, the Town and the HMLP have established the net Other Postemployment Benefit (OPEB) obligation at zero at the beginning of the transition years and have applied the measurement and recognition requirements of GASB 45 on a prospective basis.

The Town implemented the provisions of GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, during fiscal year 2008 and established its “Other Postemployment Benefit Trust Fund”. The Town voted to begin pre-funding its OPEB liabilities through the use of this irrevocable trust.

Plan Description – The Town maintains a single employer defined benefit healthcare plan (“The Other Postemployment Benefit Plan”), which the HMLP participates in. The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the Plan. The plan provides the benefits by participating in the Mayflower Municipal Health Group. Medical and prescription drug benefits are provided to all eligible retirees through a variety of plans offered by Blue Cross Blue Shield of Massachusetts, Harvard Pilgrim Health Care, Tufts Health Plan, and Fallon Community Health Plan, as well as an out-of-area indemnity plan administered by North American Administrators. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The plan also pays approximately 50% of the retiree life insurance premiums. The Other Postemployment Benefit Plan does not issue a publicly available financial report.

The Town adopted MGL, Chapter 32B, Section 18 in April 2006, requiring all Medicare-eligible retirees to enroll in a Medicare supplement plan. The effects of this adoption have been included in the actuarial determination of OPEB liabilities by the Town’s actuary.

At the respective fiscal year ends, the Plan’s memberships consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Current retirees, beneficiaries, and dependants.....	656	29
Current active members.....	<u>827</u>	<u>29</u>
Total.....	<u><u>1,483</u></u>	<u><u>58</u></u>

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. Retired plan members and beneficiaries currently receiving benefits are required to contribute between 10% and 50% of the cost of benefits provided depending on the plan they choose. The Town and the HMLP are required to contribute the balance of the current premiums and may contribute additional amounts to pre-fund benefits. The Town and the HMLP contributed \$3,286,985 and \$76,150, respectively, during fiscal year 2013 towards these benefits in addition to the pre-funding amount discussed below. Administrative costs of the Plan are assumed to be included in the fully insured premium rates.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the Postemployment Benefit Trust Fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities. During fiscal year 2013, the Town pre-funded future OPEB liabilities in the amount of \$1,054,299.

Annual OPEB Cost and Net OPEB Obligation – The annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town's and the HMLP's annual OPEB costs for the periods, the amount actually contributed to the plan, and changes in the net OPEB obligations are summarized in the following table:

	Governmental Activities	Business-Type Activities (1)
Annual required contribution..... \$	4,429,558	\$ 56,009
Interest on net OPEB obligation.....	569,605	-
Adjustments to annual required contribution.....	<u>(419,815)</u>	<u>-</u>
Annual OPEB cost/expense.....	4,579,348	56,009
Contributions made.....	<u>(4,341,284)</u>	<u>(76,150)</u>
Increase in net OPEB obligation.....	238,064	(20,141)
Net OPEB obligation - beginning of year.....	<u>8,493,426</u>	<u>(1,319,224)</u>
Net OPEB obligation/(asset) - end of year..... \$	<u><u>8,731,490</u></u>	<u><u>(1,339,365)</u></u>

(1) The Business-Type Activities consist of the Hingham Municipal Lighting Plant (HMLP) as of December 31, 2012. Disclosure information of the components making up the Annual OPEB cost/expense was not available from the HMLP.

The annual OPEB costs, the percentage of annual OPEB costs contributed to the plan, and the net OPEB obligations for the last three periods are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation/ (Asset)
6/30/2013	\$ 4,635,357	95.30%	\$ 7,392,125
6/30/2012	4,525,589	91.08%	7,174,202
6/30/2011	4,932,975	86.73%	6,770,435

Funded Status and Funding Progress – The funded status of the Plan as of the most recent actuarial valuation dates is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2012	\$ 2,523,497	\$ 57,625,720	\$ 55,102,223	4.38%	\$ 45,368,008	121.46%
6/30/2011	2,965,242	64,713,447	61,748,205	4.58%	43,450,759	142.11%
1/1/2009	1,716,955	116,646,488	114,929,533	1.47%	42,713,463	269.07%

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

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the 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 following additional information is provided for the latest actuarial valuation:

Valuation date.....	June 30, 2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 4.0%, level % of payroll
Remaining amortization period.....	29 years as of July 1, 2012, closed
Asset valuation method.....	Market value
Actuarial assumptions:	
Investment rate of return.....	8.0% pre-funded scenario
Inflation rate.....	4.0%
Projected salary increases.....	4.0%
Medical/Drug cost trend rate.....	8.0% decreasing by 0.5% for 7 years to an ultimate level of 5.0% per year

NOTE 14 – COMMITMENTS

The Town has been authorized to borrow approximately \$43.9 million primarily to cover the costs of various school and sewer related projects. The Town is in the process of constructing a new Middle School with a total cost estimated at approximately \$58.4 million of which approximately \$25.6 million will be funded through grants from the Massachusetts School Building Authority (MSBA). As of June 30, 2013 the Town has expended approximately \$32 million on the project.

The Hingham Municipal Lighting Plant has various power purchase commitments as more fully described in Note 15.

NOTE 15 – POWER PURCHASE COMMITMENTS

Hingham Municipal Lighting Plant has entered into various power contracts through Energy New England (ENE), as their acting agent. These power contracts began in 2008 and go through to the year 2017.

Hingham Municipal Lighting Plant has entered into a contract with Braintree Electric Lighting Department as a 10% entitlement owner to the Watson Power Plant. This purchase power contract is effective from 2009 thru 2029. Watson Units 1 and 2's entitle HMLP to 11.4 MWs. They are natural gas fired. The average 2012 energy price for Watson was \$0.28430/kWh. HMLP is a 2.3% entitlement owner to Potter 2 CC which is a life of unit contract. Potter 2 CC entitles HMLP to 2.1 MW. It can run on either oil or natural gas.

HMLP is a .5% entitlement owner in the Seabrook nuclear power plant and is entitled to almost 6MW. The average 2012 energy price for Seabrook was \$0.0869/kWh. This contract is a life of unit contract.

HMLP is a .1% entitlement owner in the Millstone nuclear power plant and is entitled to almost 1 ¼ MW. The average 2012 energy price for Millstone was \$0.0746/kWh. This contract is a life of unit contract.

HMLP is a 6% entitlement owner in the Miller Hydro plant for hydroelectric renewable energy and is entitled to almost 1 MW. The Lighting Plant entered into a six year contract with Miller Hydro expiring in 2016. The average 2012 energy price for Miller Hydro was \$.0.06350/kWh.

HMLP has entered into a fifteen year contract through 2026 with Spruce Mountain Wind Farm for renewable energy. They have an ownership entitlement of 9% with a commitment to purchase almost 2 MW. The average 2012 energy price for Spruce Mountain Wind was \$.04589/kWh.

HMLP is a 2 ¾% entitlement owner in Taunton's Cleary power plant which can burn either oil or natural gas. The contract is for the life of the unit. The average 2012 energy price for Cleary is \$0.62124/kWh.

HMLP has entered into a contract running until 2017 with Granby Landfill. They are entitled to .5MWH of renewable energy and have an ownership entitlement of about 17%. The average 2012 energy price for Granby Landfill is \$0.06170.

HMLP is an entitlement owner in the Stony Brook Intermediate (4%) and Peaking (5 1/3%) units. The Intermediate units can run on either gas or oil while the peaking unit runs on oil. Units 1A, B and C of the Intermediate entitle HMLP to a total of 14MW. Units 2A and B of the Peaking units entitle HMLP to a total of 99.2MW. The contracts are for the life of the units. The average 2012 energy price for the Intermediate units is \$0.29267.

HMLP is a 2% entitlement owner in the NYPA Hydro Base and Peaking plants for hydroelectric renewable energy. The contracts are life of unit contracts. The average 2012 energy price for the NYPA units is \$0.02664.

MMWEC is involved in various legal actions. In the opinion of MMWEC management, the outcome of such actions will not have a material adverse effect on the financial position of the company.

MMWEC has issued separate issues of revenue bonds for each of its eight Projects, which are payable solely from, and secured solely by, the revenues derived from the Project to which the bonds relate, plus available funds pledged under MMWEC's Amended and Restated General Bond Resolution (GBR) with respect to the bonds of the Project. The MMWEC revenues derived from each Project are used solely to provide for the payment of the bonds of any bond issue relating to such Project and to pay MMWEC's cost of owning and operating such Project and are not used to provide for the payment of the bonds of any bond issue relating to any other project.

MMWEC operates the Stony Brook Intermediate Project and the Stony Brook Peaking Project, both fossil-fueled power plants. MMWEC has a 3.7% in the W.F. Wyman Unit No. 4 plant, which is operated and owned by its majority owner, FPL Energy Wyman IV, LLC, a subsidiary of NextEra Energy Resources, LLC (formerly FPL Energy LLC), and a 4.8% ownership interest in the Millstone Unit 3 nuclear unit, operated by Dominion Nuclear Connecticut, Inc. (DNCI), the majority owner and an indirect subsidiary of Dominion Resources, Inc. DNCI also owns and operates Millstone Unit 2 nuclear unit. The operating license for the Millstone Unit 3 nuclear extends to November 25, 2045.

A substantial portion of MMWEC's plant investment and financing program is an 11.6% ownership interest in the Seabrook Station nuclear generating unit operated by NextEra Energy Seabrook, LLC (NextEra Seabrook) (formerly FPL Energy Seabrook LLC), the majority owner and an indirect subsidiary of NextEra Energy Resources LLC (formerly FPL Energy LLC). The operating license for Seabrook Station extends to March, 2030. NextEra Seabrook has stated its intention to request an extension of the Seabrook Station operating license for an additional 20 years.

Pursuant to the PSAs, the MMWEC Seabrook and Millstone Project Participants are liable for their proportionate share of the costs associated with decommissioning the plants, which costs are being funded through monthly Project billings. Also, the Project Participants are liable for their proportionate share of the uninsured costs of a nuclear incident that might be imposed under the Price-Anderson Act (Act). Originally enacted in 1957, the Act has been renewed several times. In July 2005, as part of the Energy Policy Act of 2005, Congress extended the Act until the end of 2025.

Seven municipal light departments that are Participants under PSAs with MMWEC have submitted a demand for arbitration of a dispute relating to charges under the PSAs. MMWEC cannot predict the outcome of the arbitration demand, but in the opinion of MMWEC management, it will not have a material adverse effect on the financial position of MMWEC.

Total capital expenditures for MMWEC's Projects amounted to \$1,593,344,000, of which \$62,787,000 represents the amount associated with the Lighting Plant's share of the Projects in which it participates, although such amount is not allocated to the Lighting Plant. MMWEC's debt outstanding for the Projects includes Power Supply System Revenue Bonds totaling \$284,005,000, of which \$10,597,000 is associated with the Lighting Plant's share of the Project Capability of the Projects in which it participates, although such amount is not allocated to the Lighting Plant. As of December 31, 2012, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$289,247,000, of which \$10,877,000 is anticipated to be billed to the Lighting Plan in the future.

In addition, under the PSAs, the Lighting Plant is required to pay to MMWEC its share of the Operation and Maintenance (O&M) costs of the Projects in which it participates. The Lighting Plant's total O&M costs including debt service under the PSAs were \$6,235,000 and \$7,137,000 for the years ended December 31, 2012 and 2011 respectively.

HMLP's annual energy costs related to its long-term power purchase commitments as of 2012 are as follows:

For Years Ended December 31,

	<u>MMWEC</u>	<u>ENE</u>	<u>Watson</u>	<u>Total</u>
2013.....	\$ 2,572,000	\$ 4,256,923	\$ 1,530,532	\$ 8,359,455
2014.....	2,412,000	1,415,203	1,530,276	5,357,479
2015.....	2,283,000	1,180,813	1,529,703	4,993,516
2016.....	2,139,000	1,036,036	1,528,821	4,703,857
2017.....	1,054,000	610,827	1,528,121	3,192,948
2018-2021.....	417,000	2,446,979	7,628,131	10,492,110
2022-2025.....	-	2,446,723	7,530,484	9,977,207
2026-2031.....	-	488,519	1,208,352	1,696,871
Total.....	<u>\$ 10,877,000</u>	<u>\$ 13,882,023</u>	<u>\$ 24,014,420</u>	<u>\$ 48,773,443</u>

NOTE 16 – 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, 2012, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2013, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2013.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

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

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

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

- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is required to be implemented in fiscal year 2014.

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

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Required Supplementary Information

Budgetary Comparison Schedule

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

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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 66,620,643	\$ 66,620,643	\$ 66,585,584	\$ -	\$ (35,059)
Tax liens.....	-	-	137,197	-	137,197
Motor vehicle and other excise taxes.....	3,233,000	3,233,000	3,527,929	-	294,929
Local meals tax.....	-	-	615,746	-	615,746
Charges for services.....	1,939,253	1,939,253	2,146,763	-	207,510
Penalties and interest on taxes.....	350,000	350,000	252,485	-	(97,515)
Intergovernmental.....	9,596,557	9,596,557	9,729,651	-	133,094
Departmental and other.....	1,495,000	1,495,000	1,962,864	-	467,864
Investment income.....	50,000	50,000	90,885	-	40,885
TOTAL REVENUES.....	83,284,453	83,284,453	85,049,104	-	1,764,651
EXPENDITURES:					
Selectmen:					
Payroll.....	413,736	431,797	430,688	-	1,109
Expenditures.....	33,365	33,365	23,583	177	9,605
	<u>447,101</u>	<u>465,162</u>	<u>454,271</u>	<u>177</u>	<u>10,714</u>
Advisory Committee:					
Reserve Fund.....	550,000	81,910	-	-	81,910
Town Accountant:					
Payroll.....	333,402	340,032	339,927	-	105
Expenditures.....	12,555	32,725	20,589	-	12,136
New Equipment.....	194,784	194,784	104,836	86,044	3,904
Audit.....	55,000	55,000	55,000	-	-
	<u>595,741</u>	<u>622,541</u>	<u>520,352</u>	<u>86,044</u>	<u>16,145</u>
Information Technology.....	149,696	129,526	101,094	7,282	21,150
Assessors:					
Payroll.....	194,961	198,734	196,783	-	1,951
Expenditures.....	11,984	11,984	9,588	240	2,156
Revaluation.....	69,800	69,800	69,365	435	-
Maintenance of Maps.....	6,000	6,000	6,000	-	-
	<u>282,745</u>	<u>286,518</u>	<u>281,736</u>	<u>675</u>	<u>4,107</u>
Treasurer / Collector:					
Payroll.....	291,334	298,156	298,156	-	-
Expenditures.....	44,308	44,308	42,803	-	1,505
Tax Titles.....	10,000	10,000	7,484	1,216	1,300
	<u>345,642</u>	<u>352,464</u>	<u>348,443</u>	<u>1,216</u>	<u>2,805</u>
Legal Services:					
Expenditures.....	281,331	388,131	340,331	45,781	2,019
Town Meetings:					
Payroll.....	2,692	2,746	2,655	-	91
Expenditures.....	28,300	37,800	29,831	-	7,969
	<u>30,992</u>	<u>40,546</u>	<u>32,486</u>	<u>-</u>	<u>8,060</u>
Town Clerk:					
Payroll.....	165,581	168,872	162,287	-	6,585
Expenditures.....	7,707	7,807	6,594	250	963
	<u>173,288</u>	<u>176,679</u>	<u>168,881</u>	<u>250</u>	<u>7,548</u>
Elections and Registers:					
Payroll.....	17,350	24,797	18,812	4,500	1,485
Expenditures.....	18,260	19,460	16,865	-	2,595
	<u>35,610</u>	<u>44,257</u>	<u>35,677</u>	<u>4,500</u>	<u>4,080</u>
Community Planning:					
Payroll.....	595,836	607,401	541,125	53,700	12,576
Expenditures.....	88,422	88,422	55,946	32,425	51
	<u>684,258</u>	<u>695,823</u>	<u>597,071</u>	<u>86,125</u>	<u>12,627</u>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Bare Cove Park:					
Payroll.....	15,857	16,174	16,146	-	28
Expenditures.....	5,332	5,333	5,332	-	1
	<u>21,189</u>	<u>21,507</u>	<u>21,478</u>	<u>-</u>	<u>29</u>
Town Office Building:					
Payroll.....	174,942	185,613	185,510	-	103
Expenditures.....	381,420	363,420	312,434	12,385	38,601
New Equipment.....	124,709	124,709	99,350	1,800	23,559
	<u>681,071</u>	<u>673,742</u>	<u>597,294</u>	<u>14,185</u>	<u>62,263</u>
GAR Hall:					
Expenditures.....	12,240	12,240	9,655	2,545	40
Total General Government.....	<u>4,290,904</u>	<u>3,991,046</u>	<u>3,508,769</u>	<u>248,780</u>	<u>233,497</u>
Public Safety and Protective Services - Police:					
Payroll.....	4,411,314	4,404,289	4,341,865	7,400	55,024
Expenditures.....	324,257	332,257	323,312	5,811	3,134
New Equipment.....	211,657	211,657	191,294	20,141	222
	<u>4,947,228</u>	<u>4,948,203</u>	<u>4,856,471</u>	<u>33,352</u>	<u>58,380</u>
Public Safety and Protective Services - Fire:					
Payroll.....	4,058,319	4,336,661	4,336,659	-	2
Expenditures.....	355,418	354,955	343,524	9,537	1,894
New Equipment.....	481,464	499,964	431,761	62,014	6,189
	<u>4,895,201</u>	<u>5,191,580</u>	<u>5,111,944</u>	<u>71,551</u>	<u>8,085</u>
Public Safety and Protective Services - All Other:					
Payroll.....	158,621	173,091	172,605	-	486
Expenditures.....	1,190,556	1,315,897	1,203,382	97,332	15,183
	<u>1,349,177</u>	<u>1,488,988</u>	<u>1,375,987</u>	<u>97,332</u>	<u>15,669</u>
Total Protection of Persons and Property.....	<u>11,191,606</u>	<u>11,628,771</u>	<u>11,344,402</u>	<u>202,235</u>	<u>82,134</u>
School Department:					
Payroll.....	33,068,726	33,068,726	32,127,369	-	941,357
Expenditures.....	7,676,388	7,676,388	7,277,092	399,296	-
Capital Budget.....	429,444	429,444	324,143	-	105,301
	<u>41,174,558</u>	<u>41,174,558</u>	<u>39,728,604</u>	<u>399,296</u>	<u>1,046,658</u>
Project Engineering:					
Payroll.....	202,968	208,778	208,778	-	-
Expenditures.....	36,196	34,422	18,868	15,554	-
New Equipment.....	105,761	117,924	89,426	18,162	10,336
Road Building/Construction.....	310,712	310,712	224,437	85,712	563
	<u>655,637</u>	<u>671,836</u>	<u>541,509</u>	<u>119,428</u>	<u>10,899</u>
Department of Public Works:					
Payroll.....	1,706,120	1,684,357	1,648,372	15,000	20,985
Expenditures.....	385,216	415,216	355,029	41,436	18,751
New Equipment.....	178,137	178,137	168,742	-	9,395
Snow Removal.....	504,325	658,901	658,900	-	1
Resurfacing.....	277,835	277,835	268,496	-	9,339
	<u>3,051,633</u>	<u>3,214,446</u>	<u>3,099,539</u>	<u>56,436</u>	<u>58,471</u>
Landfill/Recycling:					
Payroll.....	425,243	432,728	430,263	-	2,465
Expenditures.....	843,271	828,271	770,631	25,120	32,520
New Equipment.....	65,981	74,981	8,217	66,764	-
	<u>1,334,495</u>	<u>1,335,980</u>	<u>1,209,111</u>	<u>91,884</u>	<u>34,985</u>
Total Public Works and Facilities.....	<u>5,041,765</u>	<u>5,222,262</u>	<u>4,850,159</u>	<u>267,748</u>	<u>104,355</u>
Health Department:					
Payroll.....	279,739	285,293	282,007	-	3,286
Expenditures.....	18,135	18,135	13,521	-	4,614
	<u>297,874</u>	<u>303,428</u>	<u>295,528</u>	<u>-</u>	<u>7,900</u>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Elder Services:					
Payroll.....	186,616	190,320	184,300	-	6,020
Expenditures.....	15,665	15,665	14,533	55	1,077
Senior Workoff Program.....	40,000	40,000	35,460	-	4,540
	<u>242,281</u>	<u>245,985</u>	<u>234,293</u>	<u>55</u>	<u>11,637</u>
Veteran's Services:					
Payroll.....	46,524	73,774	73,773	-	1
Expenditures.....	4,431	4,431	4,169	260	2
Benefits.....	233,700	233,700	229,705	-	3,995
	<u>284,655</u>	<u>311,905</u>	<u>307,647</u>	<u>260</u>	<u>3,998</u>
Plymouth County Rape Crisis Center.....	2,500	2,500	2,500	-	-
South Shore Women's Center.....	3,500	3,500	3,500	-	-
Total Human Services.....	830,810	867,318	843,468	315	23,535
Library:					
Payroll.....	1,118,246	1,178,486	1,178,454	-	32
Expenditures.....	243,732	249,932	232,884	12,320	4,728
New Equipment.....	107,249	107,249	30,301	76,926	22
	<u>1,469,227</u>	<u>1,535,667</u>	<u>1,441,639</u>	<u>89,246</u>	<u>4,782</u>
Recreation:					
Payroll.....	72,750	74,205	74,202	-	3
Trustees of Bathing Beach:					
Payroll.....	16,701	17,035	15,359	-	1,676
Expenditures.....	9,758	39,758	15,652	24,100	6
New Equipment.....	53,000	53,000	9,488	43,511	1
	<u>79,459</u>	<u>109,793</u>	<u>40,499</u>	<u>67,611</u>	<u>1,683</u>
Celebrations.....	10,819	10,819	8,872	-	1,947
Total Culture & Recreation.....	1,632,255	1,730,484	1,565,212	156,857	8,415
Debt Service:					
Principal.....	4,888,328	4,888,328	4,870,183	-	18,145
Interest.....	2,234,255	2,234,255	2,111,485	-	122,770
	<u>7,122,583</u>	<u>7,122,583</u>	<u>6,981,668</u>	<u>-</u>	<u>140,915</u>
Town Pension.....	4,690,349	4,699,031	4,618,936	13,285	66,810
Property and Liability Insurance.....	391,950	391,950	385,490	-	6,460
Employee Benefits.....	7,516,981	7,320,597	7,268,600	-	51,997
State and County Charges.....	784,666	784,666	784,666	-	-
Special Articles.....	645,000	320,000	114,750	205,269	(19)
TOTAL EXPENDITURES.....	85,313,427	85,253,266	81,994,724	1,493,785	1,764,757
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,028,974)	(1,968,813)	3,054,380	(1,493,785)	3,529,408
OTHER FINANCING SOURCES (USES):					
Transfers in.....	710,125	710,125	734,429	-	(24,304)
Transfers out.....	(1,115,853)	(1,115,853)	(1,152,191)	-	36,338
TOTAL OTHER FINANCING SOURCES (USES).....	(405,728)	(405,728)	(417,762)	-	12,034
NET CHANGE IN FUND BALANCE.....	(2,434,702)	(2,374,541)	2,636,618	(1,493,785)	3,541,442
BUDGETARY FUND BALANCE, Beginning of year.....	16,540,571	16,540,571	16,540,571	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ <u>14,105,869</u>	\$ <u>14,166,030</u>	\$ <u>19,177,189</u>	\$ <u>(1,493,785)</u>	\$ <u>3,541,442</u>

See notes to required supplementary information.

(Concluded)

Other Postemployment Benefit Plan Schedules

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

The Schedule of Employer Contributions compares, overtime, the annual required contributions to the actual contributions made.

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2012	\$ 2,523,497	\$ 57,625,720	\$ 55,102,223	4.38%	\$ 45,368,008	121.46%
6/30/2011	2,965,242	64,713,447	61,748,205	4.58%	43,450,759	142.11%
1/1/2009	1,716,955	116,646,488	114,929,533	1.47%	42,713,463	269.07%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/2013	\$ 4,485,567	\$ 4,417,434	98.5%
6/30/2012	4,337,467	4,121,822	95.0%
6/30/2011	4,759,734	4,278,531	89.9%
6/30/2010	7,735,851	5,312,116	68.7%
6/30/2009	7,550,842	3,858,586	51.1%

The Town initially implemented GASB Statement No. 45 for the fiscal year ended June 30, 2009, and for the calendar year ended December 31, 2008.

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	June 30, 2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 4.0%, level % of payroll
Remaining amortization period.....	29 years as of July 1, 2012, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	8.0% pre-funding scenario
Inflation rate.....	4.0%
Projected salary increases.....	4.0%
Medical/drug cost trend rate.....	8.0% decreasing by 0.5% for 7 years to an ultimate level of 5.0% per year

Plan Membership:

	Governmental Activities	Business-Type Activities
Current retirees, beneficiaries, and dependents.....	646	29
Current active members.....	775	29
Total.....	1,421	58

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 at the Annual Town Meeting. The Town has an advisory committee that submits reports on proposed appropriations at Town Meetings.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations among departments require the approval of Town Meeting.

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

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds vote of the Board of Selectmen and written approval from the Massachusetts Department of Revenue. An annual budget is adopted for the general fund in conformity with the guidelines described above.

The original fiscal year 2013 general fund budget consisted of approximately \$86.4 million in appropriations and other amounts to be raised, including \$1.3 million in amounts carried over from previous fiscal years.

The Accounting Office has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the accounting system.

B. Budgetary - GAAP Reconciliation

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

Net change in fund balance - budgetary basis.....	\$	2,636,618
<u>Perspective difference:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		408,601
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		23,928
Net change in recording accrued expenditures.....		(52,101)
Recognition of revenue for on-behalf payments.....		9,258,650
Recognition of expenditures for on-behalf payments.....		<u>(9,258,650)</u>
Net change in fund balance - GAAP basis.....	\$	<u><u>3,017,046</u></u>

NOTE B – OTHER POSTEMPLOYMENT BENEFITS

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

The Town currently finances its other postemployment benefits (OPEB) on combined pre-funded and a pay-as-you-go basis. As a result, the funded ratio (actuarial value of assets expressed as a percentage of the actuarially accrued liability) was .22% and 69.49% for governmental and business-type activities, respectively. 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 actuarially accrued liability for benefits with the actuarial value of accumulated plan assets. Since this is the Town’s initial year of implementation of GASB Statement 45, information for prior years is not available.

Projections for 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 benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Combining Statements

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

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

Town Gifts – These funds are used to account for gifts received by the Town. These include unrestricted and restricted gifts and the expenditures relating to these gifts.

School Gifts – These funds are used to account for gifts received by the Town to be used specifically by the school department.

Town Grants – This fund accounts for intergovernmental state grants received by the Town and related expenditures.

School State Grants – This fund is used to account for specific state grants received by the Town to be used by the school department and the related expenditures.

School Federal Grants – This fund is used to account for Federal grants received by the Town to be used by the school department and the related expenditures.

Affordable Housing Trust – This fund is used to account for the Town's affordable housing program.

School Revolving – This fund accounts for self-supporting programs sponsored by the Town.

Town Revolving – This fund is used to account for activity where specific revenues are earmarked for specific purposes.

Town Trusts – This fund is used to account for revenues and expenditures relating to other various programs provided for the Town residents.

Town Other – This fund is used to account for revenues and expenditures relating to other various programs provided for the Town residents.

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

Preservation Projects – This fund is used to account for revenues and expenditures relating to other various programs provided for the Town preservation projects.

Conservation – This fund is used to account for revenues and expenditures relating to other various programs provided for the Town conservation projects.

Sewer Inflow/Infiltration – This fund is used to account for revenues and expenditures relating to the maintenance of the sewer inflow/infiltration system of the Town.

Sewer Maintenance – This fund is used to account for revenues and expenditures relating to the maintenance of the sewer and drainage system of the Town.

CAPITAL PROJECT FUNDS

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

Landfill – This fund is used to account for the costs relating to the capping of the Hingham landfill in accordance with required laws and regulations.

Harbor Dredging – This fund is used to account for the costs associated with the dredging of the Town's harbor.

Central Fire Station – This fund is used to account for the renovations of the Town's central fire station.

DPW Building – This fund is used to account for the construction of a new DPW facility.

Sewer – This fund is used to account for the construction/repairs of the Town sewer system.

Foster School – This fund is used to account for the planning and repair of the Foster Elementary School.

Plymouth River School – This fund is used to account for the planning and repair of the Plymouth River Elementary School.

Middle School – This fund is used to account for the planning and repair of the Town's middle school.

New Elementary School – This fund is used to account for the construction of the East elementary school.

High School Field Improvements – This fund is used to account for the renovations to the high school track and fields.

The South Shore Regional Emergency Communications Center - is used to account for the operations of the regional dispatch center for the Towns of Hingham, Cohasset, Hull, and Norwell.

Other – This fund is used to account for capital expenditures not already assigned to any other fund.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs. The Town's permanent funds are:

Conservation – This fund is used to account for assets relating to the environmental conservation of various plots of land in the Town.

Town – This fund is used to account for activity relating to various maintenance and improvements to Town property.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2013

	Special Revenue Funds					
	Town Gifts	School Gifts	Town Grants	School State Grants	School Federal Grants	Affordable Housing Trust
ASSETS						
Cash and cash equivalents.....	\$ 625,316	\$ 105,253	\$ -	\$ 527,603	\$ 45,962	\$ 430,303
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	-	-	-
User charges.....	-	-	-	-	-	-
Intergovernmental.....	-	-	161,178	-	-	-
Advance to Lincoln Apartments, LLC.....	-	-	-	-	-	200,000
TOTAL ASSETS.....	\$ 625,316	\$ 105,253	\$ 161,178	\$ 527,603	\$ 45,962	\$ 630,303
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable.....	\$ 4,623	\$ -	\$ 189,577	\$ 71,874	\$ 9,957	\$ -
Deferred revenues.....	-	-	-	-	-	-
Due to other funds.....	-	-	204,173	-	-	-
Notes payable.....	-	-	-	-	-	200,000
TOTAL LIABILITIES.....	4,623	-	393,750	71,874	9,957	200,000
FUND BALANCES:						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	620,693	105,253	-	455,729	36,005	430,303
Unassigned.....	-	-	(232,572)	-	-	-
TOTAL FUND BALANCES.....	620,693	105,253	(232,572)	455,729	36,005	430,303
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 625,316	\$ 105,253	\$ 161,178	\$ 527,603	\$ 45,962	\$ 630,303

Special Revenue Funds

School Revolving	Town Revolving	Town Trusts	Town Other	Community Preservation	Preservation Projects	Conservation	Sewer Inflow/Infiltration	Sewer Maintenance	Sub-total
\$ 1,523,478	\$ 926,993	\$ 178,762	\$ 467,845	\$ 1,664,856	\$ 1,264,607	\$ 76,354	\$ 682,092	\$ 139,271	\$ 8,658,695
-	-	-	-	-	316,455	-	-	-	316,455
14,681	-	-	-	6,009	-	-	-	-	20,690
-	-	-	-	-	-	-	-	398,595	398,595
65,274	-	-	980	-	-	-	-	-	227,432
-	-	-	-	-	-	-	-	-	200,000
<u>\$ 1,603,433</u>	<u>\$ 926,993</u>	<u>\$ 178,762</u>	<u>\$ 468,825</u>	<u>\$ 1,670,865</u>	<u>\$ 1,581,062</u>	<u>\$ 76,354</u>	<u>\$ 682,092</u>	<u>\$ 537,866</u>	<u>\$ 9,821,867</u>
\$ 10,468	\$ 14,318	\$ 8,227	\$ 2,748	\$ 60,673	\$ -	\$ 439	\$ 5,852	\$ 21,732	\$ 400,488
4,605	286,557	-	-	6,009	-	-	-	399,775	696,946
-	-	-	-	-	-	-	-	-	204,173
-	-	-	-	-	-	-	-	160,000	360,000
<u>15,073</u>	<u>300,875</u>	<u>8,227</u>	<u>2,748</u>	<u>66,682</u>	<u>-</u>	<u>439</u>	<u>5,852</u>	<u>581,507</u>	<u>1,661,607</u>
-	-	-	-	-	-	-	-	-	-
1,588,360	626,118	170,535	466,077	1,604,183	1,581,062	75,915	676,240	-	8,436,473
-	-	-	-	-	-	-	-	(43,641)	(276,213)
<u>1,588,360</u>	<u>626,118</u>	<u>170,535</u>	<u>466,077</u>	<u>1,604,183</u>	<u>1,581,062</u>	<u>75,915</u>	<u>676,240</u>	<u>(43,641)</u>	<u>8,160,260</u>
<u>\$ 1,603,433</u>	<u>\$ 926,993</u>	<u>\$ 178,762</u>	<u>\$ 468,825</u>	<u>\$ 1,670,865</u>	<u>\$ 1,581,062</u>	<u>\$ 76,354</u>	<u>\$ 682,092</u>	<u>\$ 537,866</u>	<u>\$ 9,821,867</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2013

	Capital Projects Funds						
ASSETS	<u>Landfill</u>	<u>Harbor Dredging</u>	<u>Central Fire Station</u>	<u>DPW Building</u>	<u>Sewer</u>	<u>Foster School</u>	<u>Plymouth River School</u>
Cash and cash equivalents.....	\$ 2,449	\$ 445,067	\$ 89,756	\$ 29,601	\$ -	\$ 33,187	\$ -
Investments.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	-	-	-	-	-	-	-
User charges.....	-	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	-
Due from component unit.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 2,449	\$ 445,067	\$ 89,756	\$ 29,601	\$ -	\$ 33,187	\$ -
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Warrants payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenues.....	-	-	-	-	-	-	-
Due to other funds.....	-	-	-	-	8,383	-	236,907
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	-	-	-	-	8,383	-	236,907
FUND BALANCES:							
Nonspendable.....	-	-	-	-	-	-	-
Restricted.....	2,449	445,067	89,756	29,601	-	33,187	-
Unassigned.....	-	-	-	-	(8,383)	-	(236,907)
TOTAL FUND BALANCES.....	2,449	445,067	89,756	29,601	(8,383)	33,187	(236,907)
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 2,449	\$ 445,067	\$ 89,756	\$ 29,601	\$ -	\$ 33,187	\$ -

Capital Projects Funds							Permanent Funds			Total Nonmajor Governmental Funds
Middle School Additions	Recreation Drive	New Elementary School	High School Fields Improvements	South Shore Regional Emergency Communications Center	Other	Sub-total	Conservation	Town	Sub-total	
\$ 9,319	\$ 16,143	\$ -	\$ 4,968,126	\$ -	\$ 2,306	\$ 5,595,954	\$ 84,154	\$ 15,158	\$ 99,312	\$ 14,353,961
-	-	-	-	-	-	-	-	-	-	316,455
-	-	-	-	-	-	-	-	-	-	20,690
-	-	-	-	-	-	-	-	-	-	398,595
-	-	-	-	158,674	-	158,674	-	-	-	386,106
-	-	-	-	-	-	-	-	-	-	200,000
<u>\$ 9,319</u>	<u>\$ 16,143</u>	<u>\$ -</u>	<u>\$ 4,968,126</u>	<u>\$ 158,674</u>	<u>\$ 2,306</u>	<u>\$ 5,754,628</u>	<u>\$ 84,154</u>	<u>\$ 15,158</u>	<u>\$ 99,312</u>	<u>\$ 15,675,807</u>
\$ -	\$ -	\$ -	\$ 11,261	\$ -	\$ -	\$ 11,261	\$ -	\$ -	\$ -	\$ 411,749
-	-	-	-	-	-	-	-	-	-	696,946
-	-	244,738	-	712,476	-	1,202,504	-	-	-	1,406,677
-	3,750,000	-	5,054,200	-	-	8,804,200	-	-	-	9,164,200
-	3,750,000	244,738	5,065,461	712,476	-	10,017,965	-	-	-	11,679,572
-	-	-	-	-	-	-	20,000	15,000	35,000	35,000
9,319	-	-	-	-	2,306	611,685	64,154	158	64,312	9,112,470
-	(3,733,857)	(244,738)	(97,335)	(553,802)	-	(4,875,022)	-	-	-	(5,151,235)
9,319	(3,733,857)	(244,738)	(97,335)	(553,802)	2,306	(4,263,337)	84,154	15,158	99,312	3,996,235
<u>\$ 9,319</u>	<u>\$ 16,143</u>	<u>\$ -</u>	<u>\$ 4,968,126</u>	<u>\$ 158,674</u>	<u>\$ 2,306</u>	<u>\$ 5,754,628</u>	<u>\$ 84,154</u>	<u>\$ 15,158</u>	<u>\$ 99,312</u>	<u>\$ 15,675,807</u>

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds					
	Town Gifts	School Gifts	Town Grants	School State Grants	School Federal Grants	Affordable Housing Trust
REVENUES:						
Charges for services.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	-	844,618	792,906	1,282,415	-
Departmental and other.....	175,240	43,474	-	-	-	578,857
Community preservation tax.....	-	-	-	-	-	-
Contributions.....	405,703	-	-	-	-	-
Interest income.....	9	-	-	-	-	299
	-	-	-	-	-	-
TOTAL REVENUES.....	580,952	43,474	844,618	792,906	1,282,415	579,156
EXPENDITURES:						
Current:						
General government.....	493,348	-	5,306	-	-	87,705
Public safety.....	20,341	-	325,441	-	-	-
Public education.....	-	41,665	-	1,007,388	1,192,516	-
Public works.....	-	-	669,832	-	-	-
Human services.....	28,229	-	52,883	-	-	-
Culture and recreation.....	70,390	-	4,015	-	-	-
Community preservation.....	-	-	-	-	-	-
Debt service:						
Principal.....	-	-	-	-	-	654,881
Interest.....	-	-	-	-	-	225,025
	-	-	-	-	-	-
TOTAL EXPENDITURES.....	612,308	41,665	1,057,477	1,007,388	1,192,516	967,611
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(31,356)	1,809	(212,859)	(214,482)	89,899	(388,455)
OTHER FINANCING SOURCES (USES):						
Sale of capital assets.....	-	-	-	-	-	550,442
Transfers in.....	-	-	-	-	-	-
Transfers out.....	(445)	-	(1,244)	-	-	-
	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)....	(445)	-	(1,244)	-	-	550,442
NET CHANGE IN FUND BALANCES.....	(31,801)	1,809	(214,103)	(214,482)	89,899	161,987
FUND BALANCES AT BEGINNING OF YEAR.....	652,494	103,444	(18,469)	670,211	(53,894)	268,316
FUND BALANCES AT END OF YEAR.....	\$ 620,693	\$ 105,253	\$ (232,572)	\$ 455,729	\$ 36,005	\$ 430,303

Special Revenue Funds

School Revolving	Town Revolving	Town Trusts	Town Other	Community Preservation	Preservation Projects	Conservation	Sewer Inflow/Infiltration	Sewer Maintenance	Sub-total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 209,496	\$ 2,357,603	\$ 2,567,099
743,164	-	-	-	211,950	-	-	-	-	3,875,053
1,663,078	922,843	54,159	90,979	-	-	-	-	14,769	3,543,399
-	-	-	-	832,137	-	-	-	-	832,137
500	-	1,000	6,267	-	77,895	-	-	-	491,365
-	-	4,593	3	-	57,828	66	144	-	62,942
<u>2,406,742</u>	<u>922,843</u>	<u>59,752</u>	<u>97,249</u>	<u>1,044,087</u>	<u>135,723</u>	<u>66</u>	<u>209,640</u>	<u>2,372,372</u>	<u>11,371,995</u>
-	-	53,928	19,533	-	-	18,997	-	-	678,817
-	170,527	-	160,114	-	-	-	-	-	676,423
1,953,846	-	-	20,821	-	-	-	-	-	4,216,236
-	-	450	12,385	-	-	-	168,616	2,240,144	3,091,427
-	69,290	-	761	-	-	-	-	-	151,163
-	627,150	-	-	-	17,999	-	-	-	719,554
-	-	-	-	2,070,939	-	-	-	-	2,070,939
-	-	-	-	-	-	-	-	-	654,881
-	-	-	-	-	-	-	-	-	225,025
<u>1,953,846</u>	<u>866,967</u>	<u>54,378</u>	<u>213,614</u>	<u>2,070,939</u>	<u>17,999</u>	<u>18,997</u>	<u>168,616</u>	<u>2,240,144</u>	<u>12,484,465</u>
<u>452,896</u>	<u>55,876</u>	<u>5,374</u>	<u>(116,365)</u>	<u>(1,026,852)</u>	<u>117,724</u>	<u>(18,931)</u>	<u>41,024</u>	<u>132,228</u>	<u>(1,112,470)</u>
-	-	-	-	-	-	-	-	-	550,442
-	-	-	30,238	-	-	-	-	-	30,238
-	(22,372)	-	-	-	-	-	-	-	(24,061)
-	(22,372)	-	30,238	-	-	-	-	-	556,619
452,896	33,504	5,374	(86,127)	(1,026,852)	117,724	(18,931)	41,024	132,228	(555,851)
<u>1,135,464</u>	<u>592,614</u>	<u>165,161</u>	<u>552,204</u>	<u>2,631,035</u>	<u>1,463,338</u>	<u>94,846</u>	<u>635,216</u>	<u>(175,869)</u>	<u>8,716,111</u>
<u>\$ 1,588,360</u>	<u>\$ 626,118</u>	<u>\$ 170,535</u>	<u>\$ 466,077</u>	<u>\$ 1,604,183</u>	<u>\$ 1,581,062</u>	<u>\$ 75,915</u>	<u>\$ 676,240</u>	<u>\$ (43,641)</u>	<u>\$ 8,160,260</u>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2013

Capital Projects Funds							
	Landfill	Harbor Dredging	Central Fire Station	DPW Building	Sewer	Foster School	Plymouth River School
REVENUES:							
Charges for services.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	-	-	-	-	-	-
Departmental and other.....	-	-	-	-	-	-	-
Community preservation tax.....	-	-	-	-	-	-	-
Contributions.....	-	-	-	-	-	-	-
Interest income.....	-	-	-	-	-	-	-
TOTAL REVENUES.....	-	-	-	-	-	-	-
EXPENDITURES:							
Current:							
General government.....	-	2,438	-	-	-	-	-
Public safety.....	-	-	-	-	-	-	-
Public education.....	-	-	-	-	-	-	-
Public works.....	82,655	-	-	-	-	-	-
Human services.....	-	-	-	-	-	-	-
Culture and recreation.....	-	-	-	-	-	-	-
Community preservation.....	-	-	-	-	-	-	-
Debt service:							
Principal.....	-	-	-	-	-	-	-
Interest.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	82,655	2,438	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(82,655)	(2,438)	-	-	-	-	-
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	-	-	-	-	-	-
Transfers out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(82,655)	(2,438)	-	-	-	-	-
FUND BALANCES AT BEGINNING OF YEAR.....	85,104	447,505	89,756	29,601	(8,383)	33,187	(236,907)
FUND BALANCES AT END OF YEAR.....	\$ 2,449	\$ 445,067	\$ 89,756	\$ 29,601	\$ (8,383)	\$ 33,187	\$ (236,907)

Capital Projects Funds							Permanent Funds			Total Nonmajor Governmental Funds
Middle School Additions	Recreation Drive	New Elementary School	High School Fields Improvements	South Shore Regional Emergency Communications Center	Other	Sub-total	Conservation	Town	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,567,099
-	-	-	-	-	-	-	-	-	-	3,875,053
-	-	-	701,865	-	-	701,865	-	-	-	4,245,264
-	-	-	-	-	-	-	-	-	-	832,137
-	-	-	-	-	-	-	-	-	-	491,365
-	-	-	5	-	-	5	58	11	69	63,016
-	-	-	701,870	-	-	701,870	58	11	69	12,073,934
-	3,733,857	-	-	-	-	3,736,295	-	500	500	4,415,612
-	-	-	-	446,187	-	446,187	-	-	-	1,122,610
-	-	-	798,351	-	-	798,351	-	-	-	5,014,587
-	-	-	-	-	-	82,655	-	-	-	3,174,082
-	-	-	-	-	-	-	-	-	-	151,163
-	-	-	-	-	-	-	-	-	-	719,554
-	-	-	-	-	-	-	-	-	-	2,070,939
-	-	-	-	-	-	-	-	-	-	654,881
-	-	-	-	-	-	-	-	-	-	225,025
-	3,733,857	-	798,351	446,187	-	5,063,488	-	500	500	17,548,453
-	(3,733,857)	-	(96,481)	(446,187)	-	(4,361,618)	58	(489)	(431)	(5,474,519)
-	-	-	-	-	-	-	-	-	-	550,442
-	-	-	-	-	-	-	-	-	-	30,238
-	-	-	-	-	-	-	-	-	-	(24,061)
-	-	-	-	-	-	-	-	-	-	556,619
-	(3,733,857)	-	(96,481)	(446,187)	-	(4,361,618)	58	(489)	(431)	(4,917,900)
9,319	-	(244,738)	(854)	(107,615)	2,306	98,281	84,096	15,647	99,743	8,914,135
\$ 9,319	\$ (3,733,857)	\$ (244,738)	\$ (97,335)	\$ (553,802)	\$ 2,306	\$ (4,263,337)	\$ 84,154	\$ 15,158	\$ 99,312	\$ 3,996,235

(Concluded)

Fiduciary Funds

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

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Agency Accounts July 1, 2012	Additions	Deletions	Agency Accounts June 30, 2013
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 669,470	\$ 1,537,226	\$ (1,501,927)	\$ 704,769
LIABILITIES				
Liabilities due depositors.....	\$ 669,470	\$ 1,537,226	\$ (1,501,927)	\$ 704,769

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Statistical Section



**Town of Hingham, Massachusetts
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

Statistical Section

This part of the Town of Hingham'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 audited financial reports for the relevant year. The Town implemented GASB Statement No. 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
Net investment in capital assets.....	\$ 38,073,230	\$ 37,754,728	\$ 52,330,548	\$ 65,883,656	\$ 64,238,223	\$ 77,520,944	\$ 76,103,445	\$ 76,535,196	\$ 72,361,430	\$ 86,629,936
Restricted.....	9,182,662	616,664	1,104,659	1,339,197	1,775,597	3,746,298	3,265,064	3,319,289	4,322,038	3,091,710
Unrestricted.....	5,986,192	14,434,337	17,896,855	15,576,261	17,470,135	9,296,519	8,507,908	13,755,110	18,615,065	20,929,045
Total governmental activities net position	\$ 53,242,084	\$ 52,805,729	\$ 71,332,062	\$ 82,799,114	\$ 83,483,955	\$ 90,563,761	\$ 87,876,417	\$ 93,609,595	\$ 95,298,533	\$ 110,650,691
Business-type Activities										
Net investment in capital assets.....	20,526,999	20,739,708	23,802,025	30,787,618	32,511,793	33,774,892	34,175,368	33,475,349	32,642,589	32,068,037
Restricted.....	3,227,745	3,468,000	3,793,000	4,138,000	-	-	-	-	-	-
Unrestricted.....	6,583,349	7,142,945	8,771,587	1,352,954	3,592,241	2,743,613	2,976,623	4,098,106	7,445,585	10,374,942
Total business-type activities net position.....	\$ 30,338,093	\$ 31,350,653	\$ 36,366,612	\$ 36,278,572	\$ 36,104,034	\$ 36,518,505	\$ 37,151,991	\$ 37,573,455	\$ 40,088,174	\$ 42,442,979
Primary government										
Net investment in capital assets.....	58,600,229	58,494,436	76,132,573	96,671,274	96,750,016	111,295,836	110,278,813	110,010,545	105,004,019	118,697,973
Restricted.....	12,410,407	4,084,664	4,897,659	5,477,197	1,775,597	3,746,298	3,265,064	3,319,289	4,322,038	3,091,710
Unrestricted.....	12,569,541	21,577,282	26,668,442	16,929,215	21,062,376	12,040,132	11,484,531	17,853,216	26,060,650	31,303,987
Total primary government activities net position.....	\$ 83,580,177	\$ 84,156,382	\$ 107,698,674	\$ 119,077,686	\$ 119,587,989	\$ 127,082,266	\$ 125,028,408	\$ 131,183,050	\$ 135,386,707	\$ 153,093,670

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General Government.....	\$ 4,046,439	\$ 3,983,961	\$ 3,914,504	\$ 5,778,974	\$ 5,990,823	\$ 4,631,169	\$ 4,970,623	\$ 4,890,174	\$ 5,942,879	\$ 5,531,669
Public safety.....	10,813,475	11,565,324	12,990,456	12,652,649	13,394,339	14,972,434	15,901,991	15,056,274	16,278,421	16,670,337
Education.....	38,280,042	41,896,818	44,953,811	45,471,333	48,223,524	55,777,553	58,665,520	59,143,074	60,092,877	61,329,548
Public Works.....	6,566,171	7,609,470	8,578,650	8,368,706	10,240,661	9,592,257	10,036,307	11,560,586	10,743,766	10,283,605
Human Services.....	960,855	1,152,420	1,037,046	1,050,004	1,119,653	1,276,418	1,196,017	1,068,951	1,191,783	1,307,992
Culture and recreation.....	2,102,606	2,190,103	3,101,226	2,574,607	2,803,297	2,996,585	4,616,526	3,228,299	3,127,819	3,122,258
Community Preservation.....	-	-	-	-	-	60,905	6,304	81,220	123,324	376,463
Claims and judgments.....	-	-	-	-	-	-	-	547,000	-	-
Miscellaneous.....	2,404,699	3,045,493	-	-	-	-	-	-	-	-
Unallocated interest on long term debt.....	2,345,358	2,173,466	2,058,722	1,921,911	2,187,955	1,945,209	2,545,526	2,352,715	1,940,022	2,430,517
Total Governmental activities expenses.....	67,519,645	73,617,055	76,634,415	77,818,184	83,950,252	91,252,530	97,937,814	97,928,293	99,440,891	101,052,389
Business-type activities:										
Country Club.....	1,331,818	1,268,252	1,351,046	1,714,813	1,631,808	1,574,791	1,654,620	1,629,085	2,061,404	1,976,008
Hingham Municipal Lighting Plant.....	16,504,414	17,757,874	16,576,913	23,602,405	27,488,101	27,542,592	27,195,703	28,800,853	27,268,237	26,296,157
Total business-type activities expenses.....	17,836,232	19,026,126	17,927,959	25,317,218	29,119,909	29,117,383	28,850,323	30,429,938	29,329,641	28,272,165
Total primary government expenses.....	\$ 85,355,877	\$ 92,643,181	\$ 94,562,374	\$ 103,135,402	\$ 113,070,161	\$ 120,369,913	\$ 126,788,137	\$ 128,358,231	\$ 128,770,532	\$ 129,324,554
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 1,351,087	\$ 1,594,548	\$ 1,694,778	\$ 1,945,541	\$ 1,931,970	\$ 796,484	\$ 1,208,001	\$ 1,699,823	\$ 2,511,730	\$ 2,786,484
Public safety.....	1,682,616	2,277,532	2,129,662	1,454,445	1,428,864	1,993,270	2,465,158	2,125,909	1,630,183	1,590,872
Education.....	1,588,568	1,665,159	1,693,845	1,790,130	1,974,201	1,925,323	2,041,456	2,313,647	2,275,103	2,306,585
Public Works.....	1,697,531	1,474,903	1,696,892	1,835,713	2,092,231	2,338,091	2,195,688	2,693,651	2,746,526	2,606,859
Human Services.....	82,740	86,100	83,180	83,835	84,490	148,620	192,296	187,121	228,815	228,411
Culture and recreation.....	-	-	-	-	-	639,376	703,866	708,975	696,642	721,804
Operating grants and contributions.....	1,724,718	2,317,009	2,335,920	2,308,220	2,138,547	18,497,416	19,246,742	20,934,750	21,061,709	20,313,250
Capital grants and contributions.....	-	-	-	-	-	10,310,718	1,049,982	2,764,000	2,706,963	12,190,209
Total Governmental activities program revenues.....	8,127,260	9,415,251	9,634,277	9,417,884	9,650,303	36,649,298	29,103,189	33,427,876	33,857,671	42,744,474
Business-type activities:										
Charges for services:										
Country Club.....	1,555,091	1,520,687	1,527,265	1,516,724	1,653,287	1,668,284	1,700,467	1,663,537	1,982,729	1,957,909
Hingham Municipal Lighting Plant.....	16,677,112	18,636,458	21,461,267	23,699,133	26,367,251	27,622,993	27,880,141	29,662,512	30,060,173	28,603,027
Capital contributions - Country Club.....	-	-	-	-	-	-	233,863	-	-	-
Total business-type activities program revenues.....	18,232,203	20,157,145	22,988,532	25,215,857	28,020,538	29,291,277	29,814,471	31,326,049	32,042,902	30,560,936
Total primary government program revenues.....	\$ 26,359,463	\$ 29,572,396	\$ 32,622,809	\$ 34,633,741	\$ 37,670,841	\$ 65,940,575	\$ 58,917,660	\$ 64,753,925	\$ 65,900,573	\$ 73,305,410
Net (Expense)/Revenue										
Governmental activities.....	\$ (59,392,385)	\$ (64,201,804)	\$ (67,000,138)	\$ (68,400,300)	\$ (74,299,949)	\$ (54,603,232)	\$ (68,834,625)	\$ (64,500,417)	\$ (65,583,220)	\$ (58,307,915)
Business-type activities.....	395,971	1,131,019	5,060,573	(101,361)	(1,099,371)	173,894	964,148	896,111	2,713,261	2,288,771
Total primary government net expense.....	\$ (58,996,414)	\$ (63,070,785)	\$ (61,939,565)	\$ (68,501,661)	\$ (75,399,320)	\$ (54,429,338)	\$ (67,870,477)	\$ (63,604,306)	\$ (62,869,959)	\$ (56,019,144)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes.....	\$ 44,463,797	\$ 47,500,326	\$ 52,296,707	\$ 52,501,871	\$ 55,999,333	\$ 59,064,292	\$ 63,715,553	\$ 66,335,378	\$ 68,836,981	\$ 71,812,957
Unrestricted grants and contributions.....	12,717,178	14,108,355	12,111,270	13,456,536	15,401,426	1,964,357	1,534,498	1,683,802	1,576,677	1,604,856
Penalties and interest on taxes.....	335,005	340,133	347,513	385,993	303,699	208,962	286,495	335,810	431,791	252,485
Investment earnings.....	249,899	570,971	982,239	1,297,867	1,008,741	445,427	128,168	92,048	89,498	157,975
Miscellaneous.....	1,047,100	1,060,264	1,656,083	1,774,657	2,784,756	-	-	-	-	-
Gain on the sale of capital assets.....	-	-	-	-	-	-	-	1,250,000	-	250,561
Capital assets contributed to joint venture.....	-	-	-	-	-	-	-	-	(3,910,618)	(394,283)
Transfers.....	188,950	185,400	290,970	109,585	(203,650)	-	482,567	536,557	247,829	(24,478)
Total Governmental activities.....	59,001,929	63,765,449	67,684,782	69,526,509	75,294,305	61,683,038	66,147,281	70,233,595	67,272,158	73,660,073
Business-type activities:										
Investment earnings.....	18,661	66,941	246,356	317,421	411,668	240,577	151,905	61,910	49,287	41,556
Transfers.....	(188,950)	(185,400)	(290,970)	(109,585)	203,650	-	(482,567)	(536,557)	(247,829)	24,478
Total business-type activities.....	(170,289)	(118,459)	(44,614)	207,836	615,318	240,577	(330,662)	(474,647)	(198,542)	66,034
Total primary government.....	\$ 58,831,640	\$ 63,646,990	\$ 67,640,168	\$ 69,734,345	\$ 75,909,623	\$ 61,923,615	\$ 65,816,619	\$ 69,758,948	\$ 67,073,616	\$ 73,726,107
Changes in Net Position										
Governmental activities.....	\$ (390,456)	\$ (436,355)	\$ 684,644	\$ 1,126,209	\$ 994,356	\$ 7,079,806	\$ (2,687,344)	\$ 5,733,178	\$ 1,688,938	\$ 15,352,158
Business-type activities.....	225,682	1,012,560	5,015,959	106,475	(484,053)	414,471	633,486	421,464	2,514,719	2,354,805
Total primary government.....	\$ (164,774)	\$ 576,205	\$ 5,700,603	\$ 1,232,684	\$ 510,303	\$ 7,494,277	\$ (2,053,858)	\$ 6,154,642	\$ 4,203,657	\$ 17,706,963

Note: The Town reclassified various activities in FY2009 and did not reclassify prior years.

**FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General fund										
Reserved.....	\$ 3,251,371	\$ 4,346,561	\$ 1,682,516	\$ 1,915,431	\$ 3,239,286	\$ 978,675	\$ 892,169	\$ -	\$ -	\$ -
Unreserved.....	5,760,866	4,662,890	7,900,614	6,416,619	5,645,425	6,121,260	10,888,925	-	-	-
Restricted.....	-	-	-	-	-	-	-	1,250,000	1,250,000	1,250,000
Committed.....	-	-	-	-	-	-	-	472,759	610,152	1,033,485
Assigned.....	-	-	-	-	-	-	-	736,580	2,325,501	2,679,682
Unassigned.....	-	-	-	-	-	-	-	11,760,485	14,467,148	16,706,680
Total general fund.....	\$ 9,012,237	\$ 9,009,451	\$ 9,583,130	\$ 8,332,050	\$ 8,884,711	\$ 7,099,935	\$ 11,781,094	\$ 14,219,824	\$ 18,652,801	\$ 21,669,847
All Other Governmental Funds										
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	3,766,046	5,261,069	6,236,294	5,804,547	6,719,840	6,476,412	6,459,001	-	-	-
Capital project funds.....	937,214	(398,742)	199,093	(2,777,466)	(1,630,042)	6,864,106	2,527,736	-	-	-
Permanent funds.....	1,228,031	1,015,406	905,556	1,257,315	1,767,888	64,902	65,116	-	-	-
Nonspendable.....	-	-	-	-	-	-	-	35,000	35,000	35,000
Restricted.....	-	-	-	-	-	-	-	9,939,236	9,725,814	9,112,470
Unassigned.....	-	-	-	-	-	-	-	(451,058)	(3,020,664)	(23,814,076)
Total all other governmental funds.	\$ 5,931,291	\$ 5,877,733	\$ 7,340,943	\$ 4,284,396	\$ 6,857,686	\$ 13,440,420	\$ 9,086,853	\$ 9,523,178	\$ 6,740,150	\$ (14,666,606)

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

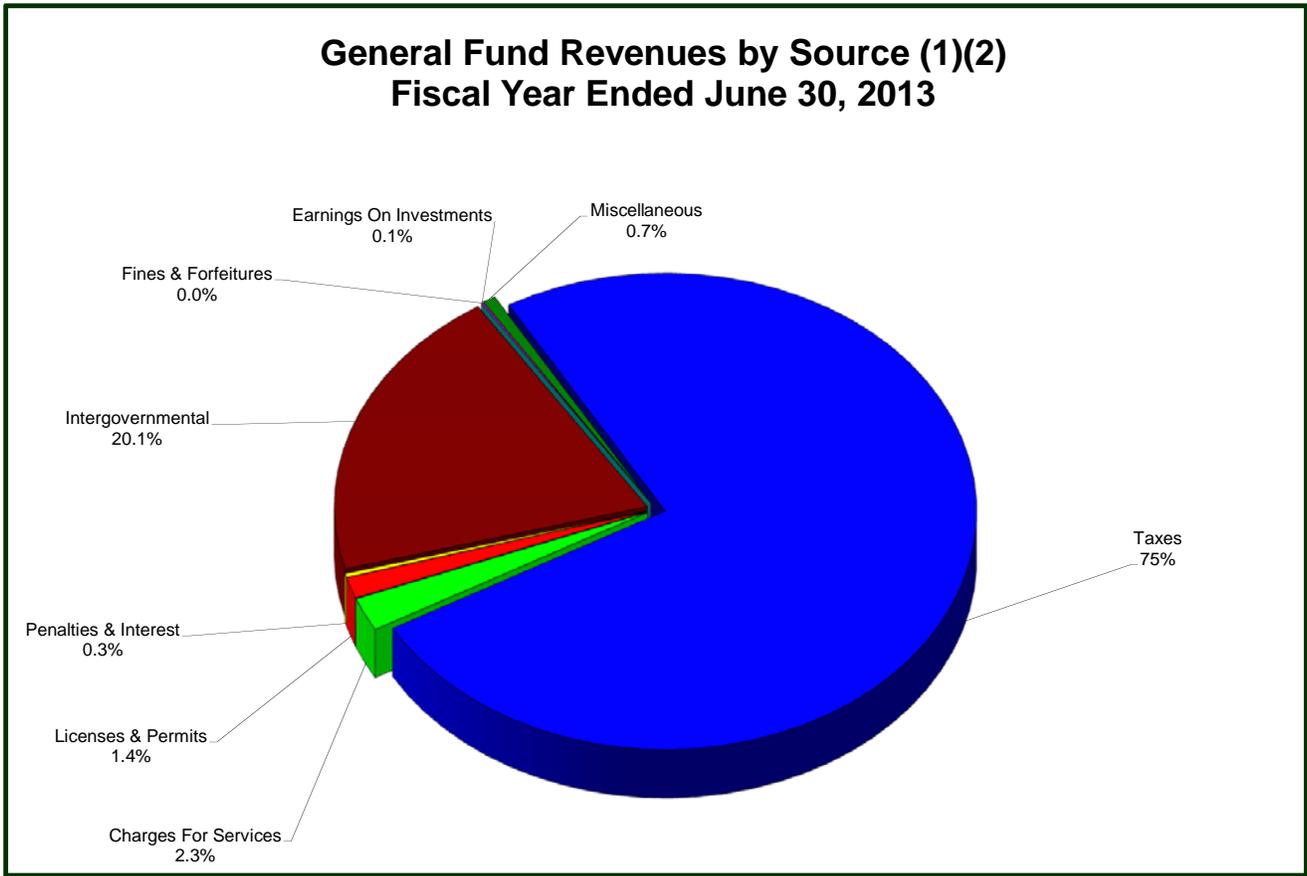
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009 (1)	2010	2011	2012	2013 (1)
REVENUES										
Taxes.....	\$ 45,732,781	\$ 48,094,223	\$ 51,523,864	\$ 53,645,306	\$ 57,314,221	\$ 59,269,620	\$ 64,449,558	\$ 64,070,863	\$ 70,205,364	\$ 71,142,869
Licenses and fees.....	1,841,689	2,443,941	2,306,958	1,629,756	1,606,900	-	-	-	-	-
Intergovernmental.....	14,258,972	16,143,996	16,178,632	17,999,121	19,916,398	30,325,931	22,445,941	26,057,658	26,472,612	35,037,693
Charges for services.....	3,825,415	4,092,192	4,018,802	3,622,749	4,344,359	3,802,150	4,161,968	4,173,594	4,451,604	4,713,862
Investment income.....	249,899	570,971	982,239	1,297,867	1,008,741	445,427	128,168	92,048	89,498	157,975
Other revenues.....	2,273,472	2,395,302	3,425,582	4,159,838	4,891,394	5,460,915	6,033,277	6,539,941	6,768,709	7,555,150
Total Revenues.....	68,182,238	73,740,625	78,436,077	82,354,637	89,082,013	99,304,043	97,218,912	100,934,104	107,987,787	118,607,549
EXPENDITURES										
General government.....	3,216,032	3,118,360	2,741,008	4,892,360	3,693,535	12,120,424	3,938,343	3,598,765	4,388,371	8,093,357
Public safety.....	8,493,836	9,223,025	10,095,403	10,482,700	10,823,407	11,198,838	10,856,492	12,557,453	13,240,642	12,466,949
Education.....	34,055,595	37,097,463	39,934,182	41,652,980	46,096,435	65,455,163	44,968,570	42,437,085	45,757,078	73,406,386
Public works.....	5,862,837	6,544,382	6,437,669	6,783,898	8,849,401	14,941,072	8,143,631	9,036,226	9,807,486	8,024,323
Human services.....	808,487	986,998	889,787	926,127	986,568	1,020,889	912,482	818,590	883,629	994,695
Culture and recreation.....	1,666,566	1,727,611	1,847,199	1,991,870	2,215,516	2,301,559	3,781,741	2,292,205	2,183,380	2,284,767
Pension benefits.....	2,206,705	2,290,770	2,587,077	2,667,706	2,725,478	2,827,885	2,862,331	2,967,933	3,532,879	3,648,502
Group health insurance.....	2,502,730	2,752,529	3,289,713	3,317,028	3,430,971	4,148,112	6,112,888	8,070,819	8,963,822	8,247,415
Community preservation.....	-	-	-	-	-	2,972,916	1,240,212	164,410	342,411	2,070,939
Other.....	2,677,031	3,122,050	2,065,175	6,509,842	5,890,864	3,134,332	1,147,657	1,684,829	1,135,085	1,165,666
Intergovernmental.....	1,656,636	1,926,044	2,193,591	2,611,818	2,677,907	7,345,883	7,721,843	8,174,736	8,635,341	9,258,650
Debt service										
Principal.....	2,983,590	2,985,566	3,000,003	2,974,348	2,940,669	3,167,071	5,393,592	5,378,828	5,489,462	5,525,064
Interest.....	2,377,001	2,207,571	2,088,551	1,961,172	2,015,523	2,197,932	2,501,206	2,663,727	2,337,998	2,336,510
Total expenditures.....	68,507,046	73,982,369	77,169,358	86,771,849	92,346,274	132,832,076	99,580,988	99,845,606	106,697,584	137,523,223
Excess of revenues over (under) expenditures.....	(324,808)	(241,744)	1,266,719	(4,417,212)	(3,264,261)	(33,528,033)	(2,362,076)	1,088,498	1,290,203	(18,915,674)
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	-	-	479,200	-	5,008,862	38,325,991	240,000	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-	-	1,927,101	1,582,913	111,917	-
Issuance of refunding bonds.....	-	-	-	-	-	-	3,700,000	19,080,000	-	-
Payments to refunding bonds escrow agent.....	-	-	-	-	-	-	(3,660,000)	(20,662,913)	-	-
Sale of capital assets.....	-	-	-	-	-	-	-	1,250,000	-	550,442
Transfers in.....	2,502,617	2,005,661	2,380,023	3,981,380	2,639,179	1,076,766	1,095,419	572,502	841,908	564,518
Transfers out.....	(2,313,667)	(1,820,261)	(2,089,053)	(3,871,795)	(2,842,829)	(1,076,766)	(612,852)	(35,945)	(594,079)	(588,996)
Total other financing sources (uses).....	188,950	185,400	770,170	109,585	4,805,212	38,325,991	2,689,668	1,786,557	359,746	525,964
Net change in fund balances.....	\$ (135,858)	\$ (56,344)	\$ 2,036,889	\$ (4,307,627)	\$ 1,540,951	\$ 4,797,958	\$ 327,592	\$ 2,875,055	\$ 1,649,949	\$ (18,389,710)
Ratio of Annual Debt Service to Non-Capital Expenditures.....	8.60%	7.80%	7.20%	6.70%	6.30%	6.14%	8.45%	8.28%	7.79%	7.79%

(1) Educational expenditures in fiscal years 2009 and 2013 include school construction.

**GENERAL FUND REVENUES BY SOURCE (1)(2)
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes (3)	Charges For Services	Licenses & Permits	Inter-Governmental	Penalties & Interest	Fines & Forfeitures	Earnings On Investments	Misc.	Total
2004	\$ 45,733	\$ 643	\$ 1,842	\$ 11,724	\$ 214	\$ 120	\$ 239	\$ 315	\$ 60,829
2005	\$ 48,094	\$ 778	\$ 2,444	\$ 12,941	\$ 236	\$ 104	\$ 543	\$ 389	\$ 65,529
2006	\$ 51,524	\$ 937	\$ 2,307	\$ 13,337	\$ 258	\$ 88	\$ 933	\$ 900	\$ 70,284
2007	\$ 53,645	\$ 1,076	\$ 1,630	\$ 14,730	\$ 290	\$ 99	\$ 1,225	\$ 755	\$ 73,450
2008	\$ 57,314	\$ 1,073	\$ 1,607	\$ 15,980	\$ 226	\$ 78	\$ 946	\$ 630	\$ 77,854
2009	\$ 58,374	\$ 1,580	\$ 1,082	\$ 15,988	\$ 209	\$ -	\$ 413	\$ 580	\$ 78,226
2010	\$ 63,406	\$ 2,035	\$ 1,380	\$ 16,139	\$ 286	\$ -	\$ 116	\$ 234	\$ 83,596
2011	\$ 63,735	\$ 1,876	\$ 1,434	\$ 17,278	\$ 336	\$ -	\$ 85	\$ 276	\$ 85,020
2012	\$ 69,774	\$ 2,101	\$ 1,364	\$ 17,833	\$ 432	\$ -	\$ 64	\$ 410	\$ 91,978
2013	\$ 70,890	\$ 2,145	\$ 1,355	\$ 18,988	\$ 252	\$ -	\$ 95	\$ 634	\$ 94,359



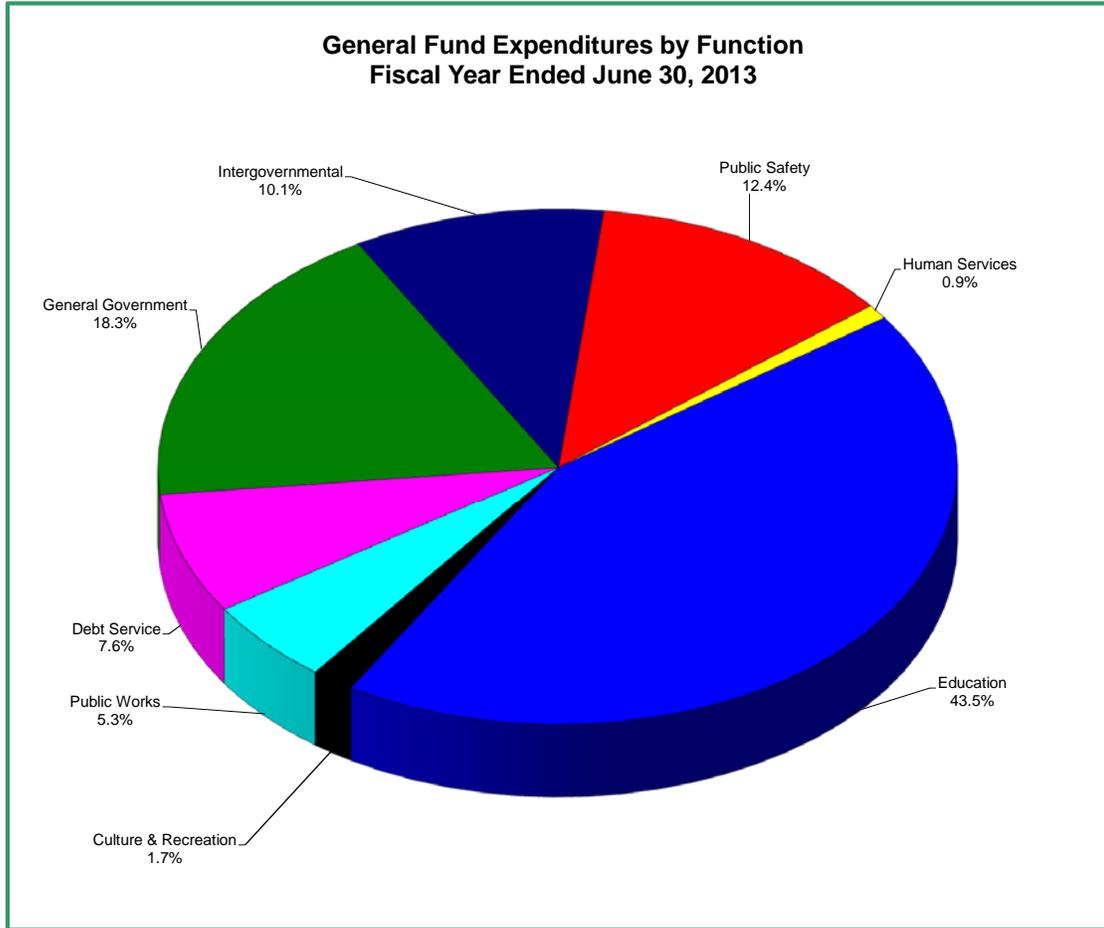
(1) All amounts in thousands (000's).

(2) Excluding transfers in.

(3) Includes real estate, personal, motor vehicle and other taxes.

**GENERAL FUND EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS (1)**

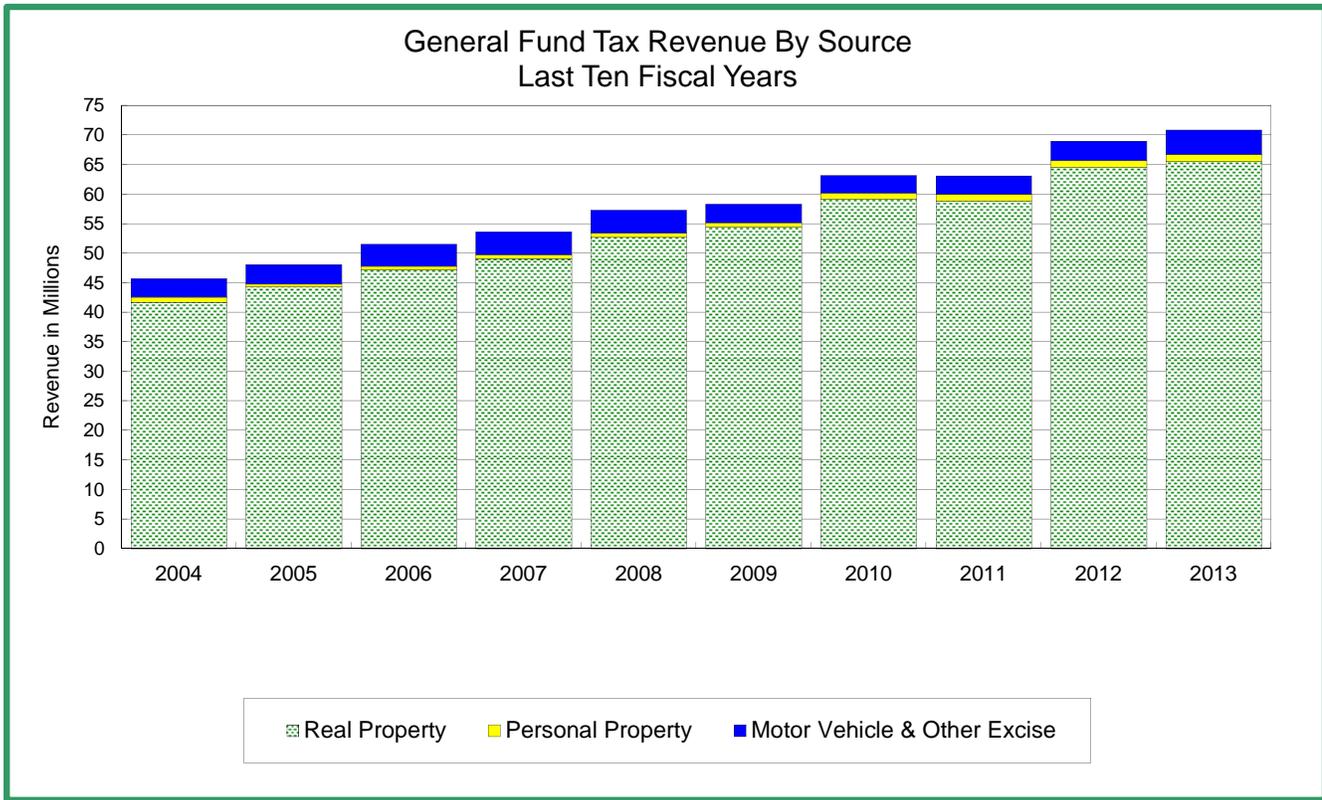
Fiscal Year Ended June 30,	General Government(2)	Public Safety	Education	Public Works	Human Services	Culture & Recreation(3)	Inter-Governmental	Debt Services	Total
2004	\$ 8,030	\$ 7,996	\$ 31,204	\$ 4,050	\$ 594	\$ 1,344	\$ 1,657	\$ 5,141	\$ 60,014
2005	\$ 8,703	\$ 8,560	\$ 33,945	\$ 4,643	\$ 591	\$ 1,417	\$ 1,926	\$ 5,033	\$ 64,818
2006	\$ 9,640	\$ 9,400	\$ 36,272	\$ 4,097	\$ 641	\$ 1,437	\$ 2,194	\$ 4,934	\$ 68,615
2007	\$ 10,782	\$ 9,662	\$ 37,899	\$ 4,000	\$ 723	\$ 1,562	\$ 2,612	\$ 4,804	\$ 72,044
2008	\$ 10,698	\$ 10,061	\$ 40,751	\$ 4,947	\$ 754	\$ 1,685	\$ 2,678	\$ 4,809	\$ 76,383
2009	\$ 13,303	\$ 10,416	\$ 35,130	\$ 5,682	\$ 816	\$ 1,632	\$ 7,346	\$ 5,234	\$ 79,559
2010	\$ 13,346	\$ 10,061	\$ 36,155	\$ 4,535	\$ 792	\$ 1,422	\$ 7,722	\$ 7,309	\$ 81,342
2011	\$ 16,047	\$ 10,165	\$ 35,910	\$ 5,062	\$ 721	\$ 1,476	\$ 8,175	\$ 7,374	\$ 84,930
2012	\$ 16,980	\$ 10,279	\$ 37,702	\$ 4,624	\$ 759	\$ 1,449	\$ 8,635	\$ 7,193	\$ 87,621
2013	\$ 16,739	\$ 11,344	\$ 39,729	\$ 4,850	\$ 844	\$ 1,565	\$ 9,259	\$ 6,982	\$ 91,312



(1) All amounts in thousands (000's).
(2) Includes employee benefits and miscellaneous.
(3) Includes General Fund expenditures for Library component unit.

**GENERAL FUND TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

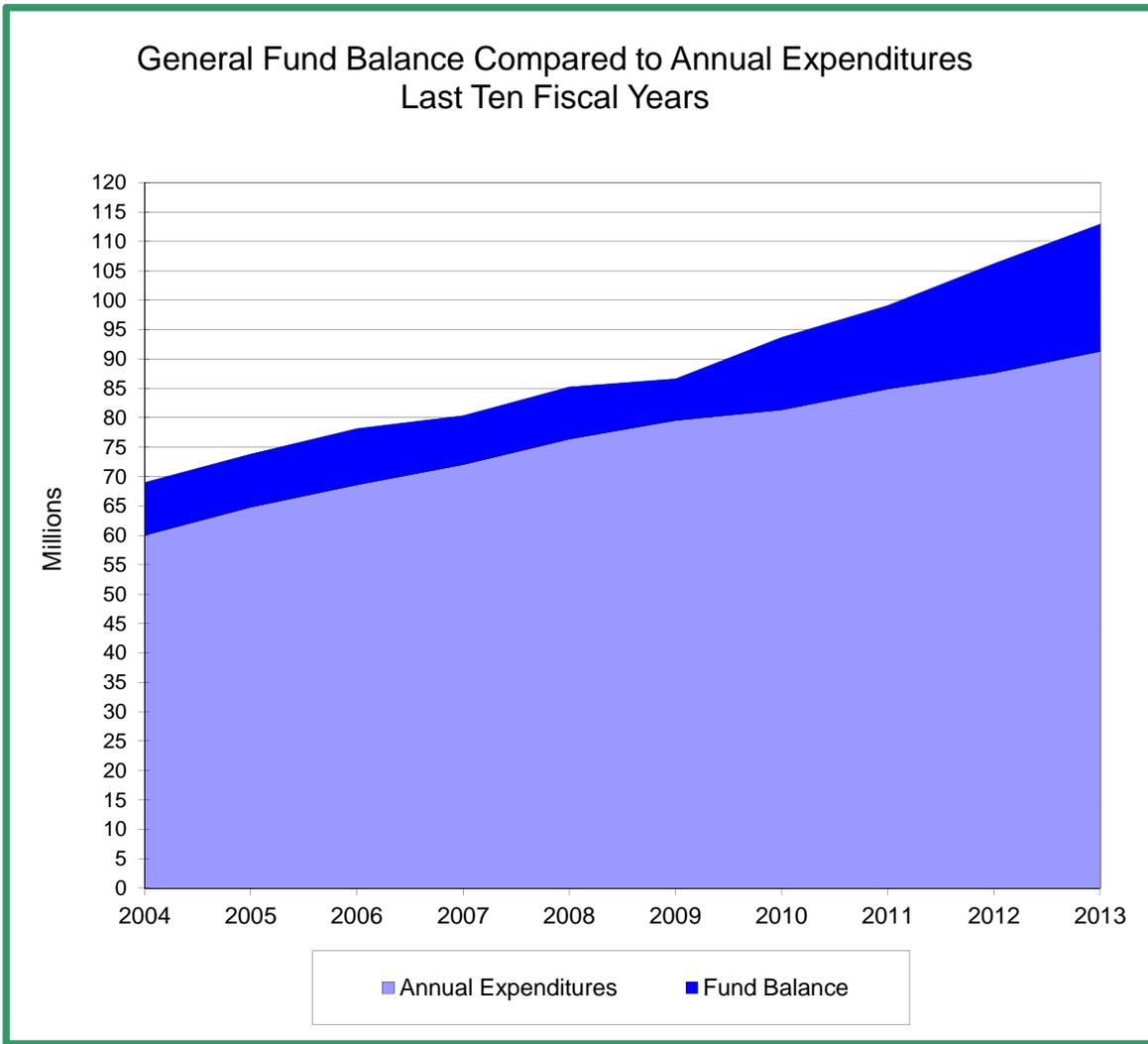
Fiscal Year Ended June 30,	Real Property	Personal Property	Motor Vehicle & Other Excise	Total
2004	\$ 41,723,063	\$ 874,984	\$ 3,134,734	\$ 45,732,781
2005	\$ 44,306,275	\$ 471,298	\$ 3,316,650	\$ 48,094,223
2006	\$ 47,196,123	\$ 599,809	\$ 3,727,932	\$ 51,523,864
2007	\$ 49,086,501	\$ 668,279	\$ 3,890,526	\$ 53,645,306
2008	\$ 52,729,826	\$ 690,885	\$ 3,893,511	\$ 57,314,222
2009	\$ 54,420,366	\$ 773,283	\$ 3,130,199	\$ 58,323,848
2010	\$ 59,177,275	\$ 1,043,711	\$ 2,974,353	\$ 63,195,339
2011	\$ 58,881,164	\$ 1,091,352	\$ 3,159,591	\$ 63,132,107
2012	\$ 64,567,393	\$ 1,151,269	\$ 3,287,665	\$ 69,006,327
2013	\$ 65,520,015	\$ 1,226,694	\$ 4,143,675	\$ 70,890,384



Source: Audited financial statements, Town Accountant's records.

GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES LAST TEN FISCAL YEARS

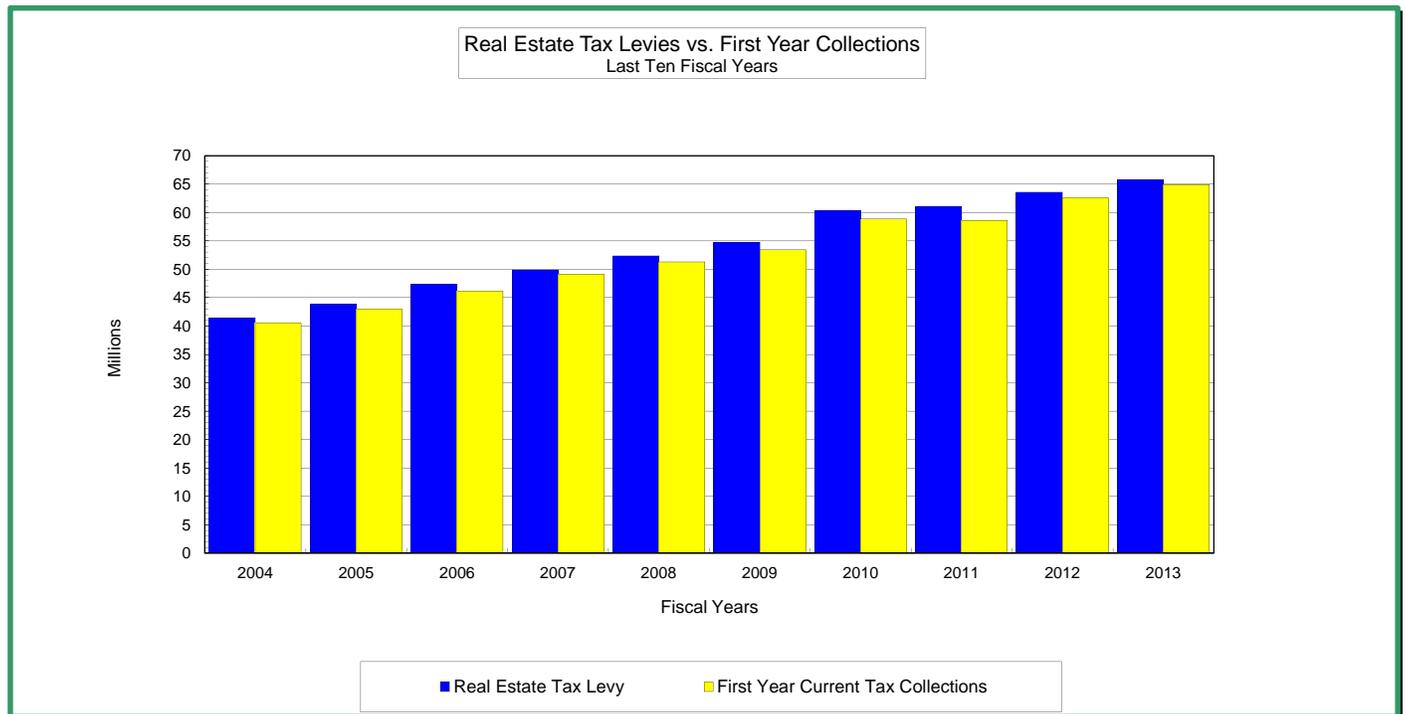
Fiscal Year Ended June 30,	Fund Balance	Annual Expenditures	Balance as % of Expenditures
2004	\$ 9,012,237	\$ 60,014,608	15.02%
2005	\$ 9,009,451	\$ 64,818,332	13.90%
2006	\$ 9,583,130	\$ 68,614,807	13.97%
2007	\$ 8,332,050	\$ 72,043,499	11.57%
2008	\$ 8,884,711	\$ 76,382,718	11.63%
2009	\$ 7,099,935	\$ 79,559,960	8.92%
2010	\$ 12,378,466	\$ 81,342,054	15.22%
2011	\$ 14,219,824	\$ 84,929,680	16.74%
2012	\$ 18,652,801	\$ 87,621,170	21.29%
2013	\$ 21,669,847	\$ 91,311,575	23.73%



Source: Audited financial statements, Town Accountant's records.

**REAL ESTATE TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Real Estate Tax Levy (1)	First Year Current Tax Collections (2)	Percent of Levy Collected	Delinquent Levy Tax Collections	Total Tax Collections To Date	Percent of Levy Collected
2004	\$ 41,411,391	\$ 40,475,483	97.7%	\$ 109,179	\$ 40,584,662	98.0%
2005	\$ 43,844,609	\$ 42,972,135	98.0%	\$ 66,592	\$ 43,038,727	98.2%
2006	\$ 47,394,032	\$ 46,131,746	97.3%	\$ 149,541	\$ 46,281,287	97.7%
2007	\$ 49,861,711	\$ 49,102,357	98.5%	\$ 186,020	\$ 49,288,377	98.9%
2008	\$ 52,379,293	\$ 51,298,580	97.9%	\$ 65,279	\$ 51,363,859	98.1%
2009	\$ 54,789,488	\$ 53,444,778	97.5%	\$ 450,008	\$ 53,894,786	98.4%
2010	\$ 60,378,356	\$ 58,855,173	97.5%	\$ 655,856	\$ 59,511,029	98.6%
2011	\$ 60,970,038	\$ 58,567,611	96.1%	\$ 2,309,316	\$ 60,876,927	99.8%
2012	\$ 63,559,312	\$ 62,540,324	98.4%	\$ 531,413	\$ 63,071,737	99.2%
2013	\$ 65,785,681	\$ 64,928,353	98.7%	\$ -	\$ 64,928,353	98.7%



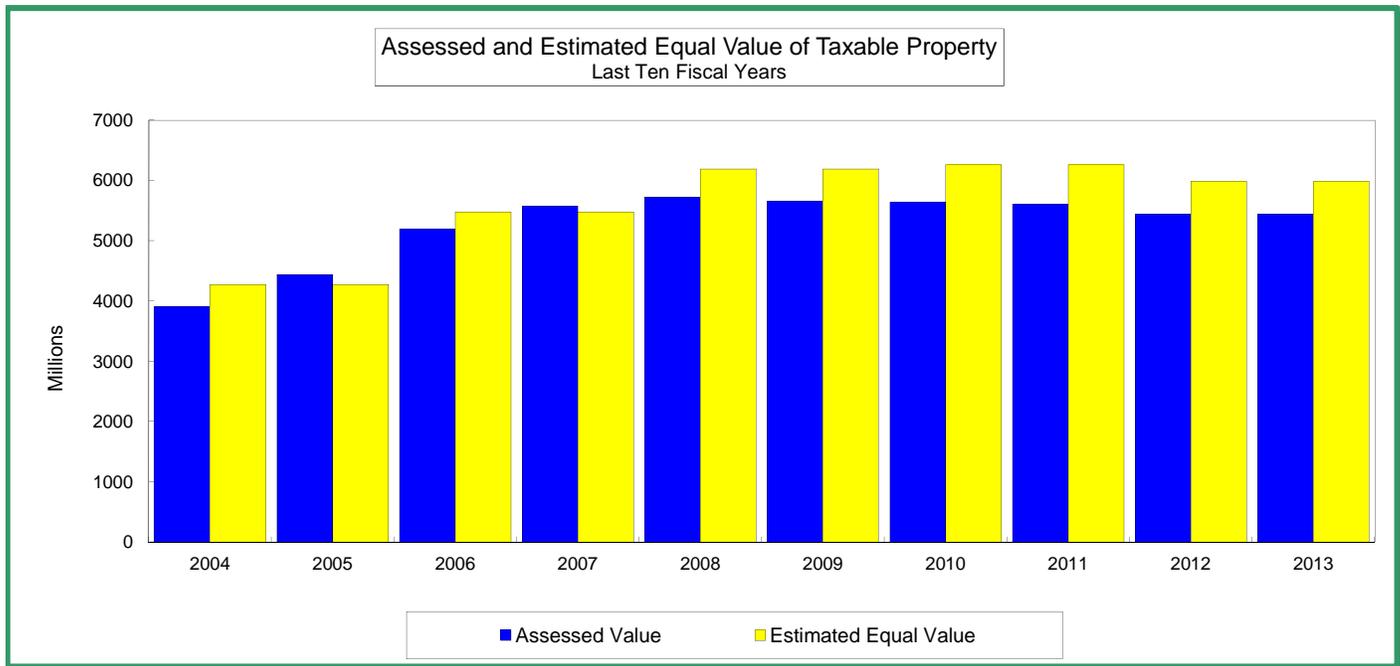
Source: Audited financial statements, Treasurer/Collector's records.

(1) Real Estate Tax Levy net of allowance for abatements and refunds.

(2) The "First Year Current Tax Collections" is the collection of the current year's taxes during the first fiscal year.

**ASSESSED AND ESTIMATED EQUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Assessed Value (1)	Estimated Equal Value (2)	As Of	Assessed Value to Estimated Equal Value	Total Direct Rate
2004	\$ 3,897,620,840	\$ 4,273,602,000	01/01/2004	91.2%	\$ 10.68
2005	\$ 4,436,551,270	\$ 4,273,602,000	01/01/2004	103.8%	\$ 9.96
2006	\$ 5,192,463,730	\$ 5,479,432,500	01/01/2006	94.8%	\$ 9.20
2007	\$ 5,572,597,140	\$ 5,479,432,500	01/01/2006	101.7%	\$ 9.00
2008	\$ 5,725,353,220	\$ 6,190,427,500	01/01/2008	92.5%	\$ 9.20
2009	\$ 5,653,800,660	\$ 6,190,427,500	01/01/2008	91.3%	\$ 9.75
2010	\$ 5,636,105,233	\$ 6,257,344,000	01/01/2010	90.1%	\$ 10.77
2011	\$ 5,599,519,350	\$ 6,257,344,000	01/01/2010	89.5%	\$ 11.08
2012	\$ 5,438,188,940	\$ 5,984,621,300	01/01/2012	90.9%	\$ 11.89
2013	\$ 5,438,188,940	\$ 5,984,621,300	01/01/2012	90.9%	\$ 12.32

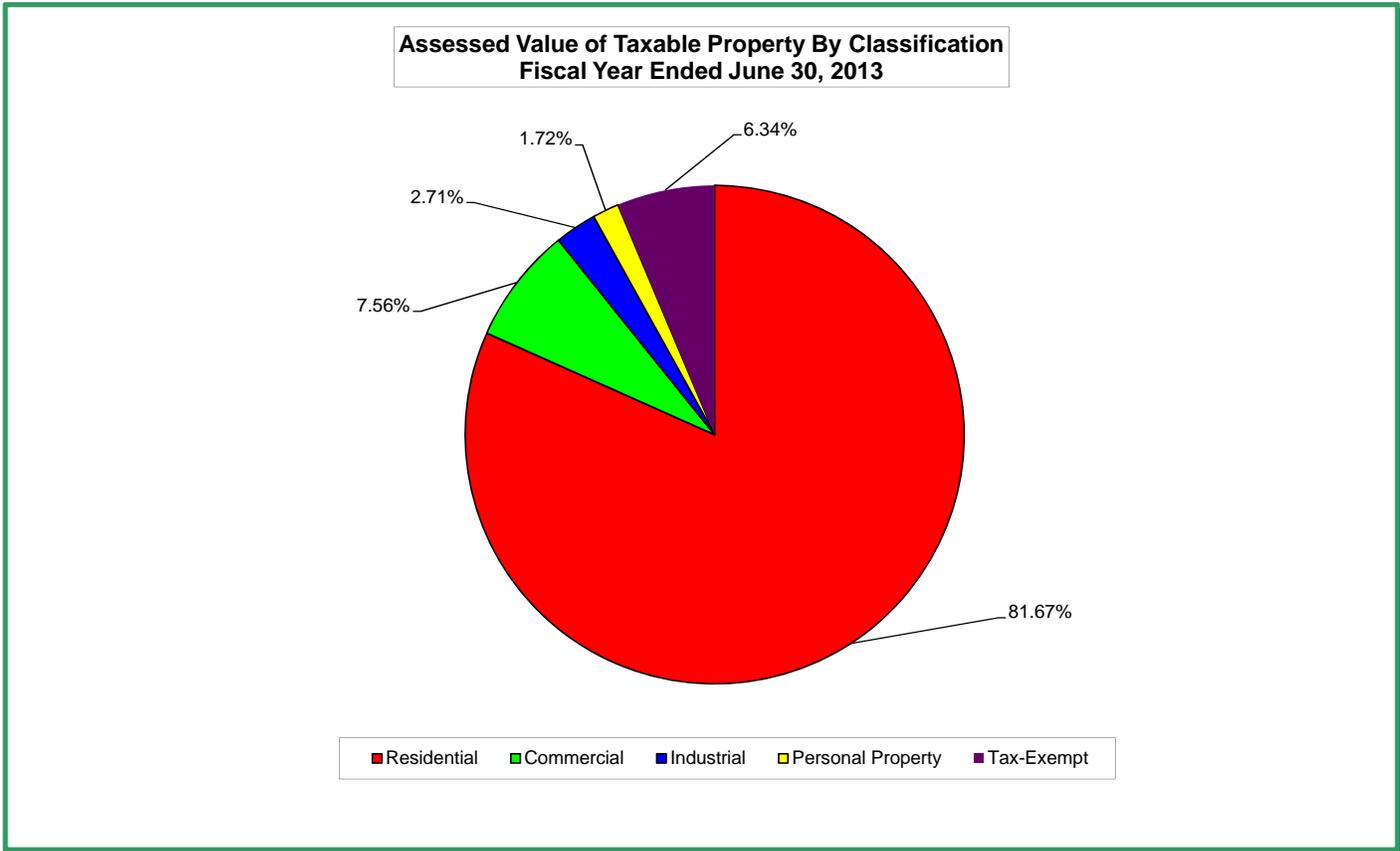


Source: Assessors Department, Town of Hingham

- (1) Assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1. Taxable property in this chart refers only to real estate.
- (2) The Commissioner of Revenue makes a determination of the fair cash value of the taxable property in each municipality in order to determine appropriate relative values for the purpose of certain distributions to and assessments upon cities and towns. This is known as "equalized value."

**ASSESSED VALUE OF TAXABLE PROPERTY BY CLASSIFICATION (1)
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30, (2)	Residential Valuation	Commercial Valuation	Industrial Valuation	Personal Property Valuation	Less: Tax-Exempt Property	Total Valuation
2004	\$ 3,445,300,065	\$ 229,436,735	\$ 153,148,500	\$ 69,735,540	\$ 315,970,600	\$ 3,581,650,240
2005	\$ 3,968,827,225	\$ 247,289,457	\$ 158,456,758	\$ 61,977,830	\$ 315,475,400	\$ 4,121,075,870
2006	\$ 4,537,505,927	\$ 383,712,499	\$ 205,880,174	\$ 65,365,130	\$ 328,824,300	\$ 4,863,639,430
2007	\$ 4,880,457,430	\$ 423,901,180	\$ 193,763,390	\$ 74,475,140	\$ 333,520,000	\$ 5,239,077,140
2008	\$ 5,001,557,821	\$ 463,240,322	\$ 191,314,157	\$ 69,240,920	\$ 384,268,700	\$ 5,341,084,520
2009	\$ 4,902,896,684	\$ 473,771,299	\$ 186,915,617	\$ 90,217,060	\$ 392,792,200	\$ 5,261,008,460
2010	\$ 4,883,302,232	\$ 475,224,448	\$ 182,626,233	\$ 94,952,320	\$ 392,792,200	\$ 5,243,313,033
2011	\$ 4,839,160,498	\$ 481,235,961	\$ 182,314,541	\$ 96,808,350	\$ 405,665,200	\$ 5,193,854,150
2012	\$ 4,742,405,100	\$ 434,205,900	\$ 164,218,200	\$ 97,359,740	\$ 358,700,200	\$ 5,079,488,740
2013	\$ 4,743,269,100	\$ 438,829,300	\$ 157,648,400	\$ 99,710,870	\$ 368,419,500	\$ 5,071,038,170
10 yr. average	\$ <u>4,594,468,208</u>	\$ <u>405,084,710</u>	\$ <u>177,628,597</u>	\$ <u>81,984,290</u>	\$ <u>359,642,830</u>	\$ <u>4,899,522,975</u>



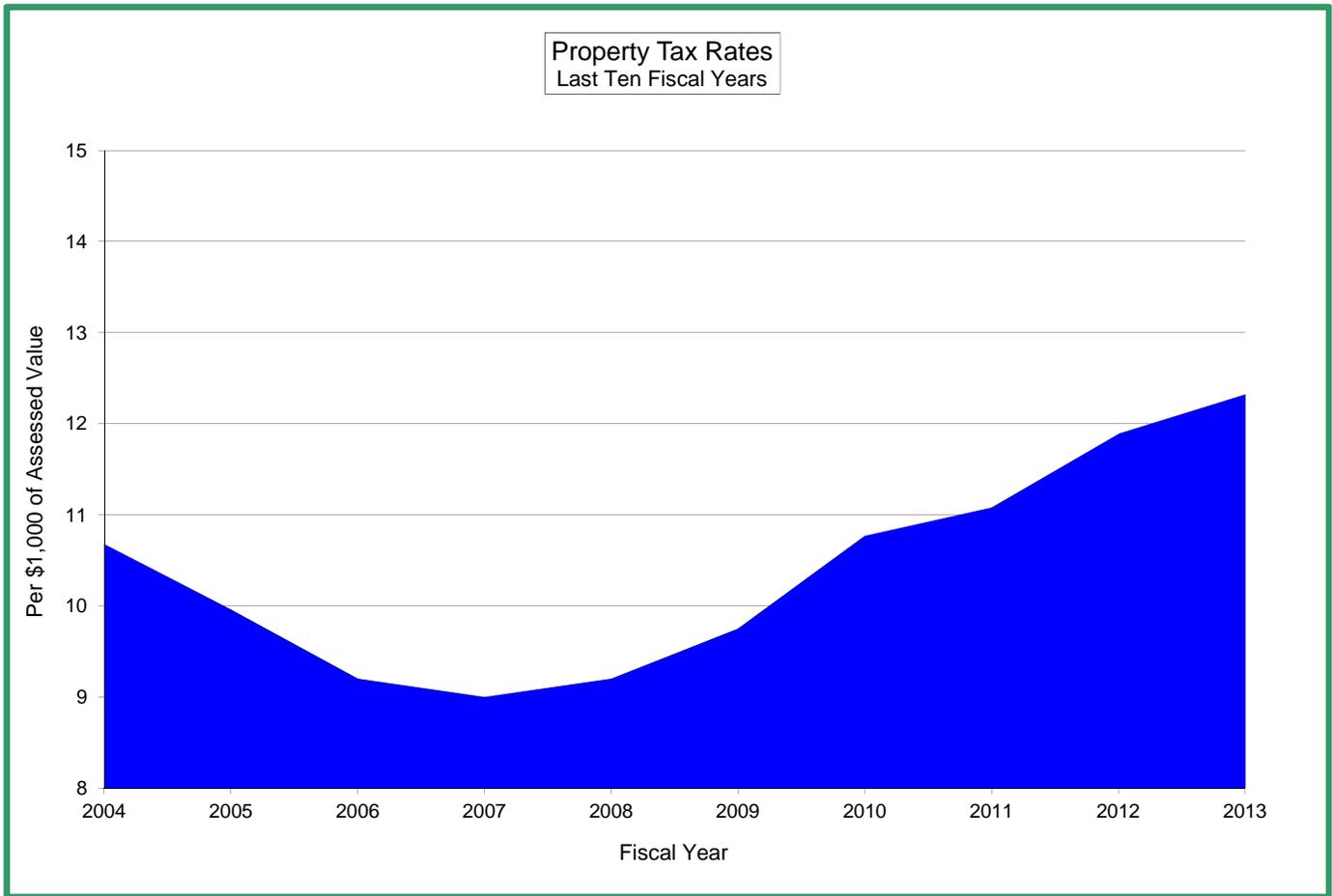
Source: Assessors Department, Town of Hingham

(1) Assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1.

(2) Change in valuations caused by revaluation of taxable property as required by State statute every three years; 2005, 2008 and 2011.

**PROPERTY TAX RATES (1)
PER \$1,000 OF ASSESSED VALUE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Residential	Commercial (2)	Industrial (2)	Personal
2004	\$ 10.68	\$ 10.68	\$ 10.68	\$ 10.68
2005	\$ 9.96	\$ 9.96	\$ 9.96	\$ 9.96
2006	\$ 9.20	\$ 9.20	\$ 9.20	\$ 9.20
2007	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
2008	\$ 9.20	\$ 9.20	\$ 9.20	\$ 9.20
2009	\$ 9.75	\$ 9.75	\$ 9.75	\$ 9.75
2010	\$ 10.77	\$ 10.77	\$ 10.77	\$ 10.77
2011	\$ 11.08	\$ 11.08	\$ 11.08	\$ 11.08
2012	\$ 11.89	\$ 11.89	\$ 11.89	\$ 11.89
2013	\$ 12.32	\$ 12.32	\$ 12.32	\$ 12.32

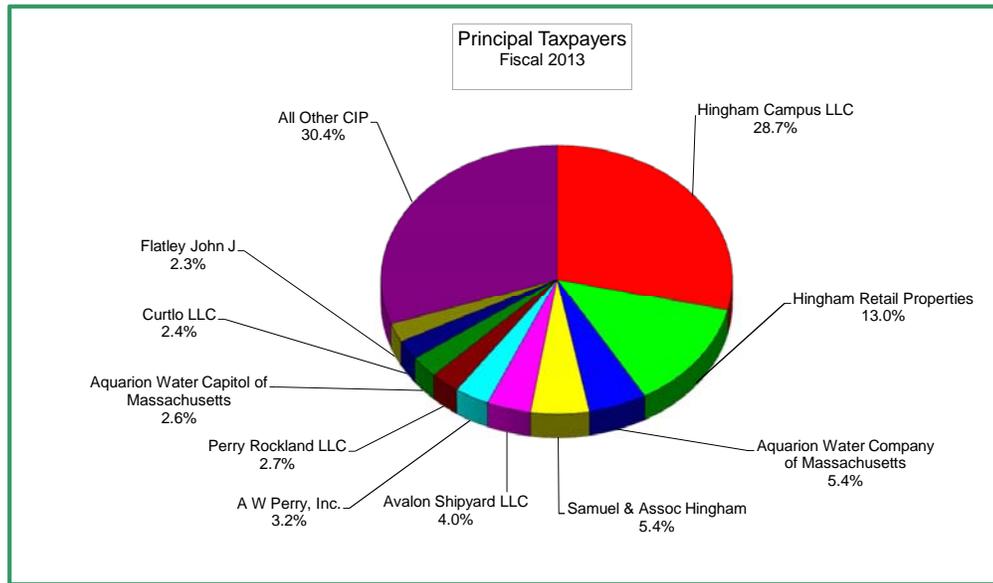


SOURCE: Assessor's Department, Town of Hingham

- (1) There are no property tax rates that apply to overlapping governments.
- (2) Towns in Massachusetts are permitted to charge a higher rate for commercial and industrial properties; however, the Town of Hingham has always maintained a single rate structure.

**PRINCIPAL TAXPAYERS(1)
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Name	Nature of Business	2013				2004	
		Assessed Valuation	Rank	Percentage of CIP(2)	Percentage of Total Tax Levy(3)	Assessed Valuation	Rank
Hingham Campus LLC	Housing	\$199,699,600	1	28.7%	3.7%	-	-
Hingham Retail Properties	Mall	\$90,670,500	2	13.0%	1.7%	-	-
Aquarion Water Company of Massachusetts	Commercial	\$37,302,140	3	5.4%	0.7%	-	-
Samuel & Assoc Hingham	Apartments	\$37,260,300	4	5.4%	0.7%	-	-
Avalon Shipyard LLC	Land & Building	\$28,099,300	5	4.0%	0.5%	-	-
A W Perry, Inc.	Utilities	\$22,248,200	6	3.2%	0.4%	-	-
Perry Rockland LLC	Mall	\$18,696,400	7	2.7%	0.3%	\$16,319,000	6
Aquarion Water Capitol of Massachusetts	Land Comm. & Ind. Bldg.	\$18,154,240	8	2.6%	0.3%	\$48,827,105	1
Curtlo LLC	Retail Clothing	\$16,478,900	9	2.4%	0.3%	\$11,428,800	7
Flatley John J	Land & Building	\$15,693,700	10	2.3%	0.3%	-	-
Hingham Resources	Industrial Park	-	-	-	-	\$33,900,000	2
CNL Retirement-LP	Real Estate	-	-	-	-	\$25,000,000	3
Talbots	Office Building	-	-	-	-	\$24,178,200	4
Thomas J. Flatley	Shopping Center	-	-	-	-	\$22,593,400	5
Verizon	Shopping Center	-	-	-	-	\$8,597,800	9
Bare Cove Realty Trust	Real Estate	-	-	-	-	\$11,182,999	8
Hewetts Cove	Real Estate	-	-	-	-	\$7,722,500	10
		<u>\$ 484,303,280</u>		<u>69.6%</u>	<u>8.9%</u>	<u>\$ 209,749,804</u>	



(1) SOURCE: Assessor's Department, Town of Hingham
(2) Total Commercial, Industrial & Personal Property (CIP) valuation \$696,188,570.
(3) Total valuation of all property \$5,439,457,670.

**RATIOS OF OUTSTANDING DEBT AND GENERAL BONDED DEBT
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities							
	Population	Personal Income	Assessed Value	General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2004	20,720	\$ 864,086,160	\$ 3,897,620,840	\$ 47,439,157	-	\$ 2,290	5.49%	1.22%
2005	20,872	\$ 870,425,016	\$ 4,436,551,270	\$ 44,388,652	-	\$ 2,127	5.10%	1.00%
2006	21,095	\$ 879,724,785	\$ 5,192,463,730	\$ 41,850,720	-	\$ 1,984	4.76%	0.81%
2007	21,275	\$ 887,231,325	\$ 5,572,597,140	\$ 38,788,259	-	\$ 1,823	4.37%	0.70%
2008	21,978	\$ 916,548,534	\$ 5,725,353,220	\$ 40,741,181	-	\$ 1,854	4.45%	0.71%
2009	21,589	\$ 900,326,067	\$ 5,653,800,660	\$ 75,318,162	-	\$ 3,489	8.37%	1.33%
2010	22,322	\$ 930,894,366	\$ 5,636,105,233	\$ 70,204,570	-	\$ 3,145	7.54%	1.25%
2011	22,157	\$ 924,013,371	\$ 5,599,519,350	\$ 64,670,742	-	\$ 2,919	7.00%	1.15%
2012	21,065	\$ 1,213,638,910	\$ 5,438,188,940	\$ 60,960,972	-	\$ 2,894	5.02%	1.12%
2013	21,065	\$ 1,213,638,910	\$ 5,439,457,670	\$ 55,512,838	-	\$ 2,635	4.57%	1.02%

Fiscal Year Ended June 30,	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2004	\$ 2,075,000	\$ -	\$ 49,514,157	\$ 2,390	5.73%	1.27%
2005	\$ 600,000	\$ -	\$ 44,988,652	\$ 2,155	5.17%	1.01%
2006	\$ 400,000	\$ -	\$ 42,250,720	\$ 2,003	4.80%	0.81%
2007	\$ 200,000	\$ 767,370	\$ 39,755,629	\$ 1,869	4.48%	0.71%
2008	\$ 1,585,000	\$ 861,570	\$ 43,187,751	\$ 1,965	4.71%	0.75%
2009	\$ 1,465,000	\$ 541,814	\$ 77,324,976	\$ 3,582	8.59%	1.37%
2010	\$ 1,340,000	\$ 357,375	\$ 71,901,945	\$ 3,221	7.72%	1.28%
2011	\$ 1,215,000	\$ 373,806	\$ 66,259,548	\$ 2,990	7.17%	1.18%
2012	\$ 1,085,000	\$ 164,232	\$ 62,210,204	\$ 2,953	5.13%	1.14%
2013	\$ 950,000	\$ 125,016	\$ 56,587,854	\$ 2,686	4.66%	1.04%

(1) South Shore Country Club
Source: Audited Financial Statements, U.S. Census

**COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Equalized value established January 1 by Comm. of Massachusetts.....	4,273,600	\$ 4,273,600	\$ 5,479,433	\$ 5,479,433	\$ 6,190,427	\$ 6,190,427	\$ 6,257,344	\$ 6,257,344	\$ 5,984,621	\$ 5,984,621
Debt limit.....	213,680	\$ 213,680	\$ 273,972	\$ 273,972	\$ 309,521	\$ 309,521	\$ 312,867	\$ 312,867	\$ 299,231	\$ 299,231
Less:										
Total net debt applicable to limit.....	49,642	\$ 46,883	\$ 44,430	\$ 41,629	\$ 43,976	\$ 43,976	\$ 71,545	\$ 66,185	\$ 60,267	\$ 54,906
Legal debt margin.....	<u>164,038</u>	<u>\$ 166,797</u>	<u>\$ 229,542</u>	<u>\$ 232,343</u>	<u>\$ 265,545</u>	<u>\$ 265,545</u>	<u>\$ 241,322</u>	<u>\$ 246,682</u>	<u>\$ 238,964</u>	<u>\$ 244,325</u>
Total net debt applicable to the limit as a percentage of debt limit.....	23.23%	21.94%	16.22%	15.19%	14.21%	14.21%	22.87%	21.15%	20.14%	18.35%

(Dollars in thousands)

(1) Massachusetts General Laws, Chapter 44, Section 10 states that a town shall not authorize indebtedness to an amount exceeding five percent (5%) of the town's equalized valuation as determined by the Commissioner of Revenue. As of June 30, 2013 the most recent valuation was as of Jan 1, 2013. A town may; however, borrow up to ten percent (10%) of such equalized valuation with the approval of the Emergency Finance Board established under Chapter 49 of the Acts of 1993.

(2) The Town of Hingham does not have a debt service fund.

**COMPUTATION OF OVERLAPPING DEBT
As of June 30, 2013**

<u>Fiscal Year Ended June 30</u>	<u>Outstanding Long Term Debt</u>	<u>Hingham's Estimated Share (1)</u>	<u>2013 Dollar Assessment (2)</u>
Plymouth County (3).....	\$ -	N/A	\$ 114,193
MWRA (4).....	\$ 4,033,856,000	0.0352%	\$ 1,419,917
Town direct debt.....			\$ 55,512,838
Town direct and overlapping debt.....	<u>\$ 4,033,856,000</u>		<u>\$ 57,046,948</u>

(1) Estimated share based upon operating expenses.

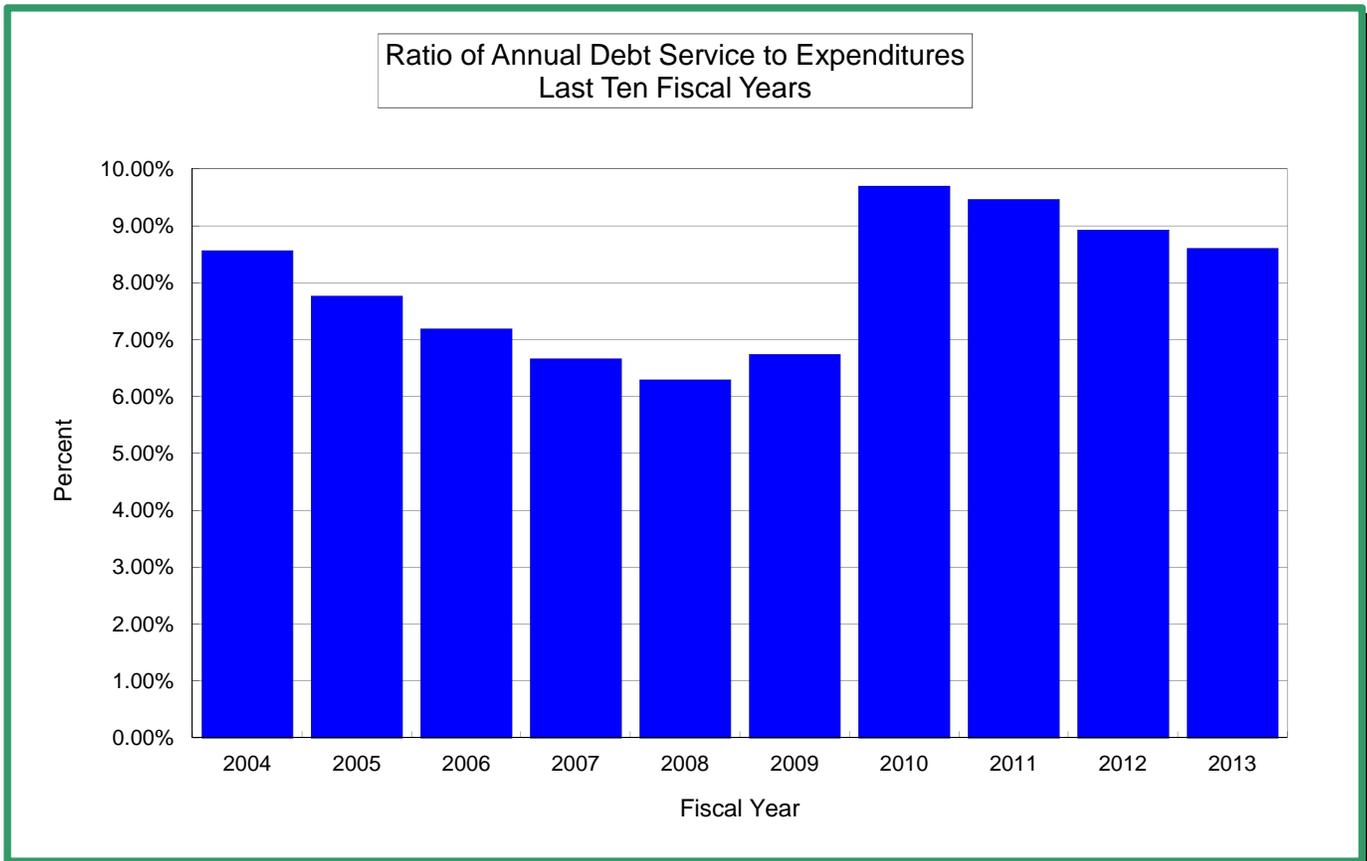
(2) Estimated dollar assessment based upon total net operating expenses, inclusive, where applicable, of debt service.

(3) Source: County Treasurer. County expenses, including debt service, are assessed upon the towns within the county in proportion to their taxable valuation.

(4) Source: Massachusetts Water Resources Authority (MWRA). Sewer debt only as of June 30, 2013. The MWRA provides water and sewer services to its member towns. Hingham is not a member of the MWRA water division as Hingham receives water from a private company.

**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL FUND EXPENDITURES
LAST TEN FISCAL YEARS**

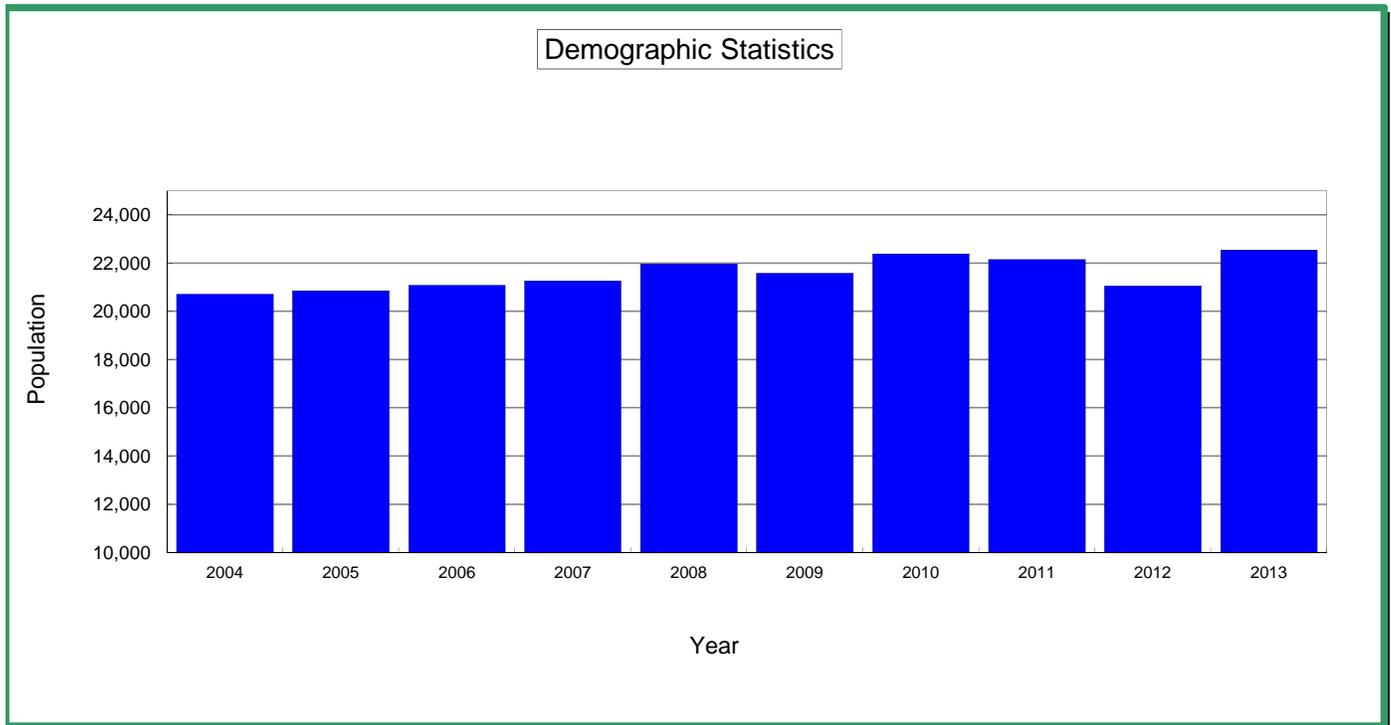
Fiscal Year Year Ended Ended June 30,	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Expenditures
2004	\$ 5,140,505	\$ 60,014,608	8.6%
2005	\$ 5,033,606	\$ 64,818,332	7.8%
2006	\$ 4,933,631	\$ 68,614,807	7.2%
2007	\$ 4,804,214	\$ 72,043,499	6.7%
2008	\$ 4,809,000	\$ 76,382,718	6.3%
2009	\$ 5,365,003	\$ 79,559,960	6.7%
2010	\$ 7,894,798	\$ 81,342,054	9.7%
2011	\$ 8,042,555	\$ 84,929,680	9.5%
2012	\$ 7,827,460	\$ 87,621,170	8.9%
2013	\$ 7,861,574	\$ 91,311,575	8.6%



Source: Audited financial statements, Town Accountant's records.

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Hingham Population (1)	Plymouth County Population (2)	Commonwealth of Massachusetts Population (2)
2004	20,720	487,521	6,433,422
2005	20,872	490,655	6,416,505
2006	21,095	492,409	6,398,743
2007	21,275	493,623	6,437,193
2008	21,978	490,258	6,449,755
2009	21,589	492,066	6,497,967
2010	22,394	498,344	6,593,587
2011	22,157	495,780	6,557,254
2012	21,065	497,579	6,587,536
2013	22,552	499,759	6,646,144

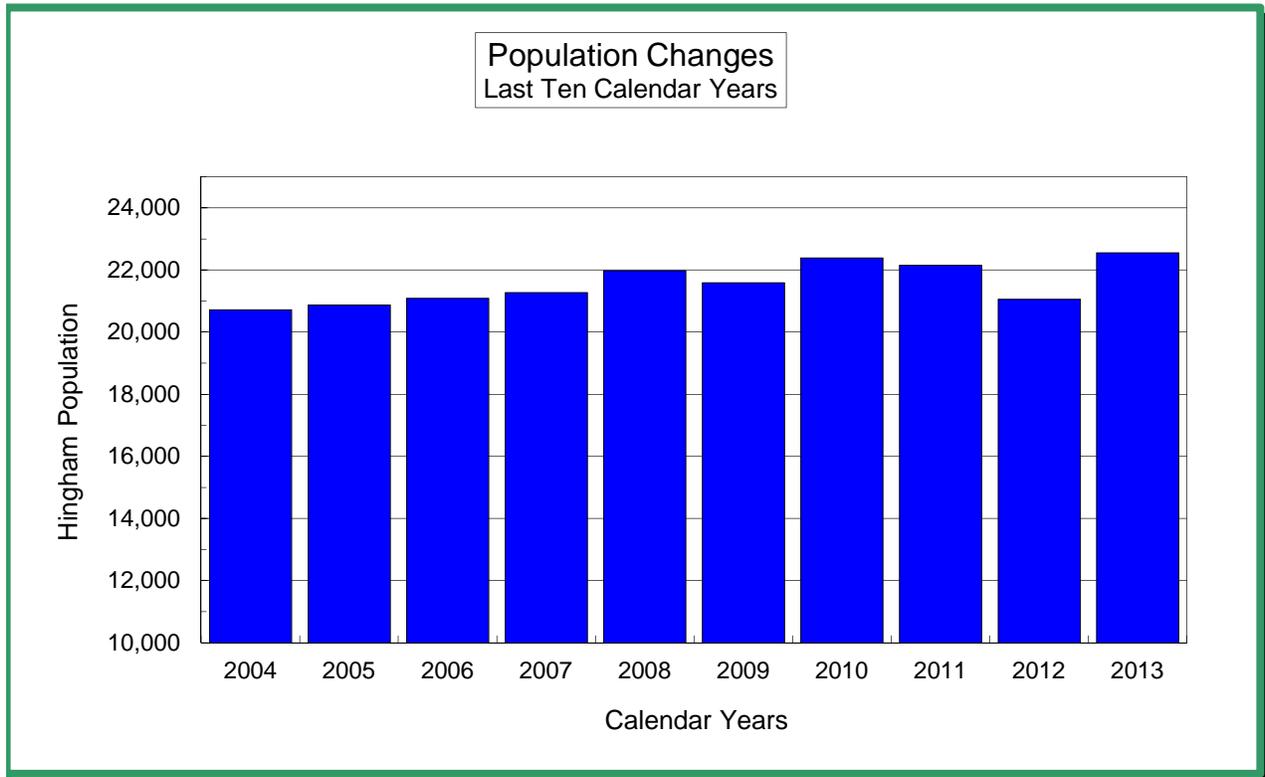


(1) Source: Hingham Town Clerk's Office.

(2) Source: US Department of Commerce, Bureau of the Census

POPULATION CHANGES LAST TEN CALENDAR YEARS

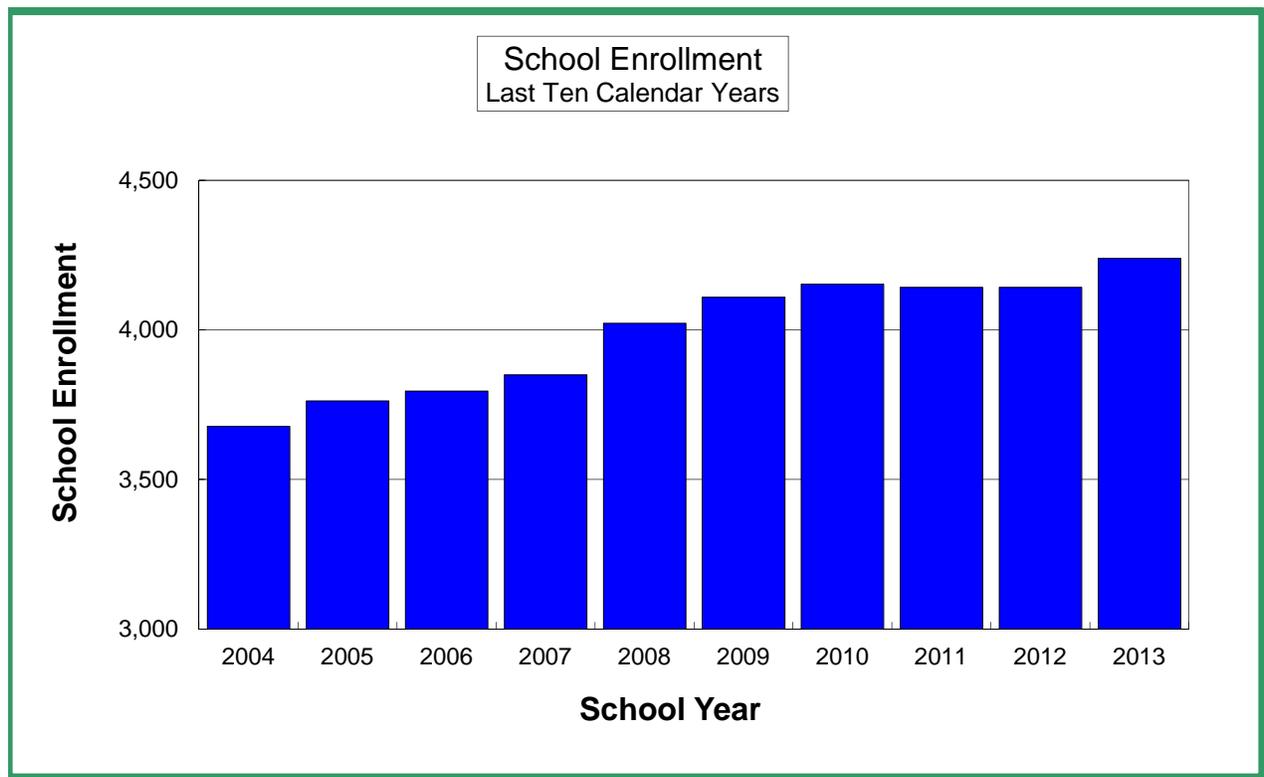
Year	Population	Increase (Decrease)
2004	20,720	66
2005	20,872	152
2006	21,095	223
2007	21,275	180
2008	21,978	703
2009	21,589	(389)
2010	22,394	805
2011	22,157	(237)
2012	21,065	(1,092)
2013	22,552	1,487



Source: Annual census data provided by the Town Clerk, Town of Hingham

SCHOOL ENROLLMENT STATISTICS LAST TEN YEARS

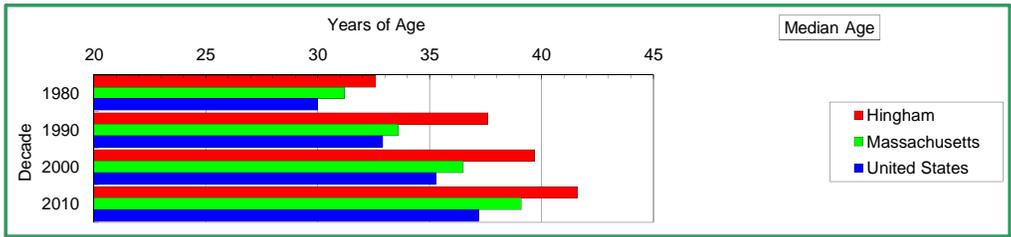
School Year	School Enrollment	Increase (Decrease)
2004	3,678	124
2005	3,763	85
2006	3,796	33
2007	3,850	54
2008	4,023	173
2009	4,110	87
2010	4,154	44
2011	4,143	-11
2012	4,143	0
2013	4,240	97



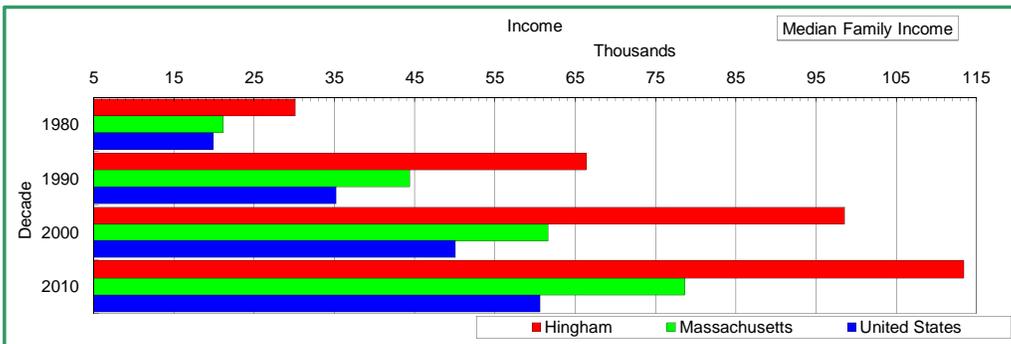
Source: Hingham's School Business Administration Office

**MEDIAN AGE, MEDIAN FAMILY INCOME
AND PER CAPITA INCOME**

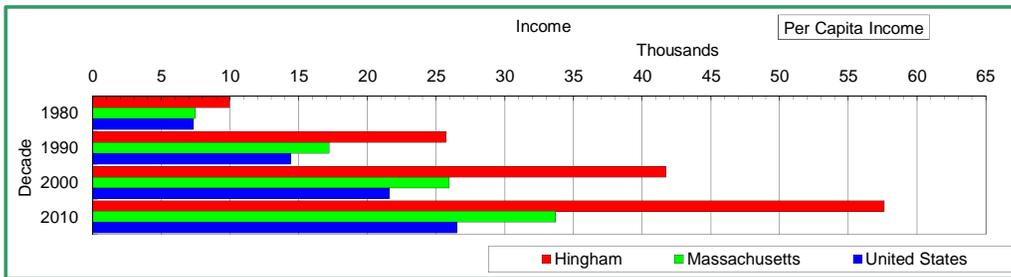
Median Age	Hingham	Massachusetts	United States
1980	32.6	31.2	30.0
1990	37.6	33.6	32.9
2000	39.7	36.5	35.3
2010	41.6	39.1	37.2



Median Family Income	Hingham	Massachusetts	United States
1980	\$ 30,157	\$ 21,116	\$ 19,908
1990	\$ 66,386	\$ 44,367	\$ 35,225
2000	\$ 98,598	\$ 61,664	\$ 50,046
2010	\$ 113,412	\$ 78,653	\$ 60,609



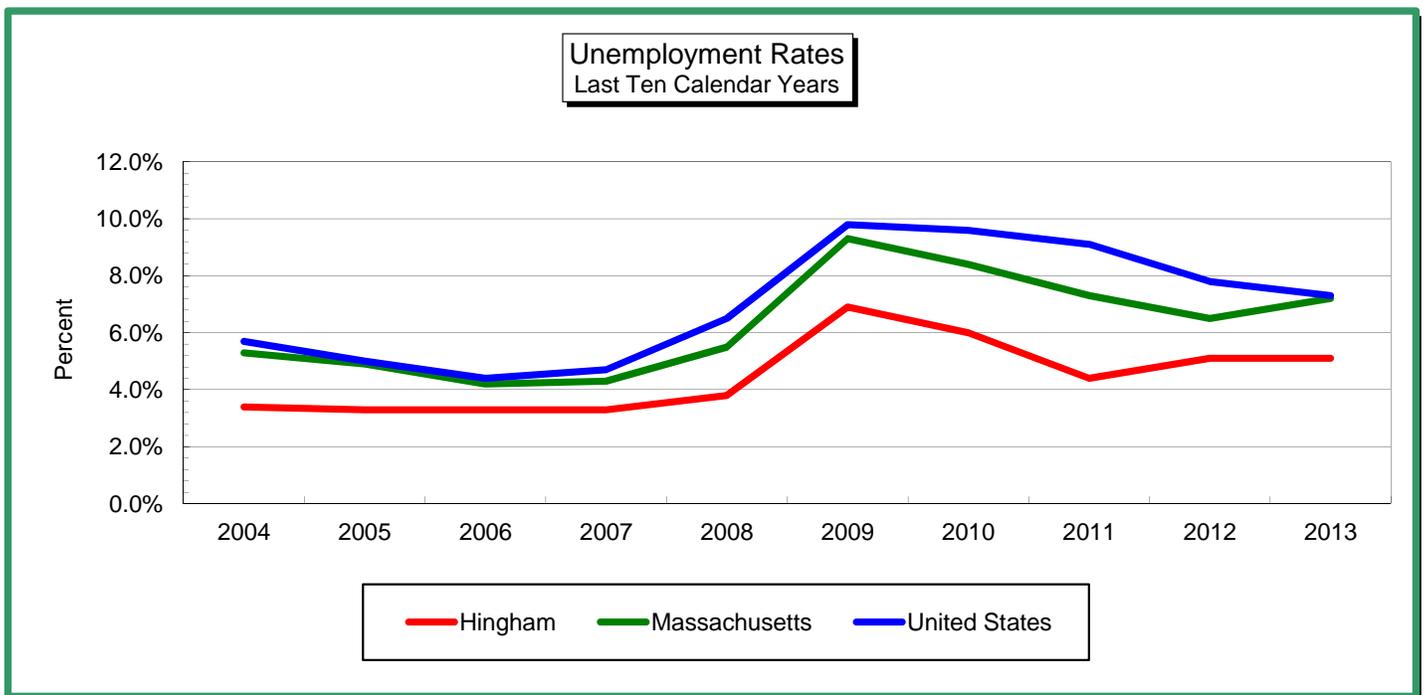
Per Capita Income	Hingham	Massachusetts	United States
1980	\$ 9,949	\$ 7,459	\$ 7,313
1990	\$ 25,726	\$ 17,224	\$ 14,420
2000	\$ 41,703	\$ 25,952	\$ 21,587
2010	\$ 57,614	\$ 33,704	\$ 26,505



Source: Federal Bureau of the Census.

UNEMPLOYMENT RATES LAST TEN CALENDAR YEARS

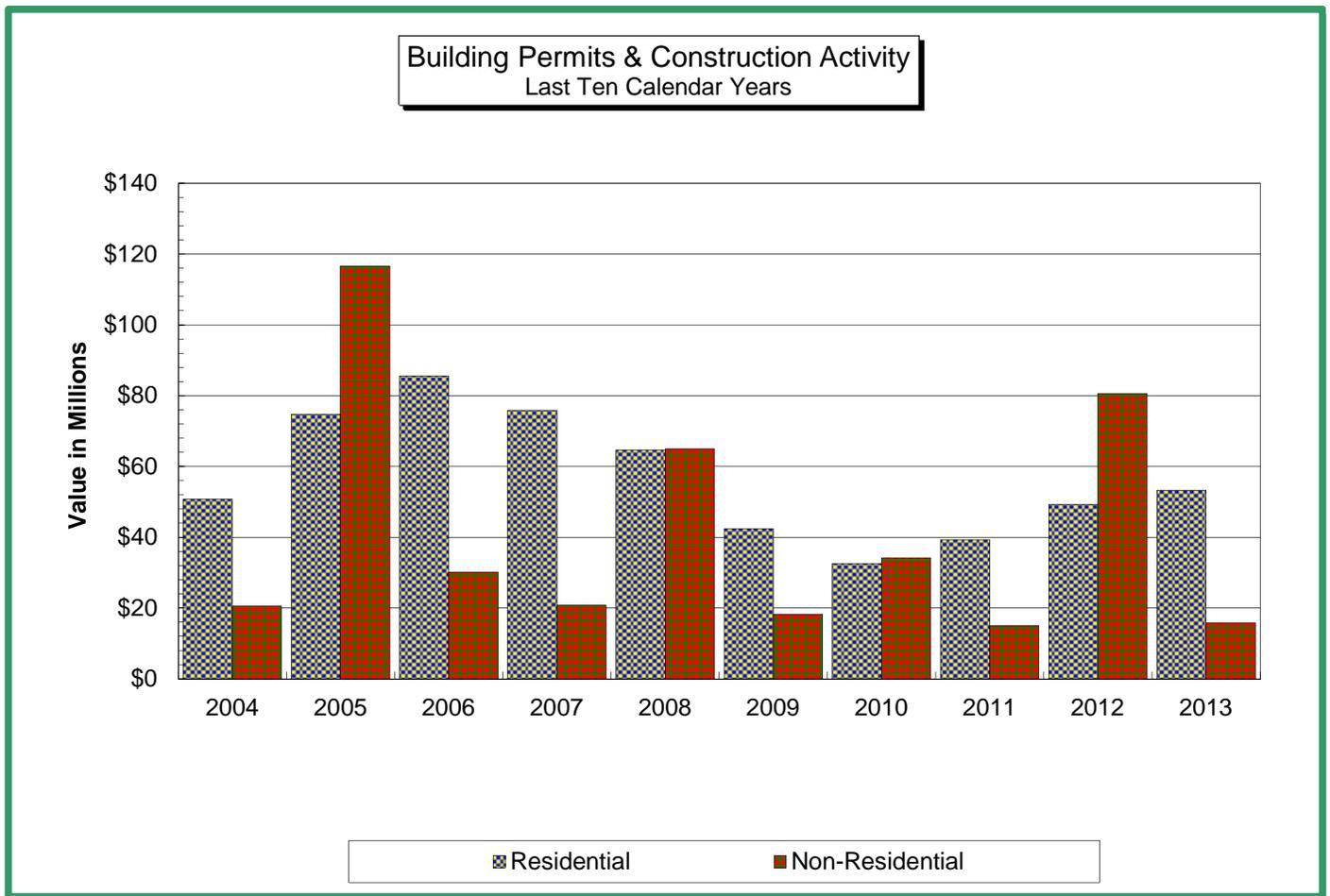
Year	Hingham (1)	Massachusetts (1)	United States (1)
2004	3.4%	5.3%	5.7%
2005	3.3%	4.9%	5.0%
2006	3.3%	4.2%	4.4%
2007	3.3%	4.3%	4.7%
2008	3.8%	5.5%	6.5%
2009	6.9%	9.3%	9.8%
2010	6.0%	8.4%	9.6%
2011	4.4%	7.3%	9.1%
2012	5.1%	6.5%	7.8%
2013	5.1%	7.2%	7.3%



(1) Source: Massachusetts Division of Employment and Training
(As of September in each year)

BUILDING PERMITS AND CONSTRUCTION ACTIVITY LAST TEN CALENDAR YEARS (1)(2)

Year	Residential		Non-Residential		Total
	Number	Value	Number	Value	
2004	626	\$ 50,729,984	311	\$ 20,509,704	\$ 71,239,688
2005	760	\$ 74,780,951	302	\$ 116,596,153	\$ 191,377,104
2006	687	\$ 85,518,014	292	\$ 30,130,645	\$ 115,648,659
2007	682	\$ 75,809,759	263	\$ 20,778,531	\$ 96,588,290
2008	752	\$ 64,635,923	307	\$ 65,018,772	\$ 129,654,695
2009	579	\$ 42,418,537	290	\$ 18,199,861	\$ 60,618,398
2010	656	\$ 32,593,032	344	\$ 34,203,134	\$ 66,796,166
2011	694	\$ 39,302,563	282	\$ 14,987,870	\$ 54,290,433
2012	716	\$ 49,275,795	331	\$ 80,578,827	\$ 129,854,622
2013	656	\$ 53,258,863	304	\$ 15,744,282	\$ 69,003,145



(1) Source: Building Inspector, Town of Hingham. Includes additions and alterations.

(2) 2005 includes Non-Residential Building Permits for BC/BS of over \$80 Million.

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

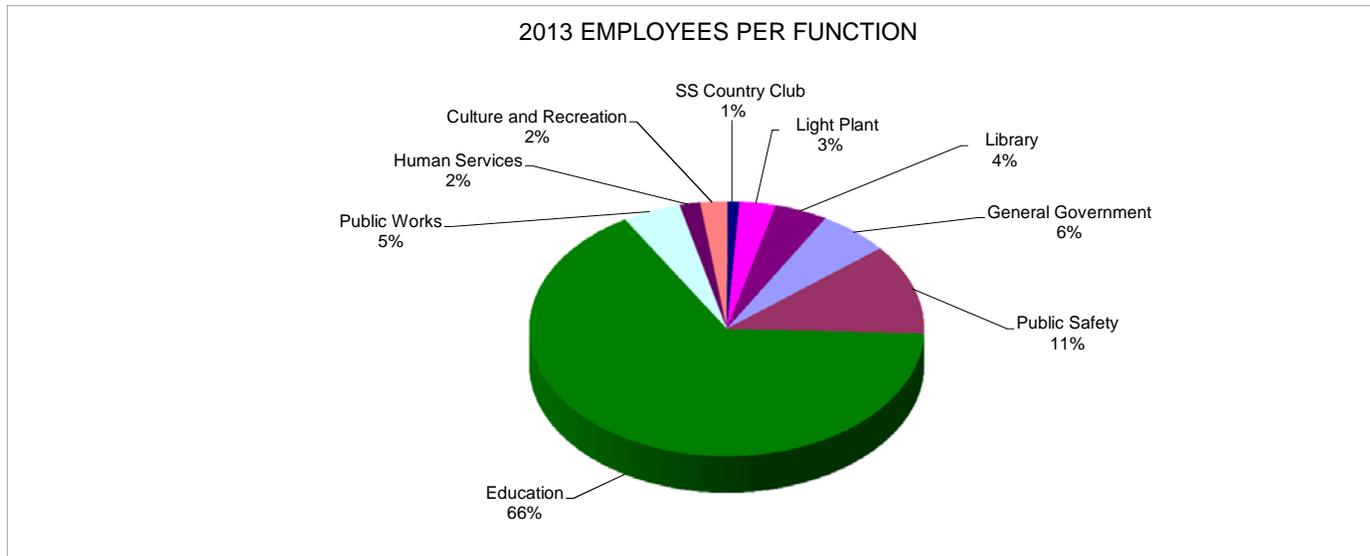
2013				
Employer	Business	Employees	Rank	% of Total Employment
Blue Cross/Blue Shield	Health Care	1,237	1	9.20%
Town of Hingham	Government	944	2	7.02%
Linden Ponds	Health Care	836	3	6.22%
Serono Laboratories	Bio-Technology	590	4	4.39%
Talbots	Retail Clothing	563	5	4.19%
Whole Foods	Retail	236	7	1.75%
Russ Electric	Manufacturing	229	6	1.70%
Harbor House	Health Care	218	9	1.62%
Stop & Shop	Retail	200	8	1.49%
Eat Well	Restaurant	173	10	1.29%
		<u>5,226</u>		<u>38.86%</u>

2004				
Employer	Business	Employees	Rank	% of Total Employment
Talbots	Retail Clothing	1,120	1	10.09%
Town of Hingham	Government	1,031	2	9.29%
Serono Laboratories	Bio-Technology	400	3	3.60%
Russ Electric	Manufacturing	257	4	2.32%
Stop & Shop	Retail	208	5	1.87%
Harbor House	Health Care	185	6	1.67%
Eat Well	Restaurant	170	7	1.53%
Kohl's	Retail	163	8	1.47%
Best Chevrolet	Auto Dealership	97	9	0.87%
Building #19	Distribution Warehouse	80	10	0.72%
		<u>3,711</u>		<u>33.43%</u>

Source: Mass Department of Labor and Workforce Development
Town of Hingham Accounting Office

**NUMBER OF EMPLOYEES
PER FUNCTION OF GOVERNMENT**

Function	2013		2012		2011		2010		2009		2008	
	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees
Governmental Activities												
General Government	55	5.83%	48	5.07%	55	5.68%	47	4.75%	48	4.71%	50	4.90%
Public Safety	108	11.44%	109	11.51%	122	12.60%	132	13.35%	135	13.25%	133	13.04%
Education	621	65.78%	638	67.37%	634	65.50%	660	66.73%	676	66.34%	670	65.69%
Public Works	45	4.77%	44	4.65%	46	4.75%	46	4.65%	47	4.61%	49	4.80%
Human Services	16	1.69%	14	1.48%	15	1.55%	13	1.31%	12	1.18%	14	1.37%
Culture and Recreation	21	2.22%	23	2.43%	25	2.58%	23	2.33%	26	2.55%	24	2.35%
Business-Type Activities												
SS Country Club	9	0.95%	9	0.95%	6	0.62%	6	0.61%	6	0.59%	8	0.78%
Light Plant	28	2.97%	27	2.85%	27	2.79%	27	2.73%	29	2.85%	30	2.94%
Component Unit												
Library	41	4.34%	35	3.70%	38	3.93%	35	3.54%	40	3.93%	42	4.12%
TOTAL EMPLOYEES	944	100.00%	947	100.00%	968	100.00%	989	100.00%	1,019	100.00%	1,020	100.00%



Source: Various Town Departments.
Note: Prior years data not available. Terminated employees are purged from our system.

**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Number of Buildings	3	3	3	3	3	3	3	4	4	4
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Fire Station										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Education										
Number of elementary schools	3	3	3	3	3	3	4	4	4	4
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of high schools	1	1	1	1	1	1	1	1	1	1
Public Works										
Streets to maintain (approx. miles)	136	138	140	140	140	140	139	139	140	140
Sidewalks to maintain (approx. miles)	62	62	60	60	60	60	60	60	60	60
Tree & Park Division										
Tree Plantings	83	84	71	73	103	98	53	22	57	60
Tree Removals	143	157	137	139	138	211	170	96	190	217
Human Services										
Senior Center Facility	1	1	1	1	1	1	1	1	1	1
Cultural and Recreation										
Number of libraries	1	1	1	1	1	1	1	1	1	1
Parks (acreage)	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Playgrounds	8	8	8	8	8	8	8	8	8	8
Public beaches	1	1	1	1	1	1	1	1	1	1
Tennis courts (individual)	25	25	25	25	25	25	25	25	25	25
Basketball courts (inside & outside)	15	15	15	15	15	15	15	15	15	15
Athletic Fields	28	28	28	28	28	28	28	32	32	32
Country Club	1	1	1	1	1	1	1	1	1	1

Source: Annual Town Reports , Town of Hingham's website

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Town Clerk										
Population	20,898	20,720	20,872	21,095	21,275	21,978	21,589	22,394	21,157	22,973
Houses, including condominiums	7,407	7,325	6,959	6,959	7,012	7,012	7,110	7,110	7,173	7,223
Registered voters, Annual Town Election	14,581	14,337	14,020	14,925	15,056	16,009	15,322	15,731	15,939	16,995
Births	245	235	237	215	228	228	237	198	221	205
Marriages	90	89	66	80	86	89	82	80	74	73
Deaths	195	243	208	272	237	262	270	286	335	275
Community Planning										
Building Permits issued	895	937	1,062	979	945	1,059	869	1,000	976	964
Police										
Emergency responses	15,231	15,436	17,513	19,779	19,450	19,116	20,479	20,632	18,301	18,927
Motor vehicle accidents	640	647	692	561	1,109	870	873	838	803	819
Parking tickets issued	1,584	810	1,026	834	454	630	420	456	656	848
Fire										
Emergency responses	3,349	3,485	3,878	3,594	3,839	3,770	3,713	3,898	3,859	3,874
Public Works										
Recycling/tons	1,522	1,990	1,963	2,498	2,900	2,565	2,320	2,320	2,427	2,621
Return bottle program:										
Donated cans	-	-	-	185,044	216,631	332,748	269,380	305,080	263,590	263,300
Donated bottles	-	-	-	5,964	61,570	130,612	55,600	84,385	70,855	60,235
Snow & Ice										
Inches of snow	87	40	107	40	45	43	57	40	48	11
Snowplowing operations	10	5	14	16	6	7	8	9	12	2
Sanding operations	31	18	44	19	27	31	31	28	28	6
Council on Aging										
Van trips	3,175	6,122	7,218	6,094	5,258	4,424	5,801	5,981	5,158	5,556
Volunteers	162	140	200	200	238	176	174	168	170	167
Total Volunteer hours	10,519	10,485	11,746	11,312	14,473	12,064	11,930	10,410	10,369	11,034
Health										
Permits issued	1,867	2,089	2,048	1,209	1,392	1,226	1,135	1,296	1,298	1,069
Library										
Number of patrons	260,000	280,000	281,000	285,000	281,800	284,000	-	271,419	260,537	266,445
Check-out items	469,728	446,489	439,308	444,600	432,384	430,350	461,489	437,914	427,843	420,467
Card holders	-	15,116	16,342	15,000	15,101	14,331	-	12,638	14,123	14,276
Program attendance	5,722	7,200	7,175	7,175	7,175	7,175	6,940	9,250	6,216	6,354
Education										
Public school enrollment	3,596	3,678	3,763	3,796	3,850	4,023	4,110	4,154	4,143	4,274
Professional staff	-	302	309	360	348	321	-	359	389	380
Support staff	-	143	146	216	222	164	-	233	221	253
Recreation										
Total program revenue	\$ 272,690	\$ 324,634	\$ 325,389	\$ 362,345	\$ 472,171	\$ 548,704	\$ 566,880	\$ 652,834	\$ 645,495	\$ 632,135
Veteran Services										
Total Veteran's benefits	\$ 166,037	\$ 132,219	\$ 117,118	\$ 139,730	\$ 182,740	\$ 201,678	\$ 257,418	\$ 225,087	\$ 176,142	\$ 190,814
Retirement										
Total membership	787	809	830	847	886	910	917	923	944	987

Source: Annual Town Reports, Town Departments
2013 data is not available

Free Cash and Stabilization Fund Balances

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Free Cash</u>	<u>Stabilization Fund</u>
FY2013.....	\$ N/A	\$ 2,057,450
FY2012.....	\$ 10,956,404	\$ 1,486,375
FY2011.....	\$ 8,416,188	\$ 487,433
FY2010.....	\$ 8,707,991	\$ 597,372
FY2009.....	\$ 4,749,226	\$ 706,214
FY2008.....	\$ 4,072,214	\$ 803,409
FY2007.....	\$ 5,002,112	\$ 880,405
FY2006.....	\$ 5,918,645	\$ 307,707
FY2005.....	\$ 3,141,281	\$ 461,553
FY2004.....	\$ 3,983,192	\$ 689,186

Source: Town Records

N/A: FY2013 Free Cash not yet available