

**TOWN OF HINGHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT**



FOR THE FISCAL YEAR ENDED JUNE 30, 2009

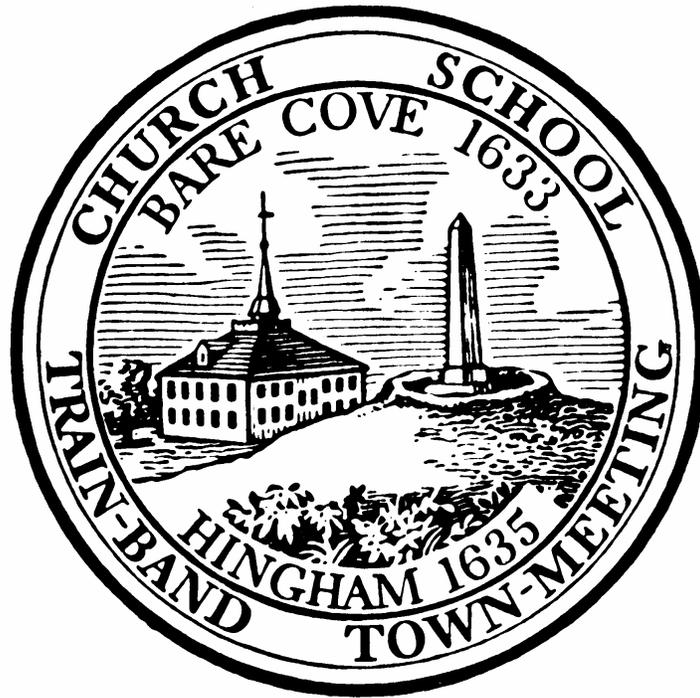
On the Cover: South Shore Country Club
(Photo by Art Cicconi)

The South Shore Country Club, a former farm, began operation in 1922 as a nine-hole course, designed by Wayne Stiles, a noted golf course architect, expanding to eighteen holes in 1925. The Club continued to be operated as a private golf club until it was purchased by a realty trust for development in January 1986. Plans by the new owners to build housing on the property prompted the Town to appoint a Study Committee to explore alternatives regarding the space and to present their findings to Town Meeting in 1986.

In April 1986, after long and sometimes heated discussions, the Town Meeting attendees voted by secret ballot, 1,216 to 327, to approve \$7 million for "taking by eminent domain" the Country Club parcel of land. At a Special Town Meeting in February 1988, by a six to one margin, 1,538 voters added another \$1.25 million to the price for the purchase and development of the property. It was further voted to accept State Aid for the project to ensure the preservation of Open Space.

The South Shore Country Club, managed by the newly appointed Country Club Management Committee, opened to the public in July 1988 and reported a first year profit of \$87,297.

Today, in addition to golf, the Club offers tennis courts, a bowling alley, a swimming pool and several dining and function rooms.



TOWN OF HINGHAM, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year ended June 30, 2009

Prepared by:

**Accounting Department
Finance Director/Town Accountant
Ted C. Alexiades**

TOWN OF HINGHAM, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

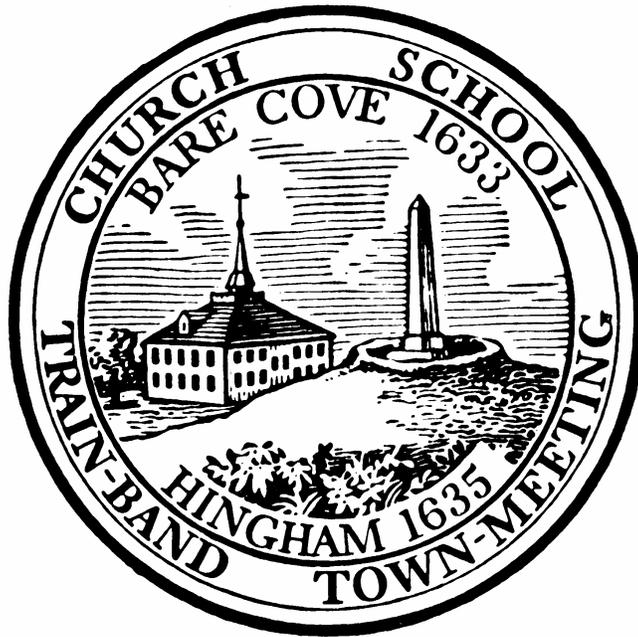
JUNE 30, 2009

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Introductory Section



**Town of Hingham, Massachusetts
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2009**

Introductory Section

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TOWN OF HINGHAM

ACCOUNTING DEPARTMENT

Ted C. Alexiades
Finance Director / Town Accountant



Letter of Transmittal

December 11, 2009

To the Citizens of the Town of Hingham, Massachusetts:

The Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009 for the Town of Hingham, Massachusetts is hereby submitted for your consideration in the new format prescribed under Government Accounting Standards Board (GASB) Statements 34, 37 and 38.

The report is the primary means of reporting the Town's financial activities. The objective of this new model is to provide a clearer picture of our government as a single, unified entity, while retaining certain traditional financial information previously provided.

This document presents the Town's financial information on three bases of accounting, each serving a different purpose. The last section of the book includes as "required supplementary information" budgetary basis schedules, which are prepared in accordance with the Town's budgetary process.

The fund perspective statements present the governmental operation on the same basis (modified accrual basis of accounting) as previous CAFR's with one exception. The account groups for long-term debt and fixed assets have been deleted. In addition, there is a perspective difference in that certain funds that are shown as fiduciary under this perspective are not portrayed under GASB 34, or are reclassified. This basis is designed to measure inter-period equity, the extent to which current resources (available within the next year) fully fund all current services provided by the government. Long-term liabilities are excluded with the implicit assumption that future tax revenues will fund them.

In addition to this "fund perspective," the new CAFR presents an "entity wide" perspective. This perspective combines all governmental and business activities in a statement of net assets and a statement of activities, presenting all functions on a full accrual basis of accounting. All fixed assets are added to the statements, as are long-term liabilities such as outstanding debt. The balance sheet has been reorganized into a "net assets format." This format classifies assets and liabilities as short and long-term and then subtracts those liabilities from total assets to arrive at net assets similar to a private company.

The Town's statement of revenues, expenditures and changes in fund balances has been completely reorganized to a new statement of activities. The expenses of the Town, organized by activity, are netted against fees, fines, grant revenues and assessments generated to fund each activity in an attempt to derive the net cost to the taxpayer of each activity. The reader of the financial statements can now discern the net cost of a particular function of government funded by taxation and other general revenues by a review of this statement.

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters as well as residents and taxpayers of Hingham.

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 a Management's Discussion and Analysis (MD&A) section. Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of an MD&A. This letter of transmittal is designed to compliment the MD&A where the financial analysis is now presented. The Town's MD&A can be found immediately following the independent auditor's report from Powers & Sullivan. The Town of Hingham is responsible for the accuracy of the financial statements as well as their completeness and fairness. We believe the statements are accurate in all material aspects and that they fairly set forth the financial position of the Town. 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 and the Hingham Contributory Retirement System are included in this report as component units, with the first being presented as a discrete unit, and the latter being a blended unit, included within the statement of fiduciary net assets.

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 25% 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 in 2007, continued to follow state and national trends higher during the past two years. The Town traditionally has a more stable employment profile than the state or the nation, and has maintained this consistency over the past few years.

The Town's population has modestly increased in the nineties, after having declined through most of the late eighties, and over the past few years 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.

State budget problems continued during fiscal year 2009, and consequently the state cut aid to cities and towns during the fiscal year. In addition to these relatively minor state aid reductions, the state also cut it's forth quarter aid to schools for the Town in the amount of approximately \$510,000. These school aid cuts were replaced with federal stimulus funds and reported separately outside of the general fund.

Long-term Financial Planning

The Town's Finance Director works closely with the Board of Selectmen, the Advisory Committee and Department Directors 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, and to that end the Capital Outlay Committee recommended a total of \$475,000 for capital improvements for Fiscal 2010. Due to current economic conditions and budget restraints this amount of capital spending was reduced from normal levels of \$2-\$3 million annually. The Town expects to be able to appropriate capital spending in the \$2.0 million range for fiscal year 2011.

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 (Undesignated Fund Balance) be maintained at about 5% of annual appropriations. Each year that Available Reserves increase, any excess of the 5% level should be available for spending or tax reductions.

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 Finance Director/Town Accountant is responsible for providing accurate and timely estimates of the Town's current and future financial position to the Town Administrator.

The Town Accountant, whom also serves as 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 Plymouth Country HealthCare System, 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 of 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, 2008. This was the thirteenth 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, 2009 were audited by the public accounting firm of Powers & Sullivan. The financial statements have received an "unqualified opinion" from the auditors. An "unqualified 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

I want to express my appreciation to the accounting personnel, Sue Nickerson, Steve Becker, Nancy Skillings, Kate Richardsson, and Lynn Phillips for their assistance with the preparation of this CAFR, and to Betty Tower of the Selectmen's Office for her work on the cover design. I 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
Finance Director/Town Accountant

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, 2008

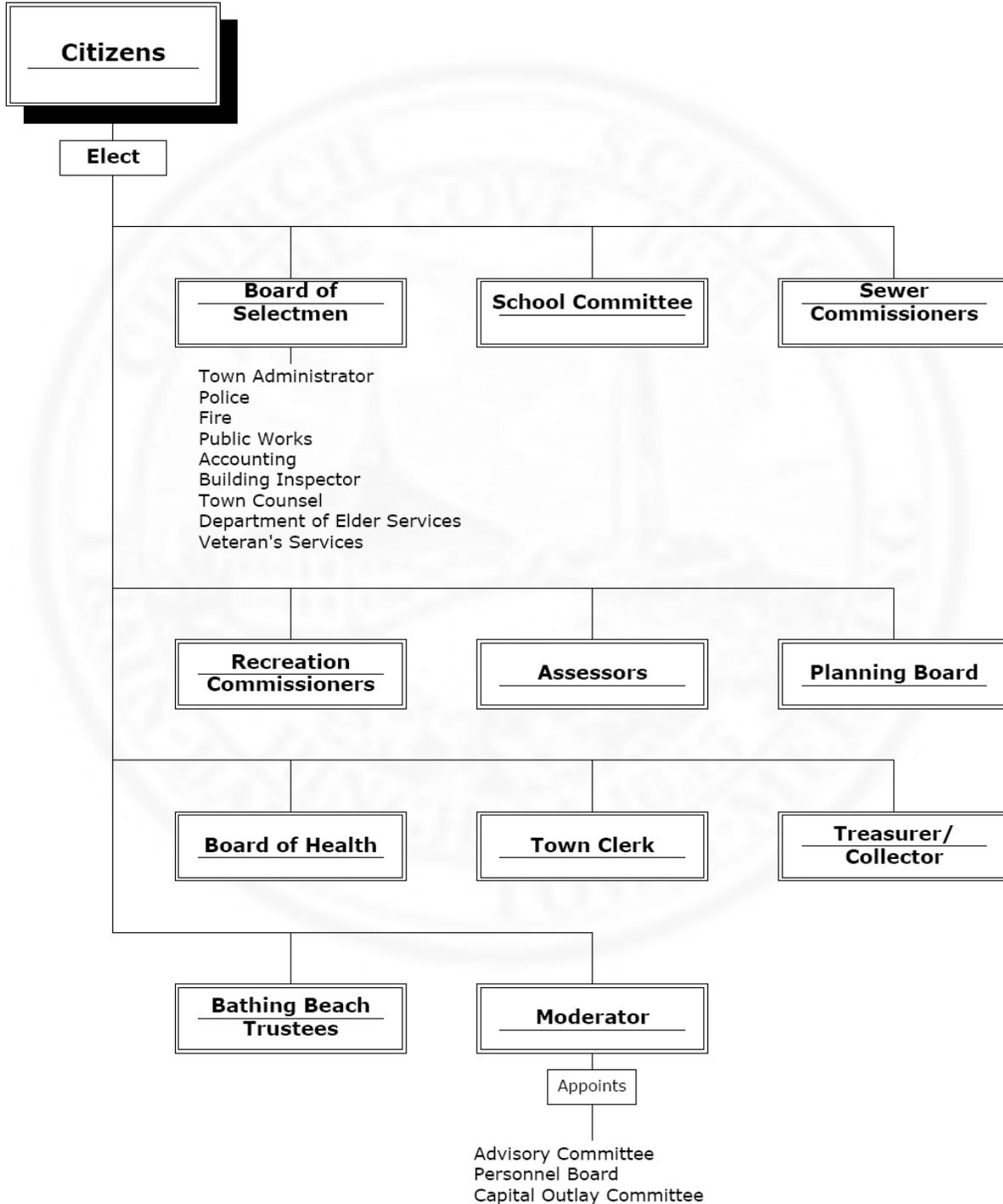
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

The Town of Hingham Organizational Chart



Elected Officials

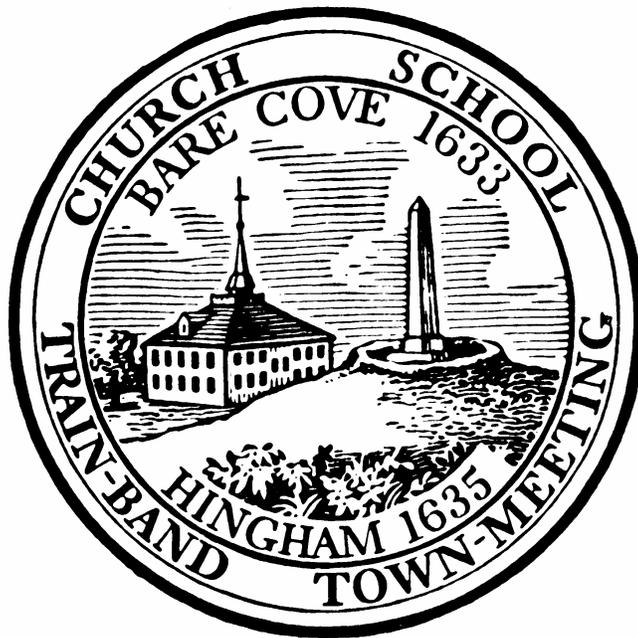
		<u>Term Expires</u>
MODERATOR	Thomas L. P. O'Donnell	2010
BOARD OF SELECTMEN	Laura Burns, Chairman John Riley Lawrence Bruce Rabuffo	2010 2012 2011
TOWN CLERK	Eileen A. McCracken	2012
TREASURER/COLLECTOR	Jean Montgomery	2010
BOARD OF ASSESSORS	Stuart "Greg" Hall, Chairman Mark F. Tyburski Michael P. Shaughnessy	2011 2010 2012
BOARD OF HEALTH	Stephan J. White, Chairman Kirk J. Shilts Peter B. Bickford	2011 2010 2012
SCHOOL COMMITTEE	Christine Smith, Chairman Esther Healey Caryl Falvey Chrisanne D. Gregoire Stephen Nagle Linda Krause Hill Barbara Cook	2011 2011 2010 2010 2010 2012 2012
PLANNING BOARD	Paul K. Healey, Chairman Judith Sneath Gary S. Tondorf-Dick Susan C. Murphy Sarah H. Corey	2014 2012 2011 2010 2013
SEWER COMMISSIONERS	Michael A. Salerno, Chairman Edmund Demko Andrew J. Spath	2012 2010 2011

Administrative Staff

<u>Position</u>	<u>Official</u>	<u>Salary</u>
Superintendent of Schools	Dr. Dorothy H. Galo	\$153,074
Chief of Police	Taylor Mills	149,707
Light Plant General Manager	John Tzimirangas	148,769
Asst. Superintendent of Schools	Ellen Keane	125,036
Fire Chief	Mark Duff	117,693
Finance Director/Town Accountant	Ted C. Alexiades	117,627
School Business Manager	David Killory	116,355
Light Plant Business Manager	Joan Griffin	110,931
Light Plant Asst. General Manager	Paul Heanue	105,250
Light Plant General Foreman	Edward McDonald	105,117
Light Plant Engineer	Panos Tokadjian	98,249
Town Administrator	Kevin Paicos	97,283
DPW Superintendent	Randy Sylvester	89,721
Library Director	Dennis Corcoran	86,683
Director of Assessing	Richard Partridge	82,833
Executive Health Officer	Bruce Capman	82,133
Building Commissioner	Richard E. Morgan, Jr.	82,032
Treasurer/Collector	Jean Montgomery	82,660
Town Clerk	Eileen McCracken	81,419
Town Planner	Katharine Lacy	77,685
Conservation Officer	Cliff Prentiss	70,138
Director of Elder Affairs	Barbara Farnsworth	70,122

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Financial Section



**Town of Hingham, Massachusetts
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2009**

Financial Section

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Independent Auditors' Report

To the Honorable Board of Selectmen
Town of Hingham, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hingham, Massachusetts, as of and for the fiscal year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Hingham, Massachusetts' management. 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 and the Hingham Contributory Retirement System which are as of December 31, 2008, respectively. The Hingham Municipal Lighting Plant reflects approximately 79% of the total assets and approximately 94% of the total revenues of the business-type activities. Those financial statements were audited by other auditors whose reports thereon have 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 and the Hingham Contributory Retirement System referred to above, are based solely on the report of 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hingham, Massachusetts, as of June 30, 2009 (except for the Hingham Municipal Lighting Plant and the Hingham Contributory Retirement System which are as of December 31, 2008), and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009, on our consideration of the Town of Hingham, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Management's discussion and analysis, located on the following pages, and schedule of revenues, expenditures and changes in fund balance – general fund and sewer maintenance fund – budgetary basis and the other post-employment benefit plan schedules of funding progress and employer contributions, and actuarial methods and assumptions, located after the notes to the basic financial statements, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory section and statistical tables, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Bowers + Sullivan".

Wakefield, Massachusetts
December 11, 2009

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Management's Discussion and Analysis

Management's Discussion and Analysis

This analysis, prepared by the Town Accountant/Finance Director, 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, 2009. This is the seventh 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 \$90.6 million and \$36.5 million (net assets) for governmental activities and business-type activities, respectively.
- Of these amounts, 9% or \$12.0 million (unrestricted net assets) 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 \$7.1 million, a decrease of (\$1.8) million over the prior year. Total fund balance represents 9% of total general fund expenditures. Approximately \$6.1 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 \$32.4 million during the current fiscal year. The increase is the result of \$41.7 million of new issuances (including BANs) primarily for school construction, DPW buildings, and the acquisition of the Lincoln School Apartment building less \$9.3 million of principal payments on debt previously incurred for school construction and various public works projects.

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

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, 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.

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

The Town maintains four major governmental funds that are presented separately in the governmental fund financial statements. The General Fund is considered a major fund along with the State Fiscal Stabilization Fund, the Affordable Housing Trust Fund, and the New Elementary School Fund. The remaining non-major funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual appropriated budget for its general fund and sewer maintenance fund. A budgetary comparison schedule has been provided for both 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 assets 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 \$127.1 million at the close of the fiscal year 2009.

Government-wide net assets of \$111.3 million (88%) 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 assets, \$3.7 million (3%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$12.0 million (9%), 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

Governmental activities. The governmental activities net assets increased by \$7.1 million during the current fiscal year as compared to an increase in net assets of \$994,000 during the prior fiscal year. The key element of the change for FY2009 relates mainly to the receipt of \$10.3 million of capital grants for school and DPW construction projects. The increased revenue sources offset increases in expenses, including \$3.6 million of Other Post-Employment Benefits liabilities recorded for the first time in fiscal year 2009.

Governmental Activities Condensed Statement of Net Assets

	2009	2008
Assets:		
Current assets.....	\$ 37,424,126	\$ 33,459,841
Noncurrent assets (excluding capital).....	19,833,945	19,483,094
Capital assets, non depreciable.....	55,003,389	16,294,120
Capital assets, net of accumulated depreciation.....	72,814,634	70,209,797
Total assets.....	185,076,094	139,446,852
Liabilities:		
Current liabilities (excluding debt).....	10,047,337	7,215,353
Noncurrent liabilities (excluding debt).....	5,210,747	1,862,623
Current debt.....	8,824,582	9,368,118
Noncurrent debt.....	70,429,667	37,516,803
Total liabilities.....	94,512,333	55,962,897
Net Assets:		
Invested in capital assets, net of related debt.....	77,520,944	64,238,223
Restricted.....	3,746,298	1,775,597
Unrestricted.....	9,296,519	17,470,135
Total net assets.....	\$ 90,563,761	\$ 83,483,955

Governmental capital assets increased during the year by approximately \$41.3 million. This was the result of \$45.5 million of additions primarily in the areas of land acquisitions and school and DPW buildings. Depreciation expense was recorded in the amount of approximately \$4.2 million. Noncurrent liabilities, excluding debt, includes approximately \$3.6 million of Other Post-Employment Benefits that were recorded as liabilities for the first time in fiscal year 2009.

Governmental Activities Condensed Statement of Activities

	<u>2009</u>	<u>2008</u>
Program revenues:		
Charges for services.....	\$ 7,841,164	\$ 7,511,756
Operating grants and contributions.....	18,497,416	17,998,693
Capital grants and contributions.....	10,310,718	-
General Revenues:		
Real estate, personal property taxes, and motor vehicle and other excise taxes.....	59,064,292	55,999,333
Penalties & interest	208,962	303,699
Nonrestricted grants, contributions, and other.....	1,964,357	2,326,036
Unrestricted investment income.....	445,427	1,008,741
Total revenues.....	<u>98,332,336</u>	<u>85,148,258</u>
Expenses:		
General government.....	4,631,169	5,990,823
Public safety.....	14,972,434	13,384,339
Education.....	55,777,553	48,223,524
Public works.....	9,592,257	10,240,661
Human services.....	1,276,418	1,119,653
Culture and recreation.....	2,996,585	2,803,297
Community preservation.....	60,905	-
Interest.....	1,945,209	2,187,955
Total expenses.....	<u>91,252,530</u>	<u>83,950,252</u>
Excess (Deficiency) before transfers.....	7,079,806	1,198,006
Transfers.....	<u>-</u>	<u>(203,650)</u>
Change in net assets.....	\$ <u>7,079,806</u>	\$ <u>994,356</u>

Other financial notes related to governmental activities:

- Charges for services represented 8% 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 19% percent of the governmental activities resources. Most of these resources apply to educational operations. These resources offset costs within the school department and supplement their General Fund operating budget.
- Capital grants and contributions accounted for 10% of the governmental activities resources. These mainly consist of state grants for the East elementary school and for the DPW building.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprised 60% of current resources.
- Other taxes and other revenues comprised a total of 3% percent of the governmental activities resources. These primarily include unrestricted contributions and investment earnings.
- Education is by far the largest governmental activity of the Town. Approximately \$30.5 million in taxes and other revenue were needed to cover its Fiscal 2009 operating expenses. A pension contribution of approximately \$7.3 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 \$12.3 million and \$4.7 million, respectively, of taxes and other revenue were needed to cover their fiscal 2009 operating expenses.

Business-type activities. Business-type activities increased the Town's net assets by \$414,000, or 1.4% of total operating revenues. 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 \$36.5 million at the close of fiscal year 2009. Invested in capital assets, net of related debt was \$33.8 million (92%) while unrestricted net assets were \$2.7 million (8%).

Business-Type Activities Condensed Statement of Net Assets

	2009	2008
Assets:		
Current assets.....	\$ 12,256,297	\$ 12,834,075
Noncurrent assets (excluding capital).....	191,006	202,477
Capital assets, non depreciable.....	7,314,844	7,397,949
Capital assets, net of accumulated depreciation.....	28,466,862	27,418,623
Total assets.....	48,229,009	47,853,124
Liabilities:		
Current liabilities (excluding debt).....	6,900,879	6,031,435
Non-current liabilities (excluding debt).....	2,802,811	3,412,876
Current debt.....	309,439	297,966
Noncurrent debt.....	1,697,375	2,006,813
Total liabilities.....	11,710,504	11,749,090
Net Assets:		
Invested in capital assets, net of related debt.....	33,774,892	32,511,793
Unrestricted.....	2,743,613	3,592,241
Total net assets.....	\$ 36,518,505	\$ 36,104,034

Noncurrent liabilities, excluding debt, includes approximately \$95,100 of Other Post-Employment Benefits that were recorded as liabilities for the first time in fiscal year 2009.

Business-Type Activities Condensed Statement of Activities

	<u>2009</u>	<u>2008</u>
Program revenues:		
Charges for services.....	\$ 29,291,277	\$ 28,020,538
General Revenues:		
Unrestricted investment income.....	<u>240,577</u>	<u>411,668</u>
Total revenues.....	<u>29,531,854</u>	<u>28,432,206</u>
Expenses:		
South Shore Country Club.....	1,574,791	1,631,808
Electric Lighting.....	<u>27,542,592</u>	<u>27,488,101</u>
Total expenses.....	<u>29,117,383</u>	<u>29,119,909</u>
Excess (Deficiency) before transfers.....	414,471	(687,703)
Transfers.....	<u>-</u>	<u>203,650</u>
Change in net assets.....	<u>\$ 414,471</u>	<u>\$ (484,053)</u>

The business-type activities were able to increase the combined Country Club and Electric Lighting revenues by approximately \$1.1 million while keeping expenses at virtually the same level as the prior year.

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 unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$20.5 million, an increase of \$4.8 million for the year. The increase is mainly related to the timing of capital expenditures and bond proceeds, as well as the receipt of state grants for construction of approximately \$10 million that were received during the year.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$6.1 million, while the total fund balance was \$7.1 million. As a measure of the general fund's liquidity, it may be useful to compare both the unreserved fund balance and the total fund balance to total fund expenditures. The unreserved fund balance represents 8% of total general fund expenditures, while the total fund balance represents 9% of that same amount.

Fund balance of the General Fund decreased by (\$1.8) million during fiscal year 2009. This is mainly the result of management's planned use of its prior year fund balance in setting the 2009 general fund budget.

State Fiscal Stabilization Fund

The State Fiscal Stabilization fund is used to account for federal funds that were received through the American Recovery and Reinvestment Act. During the last two months of the fiscal year, the Town's state aid was reduced by approximately \$510,000. However, the state aid payment was replaced with a like amount of federal funds. The Town's general fund budget was not adjusted for the late reduction in state funding; rather, eligible expenditures were transferred from the general fund to the state fiscal stabilization grant fund where an equal amount of federal revenues were also recorded.

Affordable Housing Trust

The Affordable Housing Trust fund is a capital project fund established to purchase the land and buildings in Town known as the Lincoln School Apartments. 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).

Lincoln Apartments, LLC is operating in its initial year beginning January 1, 2009 with a year end date of December 31, 2009. The Town believes that the LLC meets the GASB criteria as a component unit of the Town and plans to report it as such in its financial statements for the fiscal year ended June 30, 2010, after the LLC has completed its first year of operation.

During fiscal year 2009 the Town issued short term debt (classified as long-term debt in the financial statements) in the amount of \$6.7 million and received a \$400,000 transfer in from the Community Preservation fund to acquire the property.

New Elementary School

The New Elementary School fund is a capital project fund being utilized for the construction of the new East Elementary School. As of June 30, 2009, the fund has borrowed \$18.6 million of short term debt (\$15.7 million which is classified as long-term debt on the financial statements) and has received \$8.8 million of school construction grants from the Massachusetts School Building Authority (MSBA) towards the construction of this new school. The new school is expected to cost approximately \$26.6 million and the Town has incurred costs of approximately \$22.3 million as of June 30, 2009. The MSBA has agreed to fund 40%, or a maximum of \$10,370,000 of eligible construction costs for this project.

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

Differences between the original general fund budget appropriations and the final budget of approximately \$767,000 is mainly due to additional appropriations for public safety and public works activities.

Total general fund revenues were slightly less than budgeted amounts mainly due to lower intergovernmental revenues received as discussed below and lower investment income earnings due to the current economic conditions.

During the last two months of the fiscal year, additional cuts in state aid were approved by the state, which reduced the June 30th state aid payment to the Town by \$510,000 and replaced it with a like amount of federal stimulus funds. The Town's general fund budget was not changed for the late adjustment in state funding; rather, eligible expenditures were transferred from the general fund to a state fiscal stabilization grant fund where the federal revenue was recorded. This resulted in a revenue deficit and a corresponding under-expenditure in the applicable line items.

Total expenditures and carryovers were also less than budgeted amounts by approximately \$2.6 million. In addition to the \$510,000 saved in the school department as discussed above, virtually every Town department contributed to the savings.

The sewer maintenance fund results of operations had a budgetary surplus of \$80,000 and substantially broke even for the fiscal year. No changes were made to the original budget.

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 capital grants. For capital assets acquired through debt, the effect on net assets during the construction phase of the project is neutral since the Town increased its assets and associated liabilities by the same amount. For capital assets acquired through capital grants, the effect on net assets is positive since the Town does not use its own resources to acquire the assets. In subsequent years the net assets 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, 2009, totaled \$75.8 million, an increase of \$35.1 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 \$1.5 million in Country Club debt used to install an irrigation system for the golf course that is fully supported by the rates and does not rely on a general fund subsidy.

The Town's major capital projects have been related to school construction, DPW building construction, land acquisition, and the purchase of the Lincoln School Apartments. During fiscal year 2009 the Town has spent approximately \$45.5 million on these projects which have been funded through bond anticipation notes and school construction 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) recognized total additions/(losses) of (\$25.2) million, including a (\$24.2) million decline in the fair value of its investments. These losses were partially offset by \$2.5 million of interest and dividends received. Total net assets of the System amounted to \$56.6 million at December 31, 2008.

Other Post-employment Benefits

The Town and the Electric Lighting Plant implemented GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as of June 30, 2009 and December 31, 2008, respectively. The liabilities for other post-employment benefits have been established based on the respective Annual Required Contributions (ARC) in the amounts of approximately \$3.6 million and \$95,100, respectively. The ARCs amounted to \$7.6 million and the Town contributed approximately \$3.9 million through a combination of benefit payments and pre-fundings to the OPEB Trust fund in the amounts of \$300,000. The assets set aside in trust for future benefits amounted to approximately \$272,000 at fiscal year end.

Component Unit

The net assets of the Component Unit represent the Hingham Public Library, a separate legal entity established in 1872. Net assets decreased during fiscal year 2009 by (\$299,000) as operating expenses exceeded revenues by (\$1.7) million before the financial support from the Town in the amount of approximately \$1.4 million.

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 Ted C. Alexiades, Finance Director/Town Accountant, 210 Central Street, Hingham, MA 02403.

Basic Financial Statements

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STATEMENT OF NET ASSETS

JUNE 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 31,463,340	\$ 6,956,593	\$ 38,419,933	\$ 252,943
Restricted cash and short-term investments.....	31,730	-	31,730	-
Investments.....	-	-	-	872,382
Receivables, net of allowance for uncollectibles:				
Real estate, personal property and tax deferrals.....	1,212,761	-	1,212,761	-
Tax liens.....	764,632	-	764,632	-
Motor vehicle and other excise taxes.....	185,416	-	185,416	-
User charges.....	439,451	2,551,277	2,990,728	-
Sewer fees.....	4,958	-	4,958	-
Departmental and other.....	235,722	433,040	668,762	-
Special assessments.....	273,211	-	273,211	-
Intergovernmental.....	2,657,665	-	2,657,665	-
Tax foreclosures.....	155,240	-	155,240	-
Inventory.....	-	903,021	903,021	-
Purchased power advance deposits.....	-	902,992	902,992	-
Other assets.....	-	509,374	509,374	-
Total Current Assets.....	37,424,126	12,256,297	49,680,423	1,125,325
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Special assessments.....	1,795,917	-	1,795,917	-
Intergovernmental.....	18,038,028	-	18,038,028	-
Investment in Hydro Quebec.....	-	41,006	41,006	-
Investment in Energy New England, LLC.....	-	150,000	150,000	-
Capital assets, non depreciable.....	55,003,389	7,314,844	62,318,233	-
Capital assets, net of accumulated depreciation.....	72,814,634	28,466,862	101,281,496	158,938
Total Noncurrent Assets.....	147,651,968	35,972,712	183,624,680	158,938
TOTAL ASSETS.....	185,076,094	48,229,009	233,305,103	1,284,263
LIABILITIES				
CURRENT:				
Warrants payable.....	4,699,885	4,652,154	9,352,039	6,514
Accrued liabilities.....	-	2,222,428	2,222,428	-
Accrued payroll.....	1,761,457	-	1,761,457	-
Tax refunds payable.....	282,200	-	282,200	-
Accrued interest.....	1,112,587	17,092	1,129,679	-
Payroll withholdings.....	686,226	-	686,226	-
Unearned revenues.....	326,562	-	326,562	-
Capital lease obligations.....	-	184,439	184,439	-
Compensated absences.....	859,300	9,205	868,505	-
Workers' compensation.....	119,120	-	119,120	-
Landfill closure.....	200,000	-	200,000	-
Bonds and notes payable.....	8,824,582	125,000	8,949,582	-
Total Current Liabilities.....	18,871,919	7,210,318	26,082,237	6,514
NONCURRENT:				
Capital lease obligations.....	-	357,375	357,375	-
Compensated absences.....	282,000	-	282,000	-
Workers' compensation.....	114,585	-	114,585	-
Rate stabilization reserve.....	-	1,724,467	1,724,467	-
Customer deposits.....	-	983,250	983,250	-
Other post-employment benefits.....	3,597,162	95,094	3,692,256	-
Landfill closure.....	1,217,000	-	1,217,000	-
Bonds and notes payable.....	70,429,667	1,340,000	71,769,667	-
Total Noncurrent Liabilities.....	75,640,414	4,500,186	80,140,600	-
TOTAL LIABILITIES.....	94,512,333	11,710,504	106,222,837	6,514
NET ASSETS				
Invested in capital assets, net of related debt.....	77,520,944	33,774,892	111,295,836	158,938
Restricted for:				
Permanent funds:				
Expendable.....	64,902	-	64,902	-
Nonexpendable.....	35,000	-	35,000	-
Grants and gifts.....	1,803,981	-	1,803,981	-
Community preservation.....	1,842,415	-	1,842,415	-
Unrestricted.....	9,296,519	2,743,613	12,040,132	1,118,811
TOTAL NET ASSETS.....	\$ 90,563,761	\$ 36,518,505	\$ 127,082,266	\$ 1,277,749

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2009

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 4,631,169	\$ 796,484	\$ 592,792	\$ -	\$ (3,241,893)
Public safety.....	14,972,434	1,993,270	653,370	-	(12,325,794)
Public education.....	55,777,553	1,925,323	14,503,805	8,823,499	(30,524,926)
Public works.....	9,592,257	2,338,091	1,082,062	1,487,219	(4,684,885)
Human services.....	1,276,418	148,620	172,701	-	(955,097)
Culture and recreation.....	2,996,585	639,376	24,337	-	(2,332,872)
Community preservation.....	60,905	-	687,693	-	626,788
Interest.....	1,945,209	-	780,656	-	(1,164,553)
Total Governmental Activities.....	91,252,530	7,841,164	18,497,416	10,310,718	(54,603,232)
<i>Business-Type Activities:</i>					
South Shore Country Club.....	1,574,791	1,668,284	-	-	93,493
Hingham Municipal Lighting Plant.....	27,542,592	27,622,993	-	-	80,401
Total Business-Type Activities.....	29,117,383	29,291,277	-	-	173,894
Total Primary Government.....	\$ 120,369,913	\$ 37,132,441	\$ 18,497,416	\$ 10,310,718	\$ (54,429,338)
Component Unit:					
Hingham Public Library.....	\$ 1,871,232	\$ 60,894	\$ 71,148	\$ -	\$ (1,739,190)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Changes in net assets:				
Net (expense) revenue from previous page.....	\$ (54,603,232)	\$ 173,894	\$ (54,429,338)	\$ (1,739,190)
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds.....	55,286,189	-	55,286,189	-
Tax liens.....	49,620	-	49,620	-
Motor vehicle and other excise taxes.....	3,041,293	-	3,041,293	-
Community preservation tax.....	687,190	-	687,190	-
Penalties and interest on taxes.....	208,962	-	208,962	-
Grants and contributions not restricted to specific programs.....	1,964,357	-	1,964,357	-
Interest income.....	445,427	240,577	686,004	24,174
Payments from the Town of Hingham.....	-	-	-	1,415,875
Total general revenues.....	61,683,038	240,577	61,923,615	1,440,049
Change in net assets.....	7,079,806	414,471	7,494,277	(299,141)
<i>Net Assets:</i>				
Beginning of year.....	83,483,955	36,104,034	119,587,989	1,576,890
End of year.....	\$ 90,563,761	\$ 36,518,505	\$ 127,082,266	\$ 1,277,749

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2009

ASSETS	General	State Fiscal Stabilization Fund	Affordable Housing Trust	New Elementary School	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 10,890,337	\$ -	\$ 499,869	\$ 5,791,238	\$ 14,281,896	\$ 31,463,340
Restricted cash and cash equivalents.....	-	-	-	-	31,730	31,730
Receivables, net of uncollectibles:						
Real estate, personal property and tax deferrals	1,212,761	-	-	-	-	1,212,761
Tax liens.....	764,632	-	-	-	-	764,632
Excise taxes.....	185,416	-	-	-	-	185,416
Departmental and other.....	230,136	-	-	-	5,586	235,722
User charges.....	-	-	-	-	444,409	444,409
Special assessments.....	2,069,128	-	-	-	-	2,069,128
Intergovernmental.....	19,367,861	-	-	346,260	981,572	20,695,693
Tax foreclosures.....	155,240	-	-	-	-	155,240
Due from other funds.....	-	-	-	-	226,434	226,434
TOTAL ASSETS.....	\$ 34,875,511	\$ -	\$ 499,869	\$ 6,137,498	\$ 15,971,627	\$ 57,484,505
LIABILITIES						
LIABILITIES:						
Warrants payable.....	\$ 663,503	\$ -	\$ 126	\$ 2,805,543	\$ 1,230,713	\$ 4,699,885
Accrued payroll.....	1,761,457	-	-	-	-	1,761,457
Tax refunds payable.....	282,200	-	-	-	-	282,200
Accrued interest on short-term debt.....	523,071	-	127,947	-	-	651,018
Other liabilities.....	686,226	-	-	-	-	686,226
Deferred revenues and advance collections.....	23,859,119	-	-	-	1,366,335	25,225,454
Due to other funds.....	-	-	-	-	226,434	226,434
Notes payable.....	-	-	-	2,928,166	483,310	3,411,476
TOTAL LIABILITIES.....	27,775,576	-	128,073	5,733,709	3,306,792	36,944,150
FUND BALANCES:						
Reserved for:						
Encumbrances and continuing appropriations.....	978,675	-	-	-	-	978,675
Perpetual permanent funds.....	-	-	-	-	35,000	35,000
Unreserved:						
Designated for subsequent year's expenditures....	575,000	-	-	-	-	575,000
Undesignated, reported in:						
General fund.....	5,546,260	-	-	-	-	5,546,260
Special revenue funds.....	-	-	-	-	6,476,412	6,476,412
Capital projects funds.....	-	-	371,796	403,789	6,088,521	6,864,106
Permanent funds.....	-	-	-	-	64,902	64,902
TOTAL FUND BALANCES.....	7,099,935	-	371,796	403,789	12,664,835	20,540,355
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 34,875,511	\$ -	\$ 499,869	\$ 6,137,498	\$ 15,971,627	\$ 57,484,505

See notes to basic financial statements.

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

JUNE 30, 2009

Total governmental fund balances.....		\$ 20,540,355
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		127,818,023
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		24,898,892
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(461,569)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(75,842,773)	
Compensated absences.....	(1,141,300)	
Workers' compensation.....	(233,705)	
Landfill closure.....	(1,417,000)	
Other post-employment benefits.....	<u>(3,597,162)</u>	
Net effect of reporting long-term liabilities.....		<u>(82,231,940)</u>
Net assets of governmental activities.....		<u>\$ 90,563,761</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	General	State Fiscal Stabilization Fund	Affordable Housing Trust	New Elementary School	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 55,193,649	\$ -	\$ -	\$ -	\$ -	\$ 55,193,649
Tax liens.....	49,620	-	-	-	-	49,620
Motor vehicle and other excise taxes.....	3,130,199	-	-	-	-	3,130,199
Penalties and interest.....	208,962	-	-	-	-	208,962
Charges for services.....	1,579,671	-	-	-	2,222,479	3,802,150
Intergovernmental.....	8,642,472	510,109	-	8,823,499	5,003,968	22,980,048
State grant for teachers pension.....	7,345,883	-	-	-	-	7,345,883
Departmental and other.....	1,662,456	-	-	-	3,550,815	5,213,271
Community preservation tax.....	-	-	-	-	687,190	687,190
Contributions.....	-	-	-	-	247,644	247,644
Interest income.....	413,486	-	9,929	-	22,012	445,427
TOTAL REVENUES.....	78,226,398	510,109	9,929	8,823,499	11,734,108	99,304,043
EXPENDITURES:						
Current:						
General government.....	3,192,694	-	6,768,088	-	2,159,642	12,120,424
Public safety.....	10,415,559	-	-	-	783,279	11,198,838
Public education.....	35,129,775	510,109	-	21,576,085	8,239,194	65,455,163
Public works.....	5,682,323	-	-	-	9,258,749	14,941,072
Human services.....	816,439	-	-	-	204,450	1,020,889
Culture and recreation.....	1,632,854	-	-	-	668,705	2,301,559
Community preservation.....	-	-	-	-	2,972,916	2,972,916
Teachers pension benefits - state funded.....	7,345,883	-	-	-	-	7,345,883
Town pension.....	2,827,885	-	-	-	-	2,827,885
Property and liability insurance.....	401,649	-	-	-	-	401,649
Employee benefits.....	4,148,112	-	-	-	-	4,148,112
State and county charges.....	2,732,683	-	-	-	-	2,732,683
Debt service:						
Principal.....	3,117,071	-	-	-	50,000	3,167,071
Interest.....	2,117,033	-	46,743	-	34,156	2,197,932
TOTAL EXPENDITURES.....	79,559,960	510,109	6,814,831	21,576,085	24,371,091	132,832,076
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,333,562)	-	(6,804,902)	(12,752,586)	(12,636,983)	(33,528,033)
OTHER FINANCING SOURCES (USES):						
Issuance of long-term debt.....	-	-	6,700,000	15,695,000	15,930,991	38,325,991
Transfers in.....	112,776	-	400,000	-	563,990	1,076,766
Transfers out.....	(563,990)	-	(1,290)	-	(511,486)	(1,076,766)
TOTAL OTHER FINANCING SOURCES (USES).....	(451,214)	-	7,098,710	15,695,000	15,983,495	38,325,991
NET CHANGE IN FUND BALANCES.....	(1,784,776)	-	293,808	2,942,414	3,346,512	4,797,958
FUND BALANCES AT BEGINNING OF YEAR.....	8,884,711	-	77,988	(2,538,625)	9,318,323	15,742,397
FUND BALANCES AT END OF YEAR.....	\$ 7,099,935	\$ -	\$ 371,796	\$ 403,789	\$ 12,664,835	\$ 20,540,355

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, 2009

Net change in fund balances - total governmental funds..... \$ 4,797,958

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.....	45,470,223
Depreciation expense.....	<u>(4,156,117)</u>

Net effect of reporting capital assets..... 41,314,106

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..... (971,707)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Issuance of long-term debt.....	(38,325,991)
Debt service principal payments.....	<u>3,167,071</u>

Net effect of reporting long-term debt..... (35,158,920)

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.....	82,055
Net change in other post-employment benefits accrual.....	(3,597,162)
Net change in accrued interest on long-term debt.....	195,395
Workers' compensation liability.....	429,968
Amortization of bond premiums.....	57,328
Landfill closure liability.....	<u>(69,215)</u>

Net effect of recording long-term liabilities..... (2,901,631)

Change in net assets of governmental activities..... \$ 7,079,806

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2009

	Business-type Activities - Enterprise Funds		
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2008)	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 10,916	\$ 6,945,677	\$ 6,956,593
Receivables, net of allowance for uncollectibles:			
User charges.....	-	2,551,277	2,551,277
Departmental and other.....	-	433,040	433,040
Inventory.....	-	903,021	903,021
Purchased power advance deposits.....	-	902,992	902,992
Other assets.....	-	509,374	509,374
Total current assets.....	10,916	12,245,381	12,256,297
NONCURRENT:			
Investment in Hydro Quebec.....	-	41,006	41,006
Investment in Energy New England, LLC.....	-	150,000	150,000
Capital assets, nondepreciable.....	7,008,200	306,644	7,314,844
Capital assets, net of accumulated depreciation.....	3,245,392	25,221,470	28,466,862
Total noncurrent assets.....	10,253,592	25,719,120	35,972,712
TOTAL ASSETS.....	10,264,508	37,964,501	48,229,009
LIABILITIES			
CURRENT:			
Warrants payable.....	187,795	4,464,359	4,652,154
Accrued liabilities.....	-	2,222,428	2,222,428
Accrued interest.....	17,092	-	17,092
Capital lease obligations.....	184,439	-	184,439
Compensated absences.....	9,205	-	9,205
Bonds and notes payable.....	125,000	-	125,000
Total current liabilities.....	523,531	6,686,787	7,210,318
NONCURRENT:			
Capital lease obligations.....	357,375	-	357,375
Customer deposits.....	-	983,250	983,250
Other post-retirement benefits.....	-	95,094	95,094
Rate stabilization reserve.....	-	1,724,467	1,724,467
Bonds and notes payable.....	1,340,000	-	1,340,000
Total noncurrent liabilities.....	1,697,375	2,802,811	4,500,186
TOTAL LIABILITIES.....	2,220,906	9,489,598	11,710,504
NET ASSETS			
Invested in capital assets, net of related debt.....	8,246,778	25,528,114	33,774,892
Unrestricted.....	(203,176)	2,946,789	2,743,613
TOTAL NET ASSETS.....	\$ 8,043,602	\$ 28,474,903	\$ 36,518,505

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds		
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2008)	Total
OPERATING REVENUES:			
Charges for services	\$ 1,668,284	\$ 27,377,400	\$ 29,045,684
Other.....	-	245,593	245,593
TOTAL OPERATING REVENUES	1,668,284	27,622,993	29,291,277
OPERATING EXPENSES:			
Program expenses.....	76,215	24,367,971	24,444,186
Administrative and general salaries and wages.....	506,961	256,840	763,801
Grounds and custodial expenses.....	556,616	272,446	829,062
Facility expenses.....	113,558	165,937	279,495
Other administrative expenses.....	-	1,227,203	1,227,203
Depreciation.....	259,199	1,248,180	1,507,379
TOTAL OPERATING EXPENSES	1,512,549	27,538,577	29,051,126
OPERATING INCOME (LOSS).....	155,735	84,416	240,151
NONOPERATING REVENUES (EXPENSES):			
Investment income.....	6,066	234,511	240,577
Interest expense.....	(62,242)	(4,015)	(66,257)
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(56,176)	230,496	174,320
CHANGE IN NET ASSETS.....	99,559	314,912	414,471
NET ASSETS AT BEGINNING OF YEAR.....	7,944,043	28,159,991	36,104,034
NET ASSETS AT END OF YEAR.....	\$ 8,043,602	\$ 28,474,903	\$ 36,518,505

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds		
	South Shore Country Club	Hingham Municipal Lighting Plant (December 31, 2008)	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users.....	\$ 1,675,284	\$ 26,648,108	\$ 28,323,392
Payments to vendors.....	(737,012)	(22,327,237)	(23,064,249)
Payments to employees.....	(497,756)	(2,472,692)	(2,970,448)
NET CASH FROM OPERATING ACTIVITIES.....	440,516	1,848,179	2,288,695
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets.....	(45,001)	(2,265,012)	(2,310,013)
Principal payments on bonds and notes.....	(120,000)	-	(120,000)
Principal payments on capital lease obligations.....	(177,965)	-	(177,965)
Interest expense.....	(92,700)	(4,015)	(96,715)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(435,666)	(2,269,027)	(2,704,693)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposition of investments.....	-	11,471	11,471
Investment income.....	6,066	234,511	240,577
NET CASH FROM INVESTING ACTIVITIES.....	6,066	245,982	252,048
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	10,916	(174,866)	(163,950)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR.....	-	7,120,543	7,120,543
CASH AND CASH EQUIVALENTS, END OF YEAR.....	\$ 10,916	\$ 6,945,677	\$ 6,956,593
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:			
Operating income (loss).....	\$ 155,735	\$ 84,416	\$ 240,151
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation.....	259,199	1,248,180	1,507,379
Changes in assets and liabilities:			
User charges.....	-	(168,288)	(168,288)
Department and other receivables.....	7,000	(101,438)	(94,438)
Inventory.....	-	395,935	395,935
Other assets.....	-	182,783	182,783
Purchased power advance deposits.....	-	(90,391)	(90,391)
Warrants payable.....	9,377	606,921	616,298
Accrued liabilities.....	-	300,126	300,126
Rate stabilization reserve.....	-	(748,144)	(748,144)
Customer Deposits.....	-	42,985	42,985
Compensated absences.....	9,205	-	9,205
Other post-retirement benefits.....	-	95,094	95,094
Total adjustments.....	284,781	1,763,763	2,048,544
NET CASH FROM OPERATING ACTIVITIES.....	\$ 440,516	\$ 1,848,179	\$ 2,288,695
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:			
Purchase of equipment on account.....	\$ 162,500	-	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	Pension Trust Fund (as of December 31, 2008)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS				
Cash and cash equivalents.....	\$ 308,792	\$ -	\$ 59,324	\$ 680,441
Investments:				
U. S. government treasuries.....	-	91,815	-	-
Equity mutual funds.....	-	180,297	1,928,579	-
Debt securities.....	-	-	629,074	-
PRIT funds.....	56,291,230	-	-	-
Receivables, net of allowance for uncollectibles:				
Departmental and other receivables.....	45,555	-	-	-
TOTAL ASSETS.....	56,645,577	272,112	2,616,977	680,441
LIABILITIES				
Accrued liabilities.....	9,275	-	-	-
Liabilities due depositors.....	-	-	-	680,441
TOTAL LIABILITIES.....	9,275	-	-	680,441
NET ASSETS				
Held in trust for retirement, OPEB benefits, and other purposes.....	\$ <u>56,636,302</u>	\$ <u>272,112</u>	\$ <u>2,616,977</u>	\$ <u>-</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2009

	Pension Trust Fund (as of December 31, 2008)	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:			
Contributions:			
Employer.....	\$ 2,828,493	\$ 300,000	\$ -
Plan members.....	1,974,427	-	-
Private donations.....	-	-	48,369
Total contributions.....	4,802,920	300,000	48,369
Net investment income:			
Net change in fair value of investments.....	(26,344,547)	(35,249)	(682,110)
Interest.....	1,464,048	-	-
Dividends.....	994,881	7,361	134,740
Total investment income (loss).....	(23,885,618)	(27,888)	(547,370)
Less: investment expense.....	(345,591)	-	-
Net investment income (loss).....	(24,231,209)	(27,888)	(547,370)
Intergovernmental.....	191,959	-	-
Transfers from other systems.....	183,945	-	-
TOTAL ADDITIONS (LOSSES).....	(19,052,385)	272,112	(499,001)
DEDUCTIONS:			
Administration.....	140,337	-	-
Transfers to other systems.....	379,514	-	-
Retirement benefits and refunds.....	5,661,076	-	-
Educational scholarships.....	-	-	167,111
TOTAL DEDUCTIONS.....	6,180,927	-	167,111
CHANGE IN NET ASSETS.....	(25,233,312)	272,112	(666,112)
NET ASSETS AT BEGINNING OF YEAR.....	81,869,614	-	3,283,089
NET ASSETS AT END OF YEAR.....	\$ 56,636,302	\$ 272,112	\$ 2,616,977

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. Two entities have been included as component units in the reporting entity, because of the significance of its operational and/or financial relationship.

Blended Component Units – Blended component units are entities that are legally separate from the Town, but are so related that they are, in substance, the same as the Town or entities providing services entirely or almost entirely for the benefit of the Town. The following component unit is blended within the primary government:

In the Fiduciary Funds:

- (1) The Hingham Contributory Retirement System (the System) was established to provide retirement benefits to Town employees. 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 Hingham Public Library as a Discretely Presented Component Unit because of its fiscal dependency on the Town and because the nature and significance of its relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete.

Accordingly, the Component Unit column of the combined financial statements includes the financial data of the following entity:

- (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.

Availability of Financial Information for Component Units and Enterprise Fund

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 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, 222 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 assets 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 obligations are expected to be liquidated with current expendable available resources.

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

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

The following major governmental funds are reported:

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

The *state fiscal stabilization fund* is used to account for federal grant funds received through the American Recovery and Reinvestment Act.

The *affordable housing trust fund* is a capital project fund established to purchase the land and buildings in Town known as the Lincoln School Apartments. In January 2009 the Town entered into a lease agreement with Lincoln School 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).

The *new elementary school fund* is a capital project used to account for the construction of the East elementary school.

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 provide separate accountability for revenues that are restricted to expenditures for specified purposes (other than major capital projects). The special revenue funds are reported in the nonmajor funds column of the governmental fund financial statements.

The *capital project fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise and Trust Funds). The capital project funds are also reported in the nonmajor funds column of the governmental funds financial statements.

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs. The permanent funds are also reported in the nonmajor funds column of the governmental funds financial statements.

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* accumulates 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.

Government-Wide and Fund Financial Statements

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

I. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Deferred Revenue

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

K. Net Assets and Fund Equity

Government-Wide Financial Statements (Net Assets)

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

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

Net assets have been "restricted for" the following:

"Permanent funds - expendable" represents the amount of realized and unrealized investment earnings of donor restricted 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.

Fund Financial Statements (Fund Balances)

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

Fund balances have been “reserved for” the following:

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

“Perpetual permanent funds” represent amounts held in trust for which the expenditures are restricted by various trust agreements.

Fund balances have been “designated” for the following:

“Subsequent year’s expenditures” represents amounts appropriated for the fiscal year 2010 operating budget.

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

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

Governmental Fund Financial Statements

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

M. 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.

N. Investment Income

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

Investment income from proprietary funds is maintained in those funds.

O. Individual Fund Deficits

Several individual fund deficits exist at June 30, 2009, within the Special Revenue and Capital Project Funds. These deficits will be funded through grants and bond proceeds in future fiscal years.

P. Use of Estimates

Government-Wide and Fund Financial Statements

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

Q. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – AFFORDABLE HOUSING TRUST

The Affordable Housing Trust fund is a capital project fund established to purchase the land and buildings in Town known as the Lincoln School Apartments. 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.

Lincoln Apartments, LLC is operating in its initial year beginning January 1, 2009 with a year end date of December 31, 2009. The Town believes that the LLC meets the GASB criteria as a component unit of the Town and plans to report it as such in its financial statements for the fiscal year ended June 30, 2010, after the LLC has completed its first year of operation.

During fiscal year 2009, the Town issued short term debt (classified as long-term in the financial statements) in the amount of \$6.7 million and received a \$400,000 transfer in from the Community Preservation fund to acquire the property at a cost of approximately \$6.8 million.

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, 2009 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 Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

The System participates in PRIT. The effective weighted duration rate for PRIT investments ranged from .08 to 9.42 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 \$20,394,336 and the bank balances totaled \$21,914,151. Of the bank balance, \$1,750,000 was covered by Federal Depository Insurance, \$6,248,381 was insured under the FDIC Transaction Account Guarantee Program, and \$13,915,770 was exposed to custodial credit risk because it was uninsured and uncollateralized.

At December 31, 2008 the carrying amount (book value) and the bank balance of the Retirement System's deposits totaled \$308,792. The bank balance was fully covered by Federal Depository Insurance.

As of June 30, 2009 the Town had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt Securities</u>			
U.S. Government Treasuries.....	\$ 91,815	\$ -	\$ 91,815
Corporate Bonds.....	<u>629,074</u>	<u>629,074</u>	<u>-</u>
Total Debt Securities.....	720,889	<u>\$ 629,074</u>	<u>\$ 91,815</u>
<u>Other Investments</u>			
International Equity Mutual Funds.....	340,378		
Equity Mutual Funds.....	1,768,498		
Money Market Mutual Funds.....	32,213		
MMDT.....	<u>18,764,879</u>		
Total Investments.....	<u>\$ 21,626,857</u>		

As of December 31, 2008 the Retirement System had investments in PRIT totaling \$56,291,230.

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 \$629,074 in corporate bonds 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, 2008, the System's \$56,291,230 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, 2009 the Town's \$629,074 investment in corporate bonds were proportionally rated between Baa3 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, 2009, receivables for the individual major and non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,218,692	\$ (5,931)	\$ 1,212,761
Tax liens.....	764,632	-	764,632
Motor vehicle and other excise taxes.....	274,322	(88,906)	185,416
User fees.....	444,409	-	444,409
Departmental and other.....	281,322	(45,600)	235,722
Special assessments.....	2,069,128	-	2,069,128
Intergovernmental.....	<u>20,695,693</u>	<u>-</u>	<u>20,695,693</u>
Total.....	<u>\$ 25,748,198</u>	<u>\$ (140,437)</u>	<u>\$ 25,607,761</u>

At December 31, 2008, receivables for the electric lighting enterprise fund consist of the following:

	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
<u>Receivables:</u>			
User fees.....	\$ 2,599,743	\$ (48,466)	\$ 2,551,277
Departmental and other.....	<u>433,040</u>	<u>-</u>	<u>433,040</u>
Total.....	<u>\$ 3,032,783</u>	<u>\$ (48,466)</u>	<u>\$ 2,984,317</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.....	\$ 1,081,120	\$ -	\$ 1,081,120
Tax liens.....	764,632	-	764,632
Motor vehicle and other excise taxes.....	185,416	-	185,416
User charges.....	-	444,409	444,409
Departmental and other.....	235,722	-	235,722
Special assessments.....	2,069,128	-	2,069,128
Intergovernmental.....	19,367,861	921,926	20,289,787
Tax foreclosures.....	155,240	-	155,240
 Total.....	 \$ <u>23,859,119</u>	 \$ <u>1,366,335</u>	 \$ <u>25,225,454</u>

Included in the deferred revenues above are \$91,000 and \$235,000 of advance collections for FY2010 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, 2009, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,154,100	\$ 3,837,500	\$ -	\$ 5,991,600
Construction in progress.....	<u>14,140,020</u>	<u>34,871,769</u>	<u>-</u>	<u>49,011,789</u>
Total capital assets not being depreciated....	<u>16,294,120</u>	<u>38,709,269</u>	<u>-</u>	<u>55,003,389</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	444,475	92,142	-	536,617
Buildings.....	96,499,523	5,600,432	-	102,099,955
Machinery and equipment.....	11,019,204	758,429	(328,467)	11,449,166
Infrastructure.....	<u>48,069,278</u>	<u>309,951</u>	<u>-</u>	<u>48,379,229</u>
Total capital assets being depreciated.....	<u>156,032,480</u>	<u>6,760,954</u>	<u>(328,467)</u>	<u>162,464,967</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(86,345)	(16,742)	-	(103,087)
Buildings.....	(54,802,994)	(2,263,581)	-	(57,066,575)
Machinery and equipment.....	(7,865,838)	(868,906)	328,467	(8,406,277)
Infrastructure.....	<u>(23,067,506)</u>	<u>(1,006,888)</u>	<u>-</u>	<u>(24,074,394)</u>
Total accumulated depreciation.....	<u>(85,822,683)</u>	<u>(4,156,117)</u>	<u>328,467</u>	<u>(89,650,333)</u>
Total capital assets being depreciated, net.....	<u>70,209,797</u>	<u>2,604,837</u>	<u>-</u>	<u>72,814,634</u>
Total governmental activities capital assets, net.....	<u>\$ 86,503,917</u>	<u>\$ 41,314,106</u>	<u>\$ -</u>	<u>\$ 127,818,023</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 7,026,056	\$ -	\$ -	\$ 7,026,056
Construction in progress.....	<u>371,893</u>	<u>129,542</u>	<u>(212,647)</u>	<u>288,788</u>
Total capital assets not being depreciated....	<u>7,397,949</u>	<u>129,542</u>	<u>(212,647)</u>	<u>7,314,844</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	1,779,209	207,501	-	1,986,710
Plant in service.....	41,605,824	2,348,117	(62,758)	43,891,183
Building improvements.....	2,363,155	-	-	2,363,155
Machinery and equipment.....	<u>903,280</u>	<u>-</u>	<u>-</u>	<u>903,280</u>
Total capital assets being depreciated.....	<u>46,651,468</u>	<u>2,555,618</u>	<u>(62,758)</u>	<u>49,144,328</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(101,260)	(63,258)	-	(164,518)
Plant in service.....	(17,484,291)	(1,248,180)	62,758	(18,669,713)
Building improvements.....	(1,526,863)	(94,652)	-	(1,621,515)
Machinery and equipment.....	<u>(120,431)</u>	<u>(101,289)</u>	<u>-</u>	<u>(221,720)</u>
Total accumulated depreciation.....	<u>(19,232,845)</u>	<u>(1,507,379)</u>	<u>62,758</u>	<u>(20,677,466)</u>
Total capital assets being depreciated, net.....	<u>27,418,623</u>	<u>1,048,239</u>	<u>-</u>	<u>28,466,862</u>
Total business-type activities capital assets, net.....	<u>\$ 34,816,572</u>	<u>\$ 1,177,781</u>	<u>\$ (212,647)</u>	<u>\$ 35,781,706</u>

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

Governmental Activities:

General government.....	\$ 440,639
Public safety.....	437,916
Education.....	1,555,382
Public works.....	1,417,101
Human services.....	1,298
Culture and recreation.....	<u>303,781</u>

Total depreciation expense - governmental activities..... \$ 4,156,117

Business-Type Activities:

Country Club.....	\$ 259,199
Electric light.....	<u>1,248,180</u>

Total depreciation expense - business-type activities..... \$ 1,507,379

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Inter-fund receivables and payables within the nonmajor governmental funds at June 30, 2009, as summarized as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Town Gifts Fund	Town Grants Fund	\$ 218,051 (1)
Town Gifts Fund	Sewer Fund	<u>8,383 (1)</u>
		<u>\$ 226,434</u>

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

Interfund transfers for the fiscal year ended June 30, 2009, are summarized as follows:

<u>Transfers Out:</u>	<u>Transfers In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Affordable Housing Trust Fund</u>	<u>Nonmajor Governmental Funds</u>	
General Fund.....	\$ -	\$ -	\$ 563,990	\$ 563,990 (1)
Affordable Housing Trust Fund.....	1,290	-	-	1,290 (2)
Nonmajor Governmental Funds.....	<u>111,486</u>	<u>400,000</u>	<u>-</u>	<u>511,486 (3)</u>
Total.....	<u>\$ 112,776</u>	<u>\$ 400,000</u>	<u>\$ 563,990</u>	<u>\$ 1,076,766</u>

(1) Represents budgeted transfers from the general fund to various nonmajor capital projects funds.

(2) Represents a budgeted transfer from the Affordable Housing Trust Fund to reimburse legal fees.

(3) Represents budgeted transfers from the stabilization fund to the general fund and from the Community Preservation Fund to the Affordable Housing Trust Fund to acquire a building.

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 original 3 and 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:

<u>Asset:</u>	<u>Business-Type Activities</u>
Machinery and equipment.....	\$ 861,570
Less: accumulated depreciation.....	<u>(210,563)</u>
Total.....	<u>\$ 651,007</u>

Future minimum lease payments under capitalized leases consist of the following at June 30, 2009:

<u>Fiscal Years Ending June 30,</u>	<u>Governmental Activities</u>
2010.....	\$ 205,920
2011.....	205,920
2012.....	<u>172,179</u>
Total minimum lease payments.....	584,019
Less: amounts representing interest.....	<u>(42,205)</u>
Present value of minimum lease payments.....	<u>\$ 541,814</u>

Operating Leases

The Town leases school buses under noncancelable operating leases that expire in fiscal year 2012. The cost of the leases for the fiscal year ended June 30, 2009, totaled approximately \$365,000, and is reported an educational expenditure of the general fund.

The future minimum lease payments are as follows at June 30, 2009:

<u>Fiscal Years Ending June 30,</u>	<u>Governmental Activities</u>
2010.....	\$ 371,857
2011.....	383,019
2012.....	<u>394,507</u>
Total.....	<u>\$ 1,149,383</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.

Details related to the short-term debt activity for the fiscal year ended June 30, 2009, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2008	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2009
BAN	School Engineering and Design.....	4.00	06/18/09	\$ 1,700,000	\$ -	\$ 1,700,000	\$ -
BAN	School Construction.....	4.00	06/18/09	1,400,000	-	1,400,000	-
BAN	DPW Facility.....	4.00	06/18/09	2,000,000	-	2,000,000	-
GAN	Public Works PWED Grant.....	4.00	06/18/09	1,000,000	-	1,000,000	-
BAN	School Construction.....	2.50	11/25/09	-	1,705,000	-	1,705,000
BAN	School Modulars.....	2.50	11/25/09	-	66,000	-	66,000
BAN	School Construction.....	1.25	12/23/09	-	1,640,476	-	1,640,476
Total.....				\$ 6,100,000	\$ 3,411,476	\$ 6,100,000	\$ 3,411,476

At fiscal year end, the Town had outstanding BANS totaling \$41,737,467. At maturity, \$21,166,467 of the BANS maturing on November 25, 2009 and \$17,159,524 maturing on December 23, 2009 were permanently funded. The remaining balances of \$1,771,000 and \$1,640,476, respectively, are scheduled to be paid down on their respective due dates. This transaction meets the criteria for the BAN to be treated as long-term debt.

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 indebtedness at June 30, 2009, and the debt service requirements are as follows:

Governmental Activities

Project	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Civic Center Bonds.....	3.95 - 6.0	\$ 2,080,000	\$ -	\$ 220,000	\$ 1,860,000
Middle School Bonds.....	3.4 - 5.5	2,200,000	-	200,000	2,000,000
2002 Multi Purpose Bonds.....	3.5 - 5.375	28,360,000	-	2,285,000	26,075,000
2007 Multi Purpose Bonds.....	4.0	4,929,750	-	244,750	4,685,000
MWPAT - 93 Bonds.....	0.0	70,962	-	11,355	59,607
MWPAT - 98 Bonds.....	4.5	2,027,000	-	167,900	1,859,100
MWPAT - 2001 Bonds.....	0.0	59,786	-	5,436	54,350
MWPAT - 2006 Bonds.....	2.0	384,224	-	16,790	367,434
MWRA Loan.....	0.0	47,520	-	15,840	31,680
DPW Facility.....	3.0 - 5.0	-	6,787,467	-	6,787,467
School Engineering and Design.....	3.0 - 5.0	-	59,524	-	59,524
School Projects - Fosters/PRS.....	3.0 - 5.0	-	7,000,000	-	7,000,000
School Projects - Middle School Modulares.....	3.0 - 5.0	-	634,000	-	634,000
School Projects - East School.....	3.0 - 5.0	-	15,695,000	-	15,695,000
Land Acquisition - Hershey Street.....	3.0 - 5.0	-	1,450,000	-	1,450,000
Lincoln School Apartment Acquisition.....	3.0 - 5.0	-	6,700,000	-	6,700,000
Total.....		40,159,242	38,325,991	3,167,071	75,318,162
Unamortized Premium on Bonds.....		581,939	-	57,328	524,611
Total Long Term Debt.....		\$ 40,741,181	\$ 38,325,991	\$ 3,224,399	\$ 75,842,773

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010.....	\$ 5,358,592	\$ 2,433,734	\$ 7,792,326
2011.....	5,308,829	2,982,925	8,291,754
2012.....	5,284,462	2,791,257	8,075,719
2013.....	5,030,183	2,695,447	7,725,630
2014.....	4,961,370	2,390,218	7,351,588
2015.....	4,950,065	2,153,467	7,103,532
2016.....	4,961,447	1,941,322	6,902,769
2017.....	4,972,937	1,726,962	6,699,899
2018.....	4,979,436	1,510,709	6,490,145
2019.....	4,786,142	1,271,122	6,057,264
2020.....	4,360,922	1,065,667	5,426,589
2021.....	4,361,345	848,244	5,209,589
2022.....	2,391,776	633,363	3,025,139
2023.....	2,252,216	536,391	2,788,607
2024.....	2,257,664	446,642	2,704,306
2025.....	2,263,122	356,685	2,619,807
2026.....	2,263,589	266,618	2,530,207
2027.....	2,269,065	176,441	2,445,506
2028.....	1,955,000	92,200	2,047,200
2029.....	350,000	14,000	364,000
Total.....	\$ <u>75,318,162</u>	\$ <u>26,333,414</u>	\$ <u>101,651,576</u>

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 \$476,000 and interest costs for \$380,000. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$2,109,000. The principal subsidies are guaranteed and therefore a \$476,000 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. The fiscal year 2009 principal and interest subsidies totaled \$48,000 and \$63,000, respectively.

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 2009, approximately \$1,995,000 million of such assistance was received. Approximately \$23.3 million is expected to be received in future fiscal years. Of this amount, \$4.4 million represents reimbursement of long-term interest costs, and \$18.9 million represents reimbursement of approved construction costs. Accordingly, an \$18.9 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.

The Town will also receive construction assistance on the new renovations to the East Elementary school. The grant is for 40% of approved construction costs not to exceed \$10,370,000. The Town is receiving reimbursement on this project as costs are incurred and approved by the MSBA and the Town will issue long-term

debt for the balance due at the completion of the project. During fiscal year 2009, the Town received approximately \$8.8 million from the MSBA for this project.

The Massachusetts Water Resource Authority (MWRA) operates an Infiltration/Inflow Financial Assistance Program for community owned collection systems. For each community approved for the project, financial assistance received from the MWRA consists of a grant and non-interest bearing loan. At June 30, 2009, the outstanding principal amount of these loans totaled \$31,680.

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, 2009, the Town had the following authorized and un-issued debt:

Purpose	Amount
School Buildings.....	\$ 1,073
Sewer Construction.....	40,000
Sewer MWRA I & I Removal.....	426,050
Sewer Route 3a.....	800,000
Sewer Weir River 2.....	619,800
Sewer Green Street Court.....	75,000
School Buildings.....	255,000
School Buildings/New Elementary School.....	7,760,000
Lincoln School Apartments Acquisition.....	300,000
Sewer Construction / Lower Central.....	125,000
Sewer Contstruction / Thaxter to Kents Lane.....	150,000
Total.....	\$ <u>10,551,923</u>

Business-Type Activities

Project	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
SSCC - Irrigation.....	4.0	\$ <u>1,585,000</u>	\$ -	\$ <u>120,000</u>	\$ <u>1,465,000</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010.....	\$ 125,000	\$ 56,100	\$ 181,100
2011.....	125,000	51,100	176,100
2012.....	130,000	46,000	176,000
2013.....	135,000	40,700	175,700
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.....	<u>\$ 1,465,000</u>	<u>\$ 311,900</u>	<u>\$ 1,776,900</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2009, the following changes occurred in long-term liabilities:

	<u>Balance June 30, 2008</u>	<u>Bonds and Notes Issued</u>	<u>Bonds and Notes Redeemed</u>	<u>Other Increases</u>	<u>Other Decreases</u>	<u>Balance June 30, 2009</u>	<u>Due within One Year</u>
Governmental Activities:							
Bonds and notes payable.....	\$ 40,159,242	\$ 38,325,991	\$ (3,167,071)	\$ -	\$ -	\$ 75,318,162	\$ 5,358,592
Unamortized bond premium.....	581,939	-	-	-	(57,328)	524,611	54,514
Workers' compensation.....	663,673	-	-	17,589	(447,557)	233,705	119,120
Compensated absences.....	1,223,355	-	-	754,740	(836,795)	1,141,300	859,300
Landfill closure.....	1,347,785	-	-	80,554	(11,339)	1,417,000	200,000
Other post-employment benefits.....	-	-	-	7,381,254	(3,784,092)	3,597,162	-
Total governmental activity long-term liabilities.....	<u>\$ 43,975,994</u>	<u>\$ 38,325,991</u>	<u>\$ (3,167,071)</u>	<u>\$ 8,234,137</u>	<u>\$ (5,137,111)</u>	<u>\$ 82,231,940</u>	<u>\$ 6,591,526</u>
Business-Type Activities:							
Bonds and notes payable.....	\$ 1,585,000	\$ -	\$ (120,000)	\$ -	\$ -	\$ 1,465,000	\$ 125,000
Compensated absences.....	-	-	-	9,205	-	9,205	9,205
Capital lease obligations.....	719,779	-	-	-	(177,965)	541,814	184,439
Rate stabilization reserve.....	2,472,611	-	-	-	(748,144)	1,724,467	-
Customer deposits.....	940,265	-	-	-	42,985	983,250	-
Other post-employment benefits.....	-	-	-	169,588	(74,494)	95,094	-
Total business-type activity long-term liabilities.....	<u>\$ 5,717,655</u>	<u>\$ -</u>	<u>\$ (120,000)</u>	<u>\$ 178,793</u>	<u>\$ (957,618)</u>	<u>\$ 4,818,830</u>	<u>\$ 318,644</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 – LANDFILL CLOSURE AND POST CLOSURE CARE

State and federal laws and regulations require the Town to construct a final capping system on the Hingham Municipal Landfill site as it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town completed the closure of various portions of the landfill in 1996 and is currently implementing a closure and post closure care plan for the remainder of the site. The Town expects the closure of the remaining site to occur during calendar year 2010. To date, the Town has expended approximately \$2,423,000 and has reflected \$1,417,000 as the estimate of the remaining liability at June 30, 2009. This amount is based upon estimates of what it would cost the Town to perform all closure and post closure care as of June 30, 2009. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

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, 2009, the estimated liability for workers’ compensation claims totaled approximately \$234,000.

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 2008.....	\$ 596,743	\$ 398,164	\$ (331,234)	\$ 663,673
Fiscal Year 2009.....	663,673	17,589	(447,557)	233,705

Any liability for unemployment claims at June 30, 2009 is considered to be immaterial for these financial statements.

NOTE 12 – CONTRIBUTORY RETIREMENT SYSTEM

Plan Description - The Town contributes to the System, a single-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 \$7.3 million for the fiscal year ended June 30, 2009, 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 at 210 Central Street, Hingham, Massachusetts 02043.

At December 31, 2008, the System's membership consists of the following:

Active members.....	559
Inactive members.....	91
Retirees and beneficiaries currently receiving benefits.....	<u>262</u>
 Total.....	 <u><u>912</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 did not require the Town to make an annual contribution to the System. 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, 2009, 2008, and 2007 were \$2,817,150, \$2,835,897, and \$3,024,454, respectively, which equaled its required contribution for each fiscal year. The required contribution was determined as part of the January 1, 2008 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.

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)
1/1/08	\$ 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%
1/1/03	38,571,346	74,835,302	36,263,956	51.5%	15,626,514	232.1%
1/1/02	44,876,765	71,631,723	26,754,958	62.6%	14,811,862	180.6%
1/1/00	48,884,485	57,861,551	8,977,066	84.5%	12,214,509	73.5%

NOTE 13 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Fiscal year 2009 and calendar year 2008 are the initial years that the Town and the Hingham Municipal Lighting Plant (HMLP) have 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 Post Employment 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 Post Employment 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 Plymouth County HealthCare System. 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 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:

	Governmental Activities	Business-Type Activities
Current retirees, beneficiaries, and dependants.....	677	17
Current active members.....	861	29
Total.....	<u>1,538</u>	<u>46</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. For the year ended June 30, 2009 and calendar year ended December 31, 2008, plan members contributed approximately \$1.4 million and \$71,000, respectively, through their required contributions. 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 contributed \$3,484,092 during fiscal year 2009, and the HMLP contributed \$74,494 during calendar year 2008, 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 2009, the Town pre-funded future OPEB liabilities in the amount of \$300,000. The HMLP pre-funded \$1,461,000 in March of 2009.

Annual OPEB Cost and Net OPEB Obligation – The annual other post employment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The components of the Town’s 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	
Normal Cost.....	\$ 4,079,009	\$ 64,767	(1)
Amortization of unfunded actuarial accrued liability.....	<u>3,302,245</u>	<u>104,821</u>	
Annual OPEB cost/expense.....	7,381,254	169,588	
Contributions made.....	<u>(3,784,092)</u>	<u>(74,494)</u>	
Increase/(Decrease) in net OPEB obligation.....	3,597,162	95,094	
Net OPEB obligation - beginning of year.....	<u>-</u>	<u>-</u>	
Net OPEB obligation - end of year.....	\$ <u><u>3,597,162</u></u>	\$ <u><u>95,094</u></u>	

(1) The Business-Type Activities consist of the Hingham Municipal Lighting Plant as of December 31, 2008.

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

Governmental Activities

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 7,381,254	51.3%	\$ 3,597,162

Business-Type Activities

12/31/2008	\$ 169,588	43.9%	\$ 95,094
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Funded Status and Funding Progress – The funded status of the Plan as of the most recent actuarial valuation dates is as follows:

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)
<u>Governmental Activities</u>						
1/1/2009	\$ 246,535	\$ 114,530,349	\$ 114,283,814	0.22%	\$ 40,145,677	284.67%
<u>Business-Type Activities</u>						
7/1/2006	\$ -	\$ 1,953,952	\$ 1,953,952	0.00%	\$ 2,567,786	76.09%

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 valuations:

Governmental Activities

Valuation date.....	January 1, 2009
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 4.5%, level % of payroll
Remaining amortization period.....	29 years as of July 1, 2009, closed
Asset valuation method.....	Market value
Actuarial assumptions:	
Investment rate of return.....	3.5% pay-as-you-go scenario
Inflation rate.....	4.0%
Projected salary increases.....	4.0%
Medical/Drug cost trend rate.....	8.5% decreasing by 0.5% for 7 years to an ultimate level of 5.0% per year

Business-Type Activities

Valuation date.....	July 1, 2006
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Payments increasing at 4.5%, level % of payroll
Remaining amortization period.....	29 years as of January 1, 2009, 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.....	9.5% decreasing to 5% after 9 years

NOTE 14 – COMMITMENTS

The Town is currently in the process of constructing a new elementary school. As a result, the Town has entered into, or is planning to enter into, contracts totaling approximately \$26.6 million to complete the project. The project is currently in the construction phase. Approximately \$22.3 million has been spent on the project at June 30, 2009. The project is expected to be funded by bond proceeds and a 40% MSBA state grant.

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

NOTE 15 – POWER PURCHASE COMMITMENTS

The Hingham Municipal Lighting Plant has entered into a contract with Integrys Energy Service to purchase 10MWs per year. This purchase power contract is effective from 2006 through 2010 with an estimated annual cost of \$7,047,420.

The Hingham Municipal Lighting Plant has also entered into various long-term agreements to purchase power from other utilities through Energy New England (ENE). These power contracts began in 2008 and go through to the year 2015.

Through membership in Massachusetts Municipal Wholesale Electric Company (MMWEC), the Lighting Plant is contingently liable on various projects in which they participated as described below.

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 that Project. The MMWEC revenues derived from each Project are used solely to provide for the payments of 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% interest 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 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 unit extends to November 25, 2045.

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

Pursuant to the Power Service Agreements (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 billing. 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.

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 Lighting Plant.

As of December 31, 2008, total capital expenditures for MMWEC's Projects amounted to \$1,551,793,000, of which \$61,140,000 represents the amount associated with the Lighting Plant's share of Project Capability 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 \$570,245,000, of which \$20,785,000 is associated with the Lighting Plant's share of Project Capability of the Projects in which it participates, although such an amount is not allocated to the Lighting Plant. As of December 31, 2008, MMWEC's total future debt service requirement on outstanding bonds issued for the Projects is \$663,144,000 of which \$24,275,000 is anticipated to be billed to the Lighting Plant 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 \$7,443,000 and \$7,518,000 for the years ended December 31, 2008 and 2007 respectively.

The Hingham Municipal Lighting Plant’s annual energy costs related to its long-term power purchase commitments as of 2008 are approximately as follows:

For Years Ended December 31,	
2009.....	\$ 19,163,225
2010.....	11,435,572
2011.....	7,127,036
2012.....	7,083,582
2013.....	5,628,055
2014 -2018.....	9,561,745
2019.....	<u>223,000</u>
 Total.....	 \$ <u>60,222,215</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, 2009, 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, 2009, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2009.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2009, the following GASB pronouncements were implemented:

- The GASB issued Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, which is required to be implemented in fiscal year 2009. This standard has changed the basic financial statements and the related footnotes and required supplementary information.
- The GASB issued Statement #49, Accounting and Financial Reporting for Pollution Remediation Obligations, which is required to be implemented in fiscal year 2009. The basic financial statements were not impacted by this Statement.

- The GASB issued Statement #51, Accounting and Financial Reporting for Intangible Assets, which is required to be implemented in fiscal year 2010. Management elected to implement this standard early and this standard did not impact the basic financial statements.
- The GASB issued Statement #52, Land and Other Real Estate Held as Investments by Endowments, which is required to be implemented in fiscal year 2009. The basic financial statements were not impacted by this Statement.
- The GASB issue Statement #53, Accounting and Financial Reporting for Derivative Instruments, which is required to be implemented in fiscal year 2010. The standards requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. Management elected to implement this standard early and this standard did not impact the basic financial statements.
- The GASB issued Statement #55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which was implemented in fiscal year 2009. The basic financial statements were not impacted by this Statement.
- The GASB issued Statement #56, Codification of Accounting and Reporting Guidance Contained in the AICPA Statement on Auditing Standards, which was implemented in fiscal year 2009. This statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations. The basic financial statements were not impacted by this Statement.

Future implementation of GASB Pronouncements:

- The GASB issued Statement #54, Fund Balance Reporting and Governmental Fund Type Definitions, which is required to be implemented in fiscal year 2011. The implementation of this GASB will impact the Town's financial statements, as it changes fund balance components into Nonspendable; Restricted; Committed; Assigned; and Unassigned amounts.

Required Supplementary Information

Budgetary Comparison Schedules

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.

The Sewer Maintenance Fund is a budgeted Special Revenue Fund that provides annual resources for sewer maintenance and debt service.

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

FISCAL YEAR ENDED JUNE 30, 2009

	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.....	\$ 54,789,488	\$ 54,789,488	\$ 55,008,763	\$ -	\$ 219,275
Tax liens.....	-	-	49,620	-	49,620
Motor vehicle and other excise taxes.....	3,230,721	3,230,721	3,130,199	-	(100,522)
Charges for services.....	1,684,630	1,684,630	1,579,671	-	(104,959)
Penalties and interest on taxes.....	225,969	225,969	208,962	-	(17,007)
Intergovernmental.....	9,295,544	9,295,544	8,642,472	-	(653,072)
Departmental and other.....	1,714,309	1,714,309	1,662,456	-	(51,853)
Investment income.....	946,060	946,060	413,486	-	(532,574)
TOTAL REVENUES.....	71,886,721	71,886,721	70,695,629	-	(1,191,092)
EXPENDITURES:					
Selectmen:					
Payroll.....	391,255	389,164	353,198	-	35,966
Expenses.....	38,880	45,380	44,253	900	227
New Equipment.....	25,000	25,000	19,647	5,000	353
	<u>455,135</u>	<u>459,544</u>	<u>417,098</u>	<u>5,900</u>	<u>36,546</u>
Advisory Committee:					
Reserve Fund.....	432,858	220,871	-	-	220,871
Town Accountant:					
Payroll.....	354,205	356,068	353,768	-	2,300
Expenses.....	66,890	75,641	69,026	1,955	4,660
New Equipment.....	110,049	110,049	66,490	43,559	-
Audit.....	45,000	45,000	39,010	-	5,990
	<u>576,144</u>	<u>586,758</u>	<u>528,294</u>	<u>45,514</u>	<u>12,950</u>
Information Tech.....	89,920	89,920	74,551	15,369	-
Assessors:					
Payroll.....	276,056	284,158	281,602	-	2,556
Expenses.....	11,147	11,147	9,507	100	1,540
Revaluation.....	7,500	7,500	6,540	-	960
Maintenance of Maps.....	6,000	6,000	6,000	-	-
	<u>300,703</u>	<u>308,805</u>	<u>303,649</u>	<u>100</u>	<u>5,056</u>
Treasurer / Collector					
Payroll.....	263,308	271,190	266,472	-	4,718
Expenses.....	43,813	43,813	42,312	-	1,501
New Equipment.....	10,705	10,705	8,625	-	2,080
Tax Titles.....	10,000	10,000	8,547	-	1,453
	<u>327,826</u>	<u>335,708</u>	<u>325,956</u>	<u>-</u>	<u>9,752</u>
Legal Services					
Expenses.....	168,000	292,804	287,202	1,311	4,291
Town Meetings					
Payroll.....	2,692	2,773	2,521	-	252
Expenses.....	26,833	26,833	22,741	-	4,092
	<u>29,525</u>	<u>29,606</u>	<u>25,262</u>	<u>-</u>	<u>4,344</u>
Town Clerk					
Payroll.....	153,499	158,104	157,684	-	420
Expenses.....	6,061	6,061	2,964	-	3,097
	<u>159,560</u>	<u>164,165</u>	<u>160,648</u>	<u>-</u>	<u>3,517</u>
Elections and Registers					
Payroll.....	17,680	18,211	17,076	-	1,135
Expenses.....	14,250	14,250	14,055	-	195
	<u>31,930</u>	<u>32,461</u>	<u>31,131</u>	<u>-</u>	<u>1,330</u>
Conservation					
Payroll.....	174,613	179,852	174,458	-	5,394
Expenses.....	13,000	13,000	8,910	2,200	1,890
	<u>187,613</u>	<u>192,852</u>	<u>183,368</u>	<u>2,200</u>	<u>7,284</u>
Planning Board					
Payroll.....	114,785	118,228	102,550	-	15,678
Expenses.....	19,145	36,403	26,757	1,000	8,646
	<u>133,930</u>	<u>154,631</u>	<u>129,307</u>	<u>1,000</u>	<u>24,324</u>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Board of Appeals					
Payroll.....	86,286	88,862	86,545	-	2,317
Expenses.....	7,160	7,160	5,014	-	2,146
	<u>93,446</u>	<u>96,022</u>	<u>91,559</u>	<u>-</u>	<u>4,463</u>
Bare Cove Park					
Payroll.....	14,711	15,152	15,149	-	3
Expenses.....	7,085	7,085	5,876	776	433
	<u>21,796</u>	<u>22,237</u>	<u>21,025</u>	<u>776</u>	<u>436</u>
Hersey House					
Expenses.....	7,123	14,212	10,212	4,000	-
Town Office Building					
Payroll.....	160,918	165,734	162,962	-	2,772
Expenses.....	423,969	423,969	395,311	4,250	24,408
New Equipment.....	207,841	207,841	32,406	171,126	4,309
	<u>792,728</u>	<u>797,544</u>	<u>590,679</u>	<u>175,376</u>	<u>31,489</u>
GAR Hall					
Expenses.....	14,320	14,320	12,753	1,567	-
Total General Government.....	3,822,557	3,812,460	3,192,694	253,113	366,653
Public Safety and Protective Services - Police					
Payroll.....	4,030,944	4,138,521	4,111,633	-	26,888
Expenses.....	312,675	327,075	312,109	1,594	13,372
New Equipment.....	320,000	320,000	282,130	13,970	23,900
	<u>4,663,619</u>	<u>4,785,596</u>	<u>4,705,872</u>	<u>15,564</u>	<u>64,160</u>
Public Safety and Protective Services - Fire					
Payroll.....	4,077,611	4,077,611	3,952,938	11,559	113,114
Expenses.....	337,457	385,417	380,648	106	4,663
New Equipment.....	300,711	300,711	89,472	200,007	11,232
	<u>4,715,779</u>	<u>4,763,739</u>	<u>4,423,058</u>	<u>211,672</u>	<u>129,009</u>
Public Safety and Protective Services - All Other					
Payroll.....	883,391	929,092	878,173	-	50,919
Expenses.....	496,892	500,727	408,456	71,250	21,021
	<u>1,380,283</u>	<u>1,429,819</u>	<u>1,286,629</u>	<u>71,250</u>	<u>71,940</u>
Total Protection of Persons and Property.....	10,759,681	10,979,154	10,415,559	298,486	265,109
School Department					
Payroll.....	28,125,497	28,125,497	28,123,805	-	1,692
Expenses.....	7,260,670	7,260,670	6,642,886	283,606	334,178
New Equipment.....	481,890	481,890	363,084	-	118,806
	<u>35,868,057</u>	<u>35,868,057</u>	<u>35,129,775</u>	<u>283,606</u>	<u>454,676</u>
Selectmen's Engineering					
Payroll.....	91,394	94,136	94,260	-	(124)
Expenses.....	20,000	20,000	17,494	-	2,506
	<u>111,394</u>	<u>114,136</u>	<u>111,754</u>	<u>-</u>	<u>2,382</u>
Department of Public Works					
Payroll.....	1,678,921	1,735,574	1,701,455	2,228	31,891
Expenses.....	322,026	354,465	352,219	-	2,246
New Equipment.....	297,851	309,336	261,234	1,650	46,452
Snow Removal.....	250,000	975,739	979,638	-	(3,899)
Resurfacing.....	306,500	306,500	250,044	56,446	10
	<u>2,855,298</u>	<u>3,681,614</u>	<u>3,544,590</u>	<u>60,324</u>	<u>76,700</u>
Landfill/Recycling					
Payroll.....	409,021	430,263	430,047	-	216
Expenses.....	1,092,356	1,092,356	958,924	45,952	87,480
New Equipment.....	688,197	688,197	637,008	18,508	32,681
	<u>2,189,574</u>	<u>2,210,816</u>	<u>2,025,979</u>	<u>64,460</u>	<u>120,377</u>
Total Public Works and Facilities.....	5,156,266	6,006,566	5,682,323	124,784	199,459
Health Department					
Payroll.....	270,823	278,917	275,942	-	2,975
Expenses.....	18,820	18,820	15,373	-	3,447
	<u>289,643</u>	<u>297,737</u>	<u>291,315</u>	<u>-</u>	<u>6,422</u>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Elder Services					
Payroll.....	168,513	173,550	170,034	-	3,516
Expenses.....	59,536	62,536	38,030	-	24,506
New Equipment.....	10,000	10,000	-	-	10,000
Senior Workoff Program.....	12,000	12,000	10,750	-	1,250
	<u>250,049</u>	<u>258,086</u>	<u>218,814</u>	<u>-</u>	<u>39,272</u>
Veteran's Services					
Payroll.....	43,464	44,994	44,994	-	-
Expenses.....	6,800	4,236	4,236	-	-
Benefits.....	184,000	253,095	251,080	1,357	658
	<u>234,264</u>	<u>302,325</u>	<u>300,310</u>	<u>1,357</u>	<u>658</u>
Plymouth County Rape Crisis Center.....	2,500	2,500	2,500	-	-
South Shore Woman's Center.....	7,000	7,000	3,500	-	3,500
Total Human Services.....	783,456	867,648	816,439	1,357	49,852
Library					
Payroll.....	1,079,284	1,115,163	1,114,917	-	246
Expenses.....	249,962	254,962	244,226	2,340	8,396
New Equipment.....	56,732	56,732	56,732	-	-
	<u>1,385,978</u>	<u>1,426,857</u>	<u>1,415,875</u>	<u>2,340</u>	<u>8,642</u>
Recreation					
Payroll.....	152,568	157,145	113,702	-	43,443
New Equipment.....	29,457	29,457	29,457	-	-
	<u>182,025</u>	<u>186,602</u>	<u>143,159</u>	<u>-</u>	<u>43,443</u>
Trustees of Bathing Beach					
Payroll.....	17,280	16,566	15,921	-	645
Expenses.....	9,807	11,039	10,552	-	487
	<u>27,087</u>	<u>27,605</u>	<u>26,473</u>	<u>-</u>	<u>1,132</u>
Historical Commission					
Payroll.....	33,566	34,573	34,375	-	198
Expenses.....	5,585	5,585	2,978	1,498	1,109
	<u>39,151</u>	<u>40,158</u>	<u>37,353</u>	<u>1,498</u>	<u>1,307</u>
Celebrations.....	9,500	9,994	9,994	-	-
Total Culture & Recreation.....	1,643,741	1,691,216	1,632,854	3,838	54,524
Debt Service					
Principal.....	3,044,909	3,053,666	3,053,666	-	-
Interest.....	2,120,411	2,111,654	2,070,491	-	41,163
	<u>5,165,320</u>	<u>5,165,320</u>	<u>5,124,157</u>	<u>-</u>	<u>41,163</u>
Town Pension.....	2,824,348	2,831,753	2,827,885	-	3,868
Property and Liability Insurance.....	401,649	401,649	401,649	-	-
Employee Benefits.....	4,797,250	4,798,450	4,148,112	13,491	636,847
State and County Charges.....	2,947,401	2,947,401	2,732,683	-	214,718
Special Articles.....	718,958	286,148	-	-	286,148
TOTAL EXPENDITURES.....	74,888,684	75,655,822	72,104,130	978,675	2,573,017
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(3,001,963)	(3,769,101)	(1,408,501)	(978,675)	1,381,925
OTHER FINANCING SOURCES (USES):					
Transfers in.....	112,776	112,776	112,776	-	-
Transfers out.....	(563,990)	(563,990)	(563,990)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(451,214)	(451,214)	(451,214)	-	-
NET CHANGE IN FUND BALANCE.....	(3,453,177)	(4,220,315)	(1,859,715)	(978,675)	1,381,925
BUDGETARY FUND BALANCE, Beginning of year.....	8,348,593	8,348,593	8,348,593	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 4,895,416	\$ 4,128,278	\$ 6,488,878	\$ (978,675)	\$ 1,381,925

See notes to required supplementary information.

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Charges for services.....	\$ 2,105,934	\$ 2,105,934	\$ 2,047,013	\$ -	\$ (58,921)
Departmental and other.....	-	-	13,547	-	13,547
TOTAL REVENUES.....	2,105,934	2,105,934	2,060,560	-	(45,374)
EXPENDITURES:					
Public works.....	2,128,577	2,128,577	2,003,203	-	125,374
Debt service:					
Principal.....	50,000	50,000	50,000	-	-
Interest.....	9,156	9,156	9,156	-	-
Total debt service expenditures.....	59,156	59,156	59,156	-	-
TOTAL EXPENDITURES.....	2,187,733	2,187,733	2,062,359	-	125,374
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(81,799)	(81,799)	(1,799)	-	80,000
NET CHANGE IN FUND BALANCE.....	(81,799)	(81,799)	(1,799)	-	80,000
BUDGETARY FUND BALANCE, Beginning of year.....	42,860	42,860	42,860	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (38,939)	\$ (38,939)	\$ 41,061	\$ -	\$ 80,000

See notes to required supplementary information.

Other Post-Employment Benefit Plan Schedules

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

The Schedule of 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 POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

JUNE 30, 2009

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)
<u>Governmental Activities</u>						
1/1/2009	\$ 246,535	\$ 114,530,349	\$ 114,283,814	0.22%	\$ 40,145,677	284.67%
<u>Business-Type Activities</u>						
7/1/2006	\$ -	\$ 1,953,952	\$ 1,953,952	0.00%	\$ 2,567,786	76.09%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
<u>Governmental Activities</u>			
06/30/09	\$ 7,381,254	\$ 3,784,092	51.3%
<u>Business-Type Activities</u>			
12/31/2008	\$ 169,588	\$ 74,494	43.9%

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

See notes to required supplementary information.

OTHER POST-EMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

FISCAL YEAR ENDED JUNE 30, 2009

Governmental Activities

Actuarial Methods:

Valuation date.....	January 1, 2009
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 4.5%, level % of payroll
Remaining amortization period.....	29 years as of July 1, 2009, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	3.5% pay-as-you-go scenario
Inflation rate.....	4.0%
Projected salary increases.....	4.0%
Medical/drug cost trend rate.....	8.5% decreasing by 0.5% for 7 years to an ultimate level of 5.0% per year

Business-Type Activities

Actuarial Methods:

Valuation date.....	July 1, 2006
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Amortization payments increasing at 4.5%, level % of payroll
Remaining amortization period.....	29 years as of January 1, 2009, 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.....	9.5% decreasing to 5% after 9 years

Plan Membership:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Current retirees, beneficiaries, and dependents.....	677	17
Current active members.....	861	29
Total.....	<u>1,538</u>	<u>46</u>

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved 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 and the sewer maintenance fund in conformity with the guidelines described above.

The original fiscal year 2009 general fund budget consisted of approximately \$75.5 million in appropriations and other amounts to be raised, including approximately \$1.3 million in amounts carried over from previous fiscal years. During fiscal year 2009, the original budget was increased by approximately \$767,000 mainly for public safety and public works activities.

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, 2009, is presented below:

Net change in fund balance - budgetary basis.....	\$ (1,859,715)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	265,790
Net change in recording 60 day receipts.....	(37,164)
Net change in short-term debt interest accrual.....	(153,687)
Recognition of revenue for on-behalf payments.....	7,345,883
Recognition of expenditures for on-behalf payments.....	<u>(7,345,883)</u>
Net change in fund balance - GAAP basis.....	<u>\$ (1,784,776)</u>

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2009, expenditures exceeded appropriations for public works engineering payroll and snow removal, in the amounts of \$124 and \$3,899, respectively. These over-expenditures will be funded by available funds during fiscal year 2010.

NOTE B – OTHER POST-EMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan (“The Other Post Employment 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 post-employment 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%. 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.

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.

Hersey Street Land – This fund is used to account for the acquisition of Hersey Street land.

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, 2009

	Special Revenue Funds						
	Town Gifts	School Gifts	Town Grants	School State Grants	School Federal Grants	School Revolving	Town Revolving
ASSETS							
Cash and cash equivalents.....	\$ 218,874	\$ 26,424	\$ -	\$ 677,372	\$ 51,294	\$ 802,521	\$ 661,023
Restricted ash and cash equivalents.....	-	-	-	-	-	-	-
Receivables, net of uncollectibles:							
Departmental and other.....	-	-	-	-	-	-	-
User charges.....	-	-	-	-	-	-	-
Intergovernmental.....	-	-	658,586	-	84,167	-	-
Due from other funds.....	226,434	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 445,308	\$ 26,424	\$ 658,586	\$ 677,372	\$ 135,461	\$ 802,521	\$ 661,023
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Warrants payable.....	\$ 18,497	\$ -	\$ 295,982	\$ 4,203	\$ 10,406	\$ 2,476	\$ 1,747
Deferred revenues.....	-	-	442,130	-	-	-	235,392
Due to other funds.....	-	-	218,051	-	-	-	-
Notes payable.....	-	-	-	-	-	-	-
TOTAL LIABILITIES.....	18,497	-	956,163	4,203	10,406	2,476	237,139
FUND BALANCES:							
Reserved for:							
Perpetual permanent funds.....	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue funds.....	426,811	26,424	(297,577)	673,169	125,055	800,045	423,884
Capital projects funds.....	-	-	-	-	-	-	-
Permanent funds.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	426,811	26,424	(297,577)	673,169	125,055	800,045	423,884
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 445,308	\$ 26,424	\$ 658,586	\$ 677,372	\$ 135,461	\$ 802,521	\$ 661,023

Special Revenue Funds

<u>Town Trusts</u>	<u>Town Other</u>	<u>Community Preservation</u>	<u>Preservation Projects</u>	<u>Conservation</u>	<u>Sewer Inflow/Infiltration</u>	<u>Sewer Maintenance</u>	<u>Sub-total</u>
\$ 850,099	\$ 298,461	\$ 1,598,010	\$ 869,077	\$ 20,396	\$ 641,606	\$ 49,479	\$ 6,764,636
-	-	-	-	-	31,730	-	31,730
-	-	5,586	-	-	-	-	5,586
-	-	-	-	-	-	444,409	444,409
-	-	238,819	-	-	-	-	981,572
-	-	-	-	-	-	-	226,434
<u>\$ 850,099</u>	<u>\$ 298,461</u>	<u>\$ 1,842,415</u>	<u>\$ 869,077</u>	<u>\$ 20,396</u>	<u>\$ 673,336</u>	<u>\$ 493,888</u>	<u>\$ 8,454,367</u>
\$ -	\$ 2,657	\$ 164	\$ -	\$ -	\$ 49,018	\$ 8,419	\$ 393,569
-	-	244,405	-	-	-	444,408	1,366,335
-	-	-	-	-	-	-	218,051
-	-	-	-	-	-	-	-
-	2,657	244,569	-	-	49,018	452,827	1,977,955
-	-	-	-	-	-	-	-
850,099	295,804	1,597,846	869,077	20,396	624,318	41,061	6,476,412
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>850,099</u>	<u>295,804</u>	<u>1,597,846</u>	<u>869,077</u>	<u>20,396</u>	<u>624,318</u>	<u>41,061</u>	<u>6,476,412</u>
<u>\$ 850,099</u>	<u>\$ 298,461</u>	<u>\$ 1,842,415</u>	<u>\$ 869,077</u>	<u>\$ 20,396</u>	<u>\$ 673,336</u>	<u>\$ 493,888</u>	<u>\$ 8,454,367</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2009

	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.....	\$ 1,537,087	\$ 802,623	\$ 89,756	\$ 904,800	\$ -	\$ 1,776,164	\$ 2,216,704
Restricted ash and cash equivalents.....							
Receivables, net of uncollectibles:							
Departmental and other.....	-	-	-	-	-	-	-
User charges.....	-	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-	-
Due from other funds.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 1,537,087	\$ 802,623	\$ 89,756	\$ 904,800	\$ -	\$ 1,776,164	\$ 2,216,704
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Warrants payable.....	\$ -	\$ 1,650	\$ -	\$ 80,102	\$ -	\$ 322,705	\$ 432,643
Deferred revenues.....	-	-	-	-	-	-	-
Due to other funds.....	-	-	-	-	8,383	-	-
Notes payable.....	-	-	-	-	-	-	417,310
TOTAL LIABILITIES.....	-	1,650	-	80,102	8,383	322,705	849,953
FUND BALANCES:							
Reserved for:							
Perpetual permanent funds.....	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue funds.....	-	-	-	-	-	-	-
Capital projects funds.....	1,537,087	800,973	89,756	824,698	(8,383)	1,453,459	1,366,751
Permanent funds.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	1,537,087	800,973	89,756	824,698	(8,383)	1,453,459	1,366,751
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 1,537,087	\$ 802,623	\$ 89,756	\$ 904,800	\$ -	\$ 1,776,164	\$ 2,216,704

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Middle School	Hersey Street Land	Other	Sub-total	Conservation	Town	Sub-total	
\$ 82,568	\$ 7,531	\$ 125	\$ 7,417,358	\$ 83,836	\$ 16,066	\$ 99,902	\$ 14,281,896
-	-	-	-	-	-	-	31,730
-	-	-	-	-	-	-	5,586
-	-	-	-	-	-	-	444,409
-	-	-	-	-	-	-	981,572
-	-	-	-	-	-	-	226,434
<u>\$ 82,568</u>	<u>\$ 7,531</u>	<u>\$ 125</u>	<u>\$ 7,417,358</u>	<u>\$ 83,836</u>	<u>\$ 16,066</u>	<u>\$ 99,902</u>	<u>\$ 15,971,627</u>
\$ 44	\$ -	\$ -	\$ 837,144	\$ -	\$ -	\$ -	\$ 1,230,713
-	-	-	-	-	-	-	1,366,335
-	-	-	8,383	-	-	-	226,434
<u>66,000</u>	<u>-</u>	<u>-</u>	<u>483,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>483,310</u>
<u>66,044</u>	<u>-</u>	<u>-</u>	<u>1,328,837</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,306,792</u>
-	-	-	-	20,000	15,000	35,000	35,000
-	-	-	-	-	-	-	6,476,412
16,524	7,531	125	6,088,521	-	-	-	6,088,521
-	-	-	-	63,836	1,066	64,902	64,902
<u>16,524</u>	<u>7,531</u>	<u>125</u>	<u>6,088,521</u>	<u>83,836</u>	<u>16,066</u>	<u>99,902</u>	<u>12,664,835</u>
<u>\$ 82,568</u>	<u>\$ 7,531</u>	<u>\$ 125</u>	<u>\$ 7,417,358</u>	<u>\$ 83,836</u>	<u>\$ 16,066</u>	<u>\$ 99,902</u>	<u>\$ 15,971,627</u>

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2009

	Special Revenue Funds						
	Town Gifts	School Gifts	Town Grants	School State Grants	School Federal Grants	School Revolving	Town Revolving
REVENUES:							
Charges for services.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	-	983,330	1,020,663	1,025,625	106,641	-
Departmental and other.....	149,652	10,685	685,906	-	-	1,901,247	738,398
Community preservation tax.....	-	-	-	-	-	-	-
Contributions.....	227,500	1,200	-	-	-	-	-
Interest income.....	112	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL REVENUES.....	377,264	11,885	1,669,236	1,020,663	1,025,625	2,007,888	738,398
EXPENDITURES:							
Current:							
General government.....	72,966	-	20,432	-	-	-	-
Public safety.....	43,136	-	518,564	-	-	-	151,810
Public education.....	-	13,385	22,657	841,404	1,026,139	1,933,892	-
Public works.....	1,270	-	897,980	-	-	-	-
Health and sanitation.....	36,705	-	151,889	-	-	-	15,856
Culture and recreation.....	47,334	-	-	-	-	-	562,586
Community preservation.....	-	-	-	-	-	-	-
Debt service:							
Principal.....	-	-	-	-	-	-	-
Interest.....	-	-	25,000	-	-	-	-
	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	201,411	13,385	1,636,522	841,404	1,026,139	1,933,892	730,252
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	175,853	(1,500)	32,714	179,259	(514)	73,996	8,146
OTHER FINANCING SOURCES (USES):							
Issuance of long-term debt.....	-	-	-	-	-	-	-
Transfers in.....	-	-	-	-	-	-	-
Transfers out.....	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	175,853	(1,500)	32,714	179,259	(514)	73,996	8,146
FUND BALANCES AT BEGINNING OF YEAR.....	250,958	27,924	(330,291)	493,910	125,569	726,049	415,738
FUND BALANCES AT END OF YEAR.....	\$ 426,811	\$ 26,424	\$ (297,577)	\$ 673,169	\$ 125,055	\$ 800,045	\$ 423,884

Special Revenue Funds

Town Trusts	Town Other	Community Preservation	Preservation Projects	Conservation	Sewer Inflow/Infiltration	Sewer Maintenance	Sub-total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,466	\$ 2,047,013	\$ 2,222,479
-	-	448,874	300,000	-	-	-	3,885,133
12,365	39,015	-	-	-	-	13,547	3,550,815
-	-	687,190	-	-	-	-	687,190
18,389	-	-	555	-	-	-	247,644
12,992	-	-	5,305	660	2,027	-	21,096
<u>43,746</u>	<u>39,015</u>	<u>1,136,064</u>	<u>305,860</u>	<u>660</u>	<u>177,493</u>	<u>2,060,560</u>	<u>10,614,357</u>
34,204	71,721	-	-	42,264	-	-	241,587
-	3,626	-	-	-	-	-	717,136
7,328	10,424	-	4,008	-	-	-	3,859,237
-	2,985	-	-	-	373,656	2,003,203	3,279,094
-	-	-	-	-	-	-	204,450
-	-	-	-	-	-	-	609,920
-	-	2,972,916	-	-	-	-	2,972,916
-	-	-	-	-	-	50,000	50,000
-	-	-	-	-	-	9,156	34,156
<u>41,532</u>	<u>88,756</u>	<u>2,972,916</u>	<u>4,008</u>	<u>42,264</u>	<u>373,656</u>	<u>2,062,359</u>	<u>11,968,496</u>
<u>2,214</u>	<u>(49,741)</u>	<u>(1,836,852)</u>	<u>301,852</u>	<u>(41,604)</u>	<u>(196,163)</u>	<u>(1,799)</u>	<u>(1,354,139)</u>
-	-	-	-	-	-	-	-
-	33,601	-	-	-	-	-	33,601
<u>(111,486)</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(511,486)</u>
<u>(111,486)</u>	<u>33,601</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(477,885)</u>
<u>(109,272)</u>	<u>(16,140)</u>	<u>(2,236,852)</u>	<u>301,852</u>	<u>(41,604)</u>	<u>(196,163)</u>	<u>(1,799)</u>	<u>(1,832,024)</u>
<u>959,371</u>	<u>311,944</u>	<u>3,834,698</u>	<u>567,225</u>	<u>62,000</u>	<u>820,481</u>	<u>42,860</u>	<u>8,308,436</u>
<u>\$ 850,099</u>	<u>\$ 295,804</u>	<u>\$ 1,597,846</u>	<u>\$ 869,077</u>	<u>\$ 20,396</u>	<u>\$ 624,318</u>	<u>\$ 41,061</u>	<u>\$ 6,476,412</u>

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED JUNE 30, 2009

Capital Projects Funds							
	Landfill	Harbor Dredging	Central Fire Station	DPW Building	Sewer	Foster School	Plymouth River School
REVENUES:							
Charges for services.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental.....	-	-	-	1,118,835	-	-	-
Departmental and other.....	-	-	-	-	-	-	-
Community preservation tax.....	-	-	-	-	-	-	-
Contributions.....	-	-	-	-	-	-	-
Interest income.....	-	-	-	-	-	-	-
TOTAL REVENUES.....	-	-	-	1,118,835	-	-	-
EXPENDITURES:							
Current:							
General government.....	-	-	-	-	23,268	-	-
Public safety.....	-	-	66,143	-	-	-	-
Public education.....	-	-	-	-	-	1,766,541	1,995,940
Public works.....	11,339	-	-	5,815,048	153,268	-	-
Health and sanitation.....	-	-	-	-	-	-	-
Culture and recreation.....	-	58,785	-	-	-	-	-
Community preservation.....	-	-	-	-	-	-	-
Debt service:							
Principal.....	-	-	-	-	-	-	-
Interest.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	11,339	58,785	66,143	5,815,048	176,536	1,766,541	1,995,940
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(11,339)	(58,785)	(66,143)	(4,696,213)	(176,536)	(1,766,541)	(1,995,940)
OTHER FINANCING SOURCES (USES):							
Issuance of long-term debt.....	-	-	-	6,787,467	-	3,324,364	3,471,910
Transfers in.....	-	30,000	-	-	-	-	-
Transfers out.....	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	30,000	-	6,787,467	-	3,324,364	3,471,910
NET CHANGE IN FUND BALANCES.....	(11,339)	(28,785)	(66,143)	2,091,254	(176,536)	1,557,823	1,475,970
FUND BALANCES AT BEGINNING OF YEAR.....	1,548,426	829,758	155,899	(1,266,556)	168,153	(104,364)	(109,219)
FUND BALANCES AT END OF YEAR.....	\$ 1,537,087	\$ 800,973	\$ 89,756	\$ 824,698	\$ (8,383)	\$ 1,453,459	\$ 1,366,751

Capital Projects Funds				Permanent Funds			Total Nonmajor Governmental Funds
Middle School	Hersey Street Land	Other	Sub-total	Conservation	Town	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,222,479
-	-	-	1,118,835	-	-	-	5,003,968
-	-	-	-	-	-	-	3,550,815
-	-	-	-	-	-	-	687,190
-	-	-	-	-	-	-	247,644
-	-	-	-	752	164	916	22,012
-	-	-	1,118,835	752	164	916	11,734,108
-	1,892,469	-	1,915,737	818	1,500	2,318	2,159,642
-	-	-	66,143	-	-	-	783,279
617,476	-	-	4,379,957	-	-	-	8,239,194
-	-	-	5,979,655	-	-	-	9,258,749
-	-	-	-	-	-	-	204,450
-	-	-	58,785	-	-	-	668,705
-	-	-	-	-	-	-	2,972,916
-	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	34,156
617,476	1,892,469	-	12,400,277	818	1,500	2,318	24,371,091
(617,476)	(1,892,469)	-	(11,281,442)	(66)	(1,336)	(1,402)	(12,636,983)
897,250	1,450,000	-	15,930,991	-	-	-	15,930,991
-	450,000	50,389	530,389	-	-	-	563,990
-	-	-	-	-	-	-	(511,486)
897,250	1,900,000	50,389	16,461,380	-	-	-	15,983,495
279,774	7,531	50,389	5,179,938	(66)	(1,336)	(1,402)	3,346,512
(263,250)	-	(50,264)	908,583	83,902	17,402	101,304	9,318,323
\$ 16,524	\$ 7,531	\$ 125	\$ 6,088,521	\$ 83,836	\$ 16,066	\$ 99,902	\$ 12,664,835

(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.

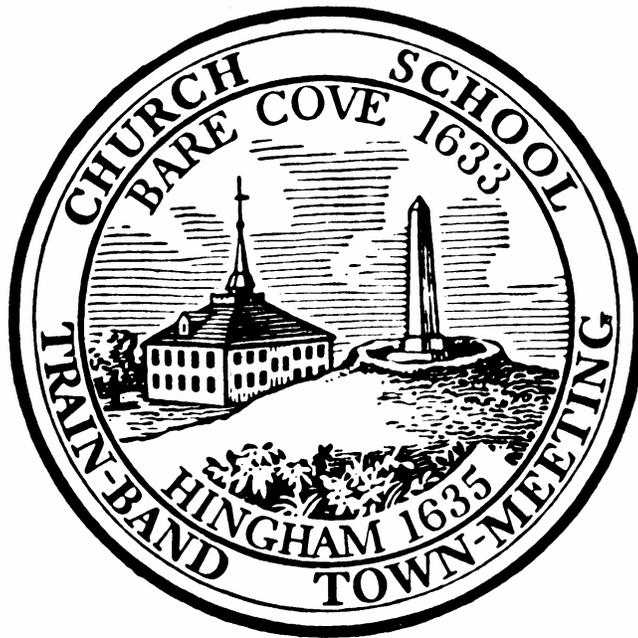
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Agency Accounts July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Agency Accounts June 30, 2009</u>
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 703,325	\$ 1,007,432	\$ (1,030,316)	\$ 680,441
LIABILITIES				
Liabilities due depositors.....	\$ 703,325	\$ 1,007,432	\$ (1,030,316)	\$ 680,441

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Statistical Section



**Town of Hingham, Massachusetts
Comprehensive Annual Financial Report
For the fiscal year ended June 30, 2009**

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 ASSETS BY COMPONENT
LAST SEVEN FISCAL YEARS**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental Activities							
Invested in capital assets, net of related debt.....	\$ 38,551,877	\$ 38,073,230	\$ 37,754,728	\$ 52,330,548	\$ 65,883,656	\$ 64,238,223	\$ 77,520,944
Restricted.....	10,805,608	9,182,662	616,664	1,104,659	1,339,197	1,775,597	3,746,298
Unrestricted.....	4,116,795	5,986,192	14,434,337	17,896,855	15,576,261	17,470,135	9,296,519
Total governmental activities net assets	\$ 53,474,280	\$ 53,242,084	\$ 52,805,729	\$ 71,332,062	\$ 82,799,114	\$ 83,483,955	\$ 90,563,761
Business-type Activities							
Invested in capital assets, net of related debt.....	19,955,530	20,526,999	20,739,708	23,802,025	30,787,618	32,511,793	33,774,892
Restricted.....	2,937,745	3,227,745	3,468,000	3,793,000	4,138,000	-	-
Unrestricted.....	7,189,174	6,583,349	7,142,945	8,771,587	1,352,954	3,592,241	2,743,613
Total business-type activities net assets	\$ 30,082,449	\$ 30,338,093	\$ 31,350,653	\$ 36,366,612	\$ 36,278,572	\$ 36,104,034	\$ 36,518,505
Primary government							
Invested in capital assets, net of related debt.....	58,507,407	58,600,229	58,494,436	76,132,573	96,671,274	96,750,016	111,295,836
Restricted.....	10,805,608	12,410,407	616,664	1,104,659	1,339,197	1,775,597	3,746,298
Unrestricted.....	11,305,969	12,569,541	21,577,282	26,668,442	16,929,215	21,062,376	12,040,132
Total primary government activities net assets	\$ 80,618,984	\$ 83,580,177	\$ 80,688,382	\$ 103,905,674	\$ 114,939,686	\$ 119,587,989	\$ 127,082,266

Note: The Town implemented GASB 34 in Fiscal 2003. Data relevant for this schedule is unavailable prior to that year.

**CHANGES IN NET ASSETS
LAST SEVEN FISCAL YEARS**

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Expenses							
Governmental activities:							
General Government.....	\$ 3,648,274	\$ 4,046,439	\$ 3,983,961	\$ 3,914,504	\$ 5,778,974	\$ 5,990,823	\$ 4,631,169
Public safety.....	10,201,036	10,813,475	11,565,324	12,990,456	12,652,649	13,384,339	14,972,434
Education.....	36,492,366	38,280,042	41,896,818	44,953,811	45,471,333	48,223,524	55,777,553
Public Works.....	6,605,506	6,566,171	7,609,470	8,578,650	8,368,706	10,240,661	9,592,257
Human Services.....	949,129	960,855	1,152,420	1,037,046	1,050,004	1,119,653	1,276,418
Culture and recreation.....	1,886,691	2,102,606	2,190,103	3,101,226	2,574,607	2,803,297	2,996,585
Community Preservation.....	-	-	-	-	-	-	60,905
Miscellaneous.....	1,800,341	2,404,699	3,045,493	-	-	-	-
Unallocated interest on long term debt.....	2,361,071	2,345,358	2,173,466	2,058,722	1,921,911	2,187,955	1,945,209
Total Governmental activities expenses.....	63,944,415	67,519,645	73,617,055	76,634,415	77,818,184	83,950,252	91,252,530
Business-type activities:							
Country Club.....	1,309,526	1,331,818	1,268,252	1,351,046	1,714,813	1,631,808	1,574,791
Hingham Municipal Lighting Plant.....	15,257,493	16,504,414	17,757,874	16,576,913	23,602,405	27,488,101	27,542,592
Total business-type activities expenses.....	16,567,019	17,836,232	19,026,126	17,927,959	25,317,218	29,119,909	29,117,383
Total primary government expenses.....	\$ 80,511,434	\$ 85,355,877	\$ 92,643,181	\$ 94,562,374	\$ 103,135,402	\$ 113,070,161	\$ 120,369,913
Program Revenues							
Governmental activities:							
Charges for services:							
General government.....	\$ 1,050,315	\$ 1,351,087	\$ 1,594,548	\$ 1,694,778	\$ 1,945,541	\$ 1,931,970	\$ 796,484
Public safety.....	-	1,682,616	2,277,532	2,129,662	1,454,445	1,428,864	1,993,270
Education.....	1,416,600	1,588,568	1,665,159	1,693,845	1,790,130	1,974,201	1,925,323
Public Works.....	1,672,788	1,697,531	1,474,903	1,696,892	1,835,713	2,092,231	2,338,091
Human Services.....	-	82,740	86,100	83,180	83,835	84,490	148,620
Culture and recreation.....	-	-	-	-	-	-	639,376
Operating grants and contributions.....	1,359,548	1,724,718	2,317,009	2,335,920	2,308,220	2,138,547	18,497,416
Capital grants and contributions.....	-	-	-	-	-	-	10,310,718
Total Governmental activities program revenues...	5,499,251	8,127,260	9,415,251	9,634,277	9,417,884	9,650,303	36,649,298
Business-type activities:							
Charges for services:							
Country Club.....	1,559,811	1,555,091	1,520,687	1,527,265	1,516,724	1,653,287	1,668,284
Hingham Municipal Lighting Plant.....	17,010,798	16,677,112	18,636,458	21,461,267	23,699,133	26,367,251	27,622,993
Total business-type activities program revenues...	18,570,609	18,232,203	20,157,145	22,988,532	25,215,857	28,020,538	29,291,277
Total primary government program revenues.....	\$ 24,069,860	\$ 26,359,463	\$ 29,572,396	\$ 32,622,809	\$ 34,633,741	\$ 37,670,841	\$ 65,940,575
Net (Expense)/Revenue							
Governmental activities.....	\$ (58,445,164)	\$ (59,392,385)	\$ (64,201,804)	\$ (67,000,138)	\$ (68,400,300)	\$ (74,299,949)	\$ (54,603,232)
Business-type activities.....	2,003,590	395,971	1,131,019	5,060,573	(101,361)	(1,099,371)	173,894
Total primary government net expense.....	\$ (56,441,574)	\$ (58,996,414)	\$ (63,070,785)	\$ (61,939,565)	\$ (68,501,661)	\$ (75,399,320)	\$ (54,429,338)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes.....	\$ 43,596,380	\$ 44,463,797	\$ 47,500,326	\$ 52,296,707	\$ 52,501,871	\$ 55,999,333	\$ 59,064,292
Unrestricted grants and contributions.....	12,163,587	12,717,178	14,108,355	12,111,270	13,456,536	15,401,426	1,964,357
Penalties and interest on taxes.....	284,557	335,005	340,133	347,513	385,993	303,699	208,962
Investment earnings.....	382,018	249,899	570,971	982,239	1,297,867	1,008,741	445,427
Miscellaneous.....	891,707	1,047,100	1,060,264	1,656,083	1,774,657	2,784,756	-
Transfers.....	161,100	188,950	185,400	290,970	109,585	(203,650)	-
Total Governmental activities.....	57,479,349	59,001,929	63,765,449	67,684,782	69,526,509	75,294,305	61,683,038
Business-type activities:							
Investment earnings.....	49,161	18,661	66,941	246,356	317,421	411,668	240,577
Transfers.....	(161,100)	(188,950)	(185,400)	(290,970)	(109,585)	203,650	-
Total business-type activities expenses.....	(111,939)	(170,289)	(118,459)	(44,614)	207,836	615,318	240,577
Total primary government	\$ 57,367,410	\$ 58,831,640	\$ 63,646,990	\$ 67,640,168	\$ 69,734,345	\$ 75,909,623	\$ 61,923,615
Changes in Net Assets							
Governmental activities.....	\$ (965,815)	\$ (390,456)	\$ (436,355)	\$ 684,644	\$ 1,126,209	\$ 994,356	\$ 7,079,806
Business-type activities.....	1,891,651	225,682	1,012,560	5,015,959	106,475	(484,053)	414,471
Total primary government.....	\$ 925,836	\$ (164,774)	\$ 576,205	\$ 5,700,603	\$ 1,232,684	\$ 510,303	\$ 7,494,277

Note: The Town implemented GASB 34 in Fiscal 2003. Data relevant for this schedule is unavailable prior to that year.

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

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

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
General fund							
Reserved.....	\$ 5,330,736	\$ 3,251,371	\$ 4,346,561	\$ 1,682,516	\$ 1,915,431	\$ 3,239,286	\$ 978,675
Unreserved.....	<u>4,431,052</u>	<u>5,760,866</u>	<u>4,662,890</u>	<u>7,900,614</u>	<u>6,416,619</u>	<u>5,645,425</u>	<u>6,121,260</u>
Total general fund.....	<u>\$ 9,761,788</u>	<u>\$ 9,012,237</u>	<u>\$ 9,009,451</u>	<u>\$ 9,583,130</u>	<u>\$ 8,332,050</u>	<u>\$ 8,884,711</u>	<u>\$ 7,099,935</u>
All Other Governmental Funds							
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000
Unreserved, reported in:							
Special revenue funds.....	2,744,433	3,766,046	5,261,069	6,236,294	5,804,547	6,719,840	6,476,412
Capital project funds.....	2,148,526	937,214	(398,742)	199,093	(2,777,466)	(1,630,042)	6,864,106
Permanent funds.....	<u>424,639</u>	<u>1,228,031</u>	<u>1,015,406</u>	<u>905,556</u>	<u>1,257,315</u>	<u>1,767,888</u>	<u>64,902</u>
Total all other governmental funds.	<u>\$ 5,317,598</u>	<u>\$ 5,931,291</u>	<u>\$ 5,877,733</u>	<u>\$ 7,340,943</u>	<u>\$ 4,284,396</u>	<u>\$ 6,857,686</u>	<u>\$ 13,440,420</u>

Note: The Town implemented GASB 34 in Fiscal 2003. Data relevant for this schedule is unavailable prior to that year.

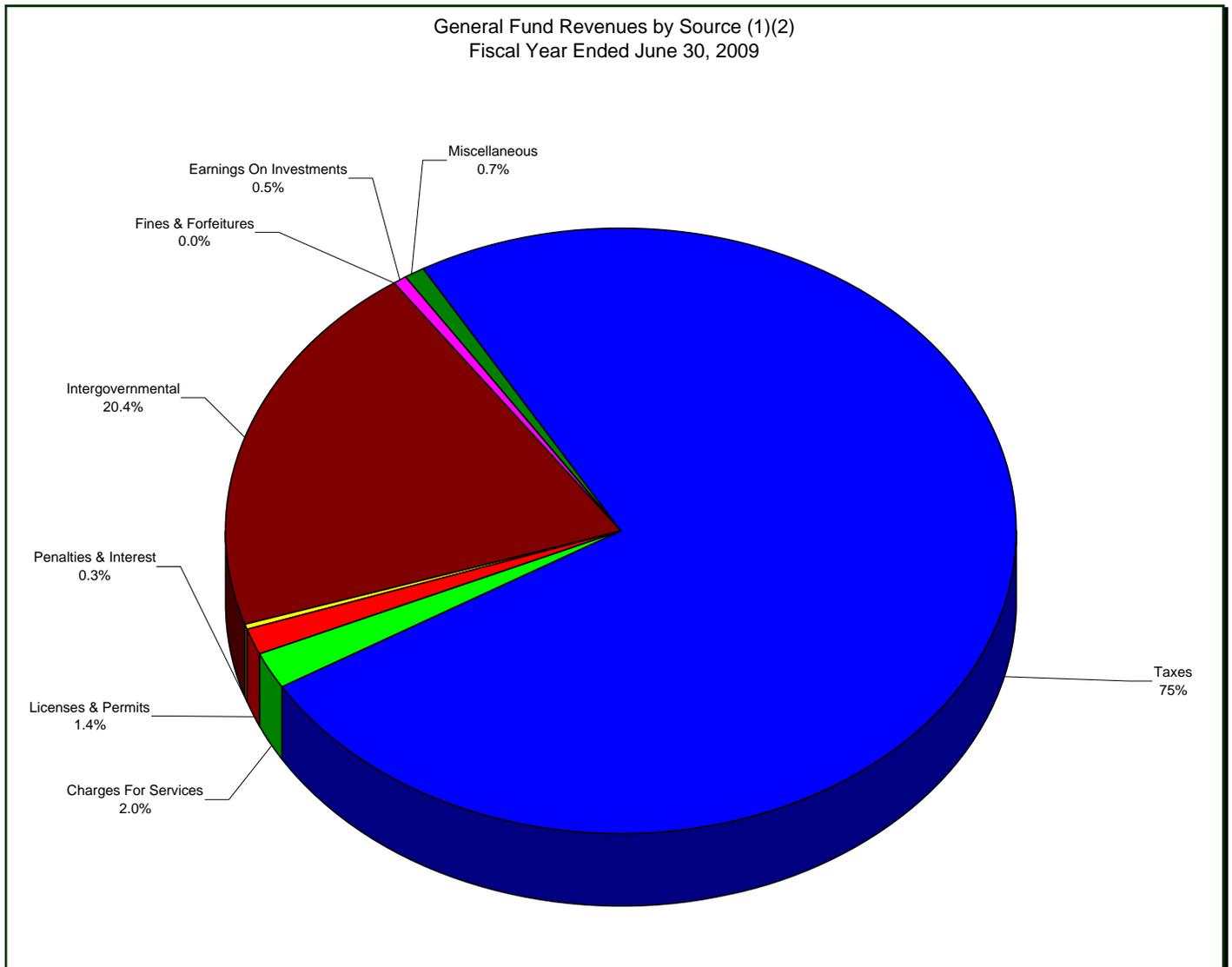
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS**

	FISCAL YEAR						
	2003	2004	2005	2006	2007	2008	2009
REVENUES							
Taxes.....	\$ 42,913,930	\$ 45,732,781	\$ 48,094,223	\$ 51,523,864	\$ 53,645,306	\$ 57,314,221	\$ 59,269,620
Licenses and fees.....	783,112	1,841,699	2,443,941	2,306,958	1,629,756	1,606,900	-
Intergovernmental.....	13,922,750	14,258,972	16,143,996	16,178,632	17,999,121	19,916,398	30,325,931
Charges for services.....	3,558,155	3,825,415	4,092,192	4,018,802	3,622,749	4,344,359	3,802,150
Investment income.....	382,018	249,899	570,971	982,239	1,297,867	1,008,741	445,427
Other revenues.....	2,112,186	2,273,472	2,395,302	3,425,582	4,159,838	4,891,394	5,460,915
Total Revenues.....	63,672,151	68,182,238	73,740,625	78,436,077	82,354,637	89,082,013	99,304,043
EXPENDITURES							
General government.....	2,835,805	3,216,032	3,118,360	2,741,008	4,892,360	3,693,535	12,120,424
Public safety.....	8,241,068	8,493,836	9,223,025	10,095,403	10,482,700	10,823,407	11,198,838
Education.....	32,487,154	34,055,595	37,097,463	39,934,182	41,652,980	46,096,435	65,455,163
Public works.....	6,470,061	5,862,837	6,544,382	6,437,669	6,783,898	8,849,401	14,941,072
Human services.....	815,610	808,487	986,998	889,787	926,127	986,568	1,020,889
Culture and recreation.....	410,732	1,666,566	1,727,611	1,847,199	1,991,870	2,215,516	2,301,559
Pension benefits.....	2,125,349	2,206,705	2,290,770	2,587,077	2,667,706	2,725,478	2,827,885
Group health insurance.....	2,085,192	2,502,730	2,752,529	3,289,713	3,317,028	3,430,971	4,148,112
Community preservation.....	-	-	-	-	-	-	2,972,916
Miscellaneous.....	1,848,032	2,677,031	3,122,050	2,065,175	6,509,842	5,890,864	3,134,332
Intergovernmental.....	1,521,000	1,656,636	1,926,044	2,193,591	2,611,818	2,677,907	7,345,883
Debt service							
Principal.....	2,971,730	2,983,590	2,985,566	3,000,003	2,974,348	2,940,669	3,167,071
Interest.....	2,401,441	2,377,001	2,207,571	2,088,551	1,961,172	2,015,523	2,197,932
Total expenditures.....	64,213,174	68,507,046	73,982,369	77,169,358	86,771,849	92,346,274	132,832,076
Excess of revenues over (under) expenditures.....	(541,023)	(324,808)	(241,744)	1,266,719	(4,417,212)	(3,264,261)	(33,528,033)
Other Financing Sources (Uses)							
Issuance of bonds and notes.....	201,950	-	-	479,200	-	5,008,862	38,325,991
Transfers in.....	1,429,151	2,502,617	2,005,661	2,380,023	3,981,380	2,639,179	1,076,766
Transfers out.....	(2,406,347)	(2,313,667)	(1,820,261)	(2,089,053)	(3,871,795)	(2,842,829)	(1,076,766)
Total other financing sources (uses).....	(775,246)	188,950	185,400	770,170	109,585	4,805,212	38,325,991
Net change in fund balances.....	\$ (1,316,269)	\$ (135,858)	\$ (56,344)	\$ 2,036,889	\$ (4,307,627)	\$ 1,540,951	\$ 4,797,958
Ratio of Annual Debt Service to Expenditures.....	8.90%	8.60%	7.80%	7.20%	6.70%	6.30%	6.14%

Note: The Town implemented GASB 34 in Fiscal 2003. Data relevant for this schedule is unavailable prior to that year.

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

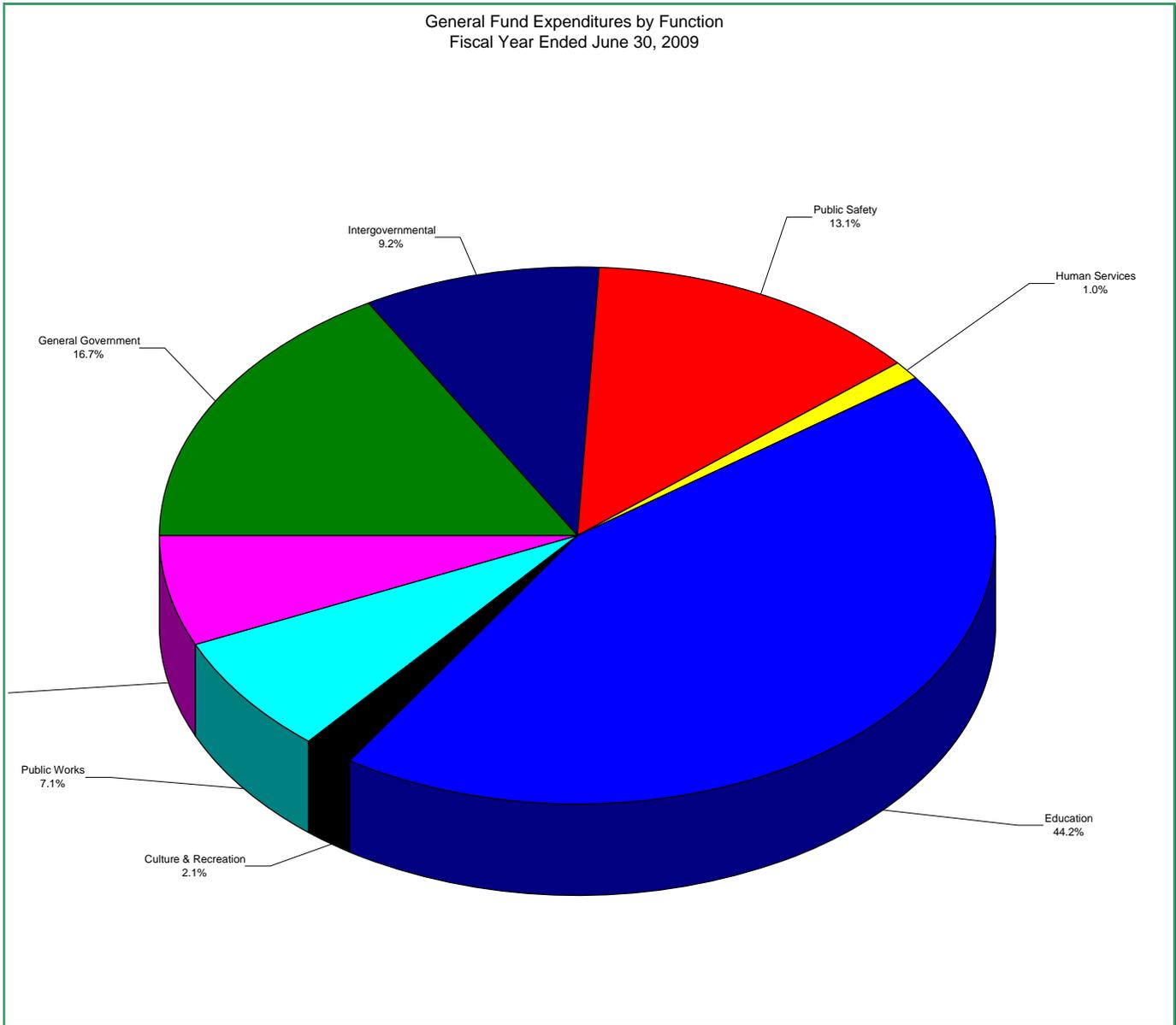
Fiscal Year Ended June 30,	Taxes(3)	Charges For Services	Licenses & Permits	Inter-Governmental	Penalties & Interest	Fines & Forfeitures	Earnings On Investments	Misc.	Total
2000	\$ 37,433	\$ 368	\$ 573	\$ 5,679	\$ 240	\$ 108	\$ 1,294	\$ 287	\$ 45,980
2001	\$ 39,415	\$ 479	\$ 510	\$ 6,276	\$ 189	\$ 88	\$ 1,333	\$ 590	\$ 48,880
2002	\$ 41,693	\$ 608	\$ 668	\$ 8,714	\$ 241	\$ 80	\$ 1,193	\$ 280	\$ 53,476
2003	\$ 42,914	\$ 602	\$ 783	\$ 12,176	\$ 216	\$ 69	\$ 366	\$ 317	\$ 57,443
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



- (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)**

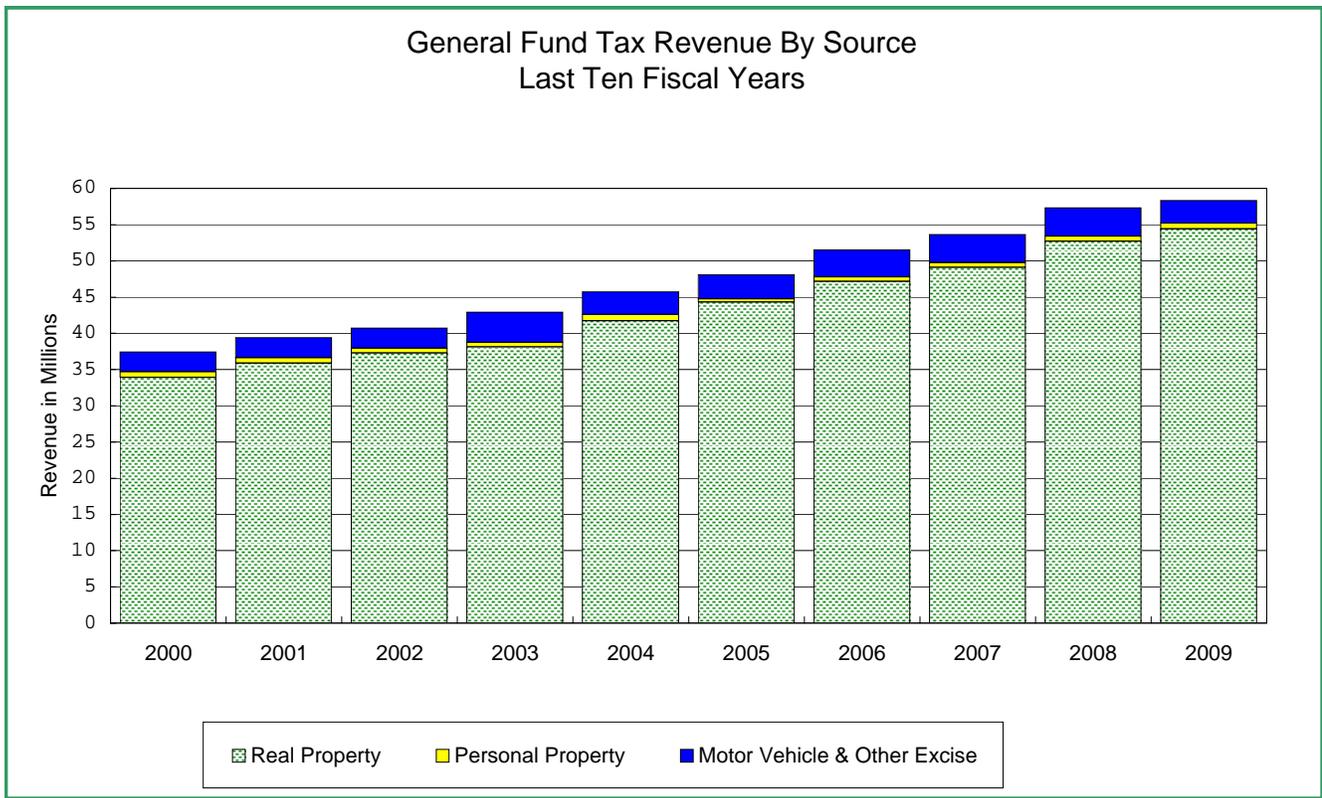
Fiscal Year Ended June 30,	General Government(2)	Public Safety	Education	Public Works	Human Services	Culture & Recreation	Inter-Governmental	Debt Services	Total
2000	\$ 6,816	\$ 7,291	\$ 22,548	\$ 3,867	\$ 367	\$ 129	\$ 1,411	\$ 2,339	\$ 44,768
2001	\$ 7,328	\$ 7,093	\$ 23,653	\$ 3,810	\$ 425	\$ 136	\$ 1,394	\$ 2,806	\$ 46,646
2002	\$ 7,292	\$ 7,385	\$ 25,190	\$ 3,811	\$ 526	\$ 174	\$ 1,364	\$ 4,137	\$ 49,879
2003	\$ 7,615	\$ 7,954	\$ 30,054	\$ 4,308	\$ 596	\$ 172	\$ 1,521	\$ 5,272	\$ 57,491
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



(1) All amounts in thousands (000's).
(2) Includes employee benefits and miscellaneous.

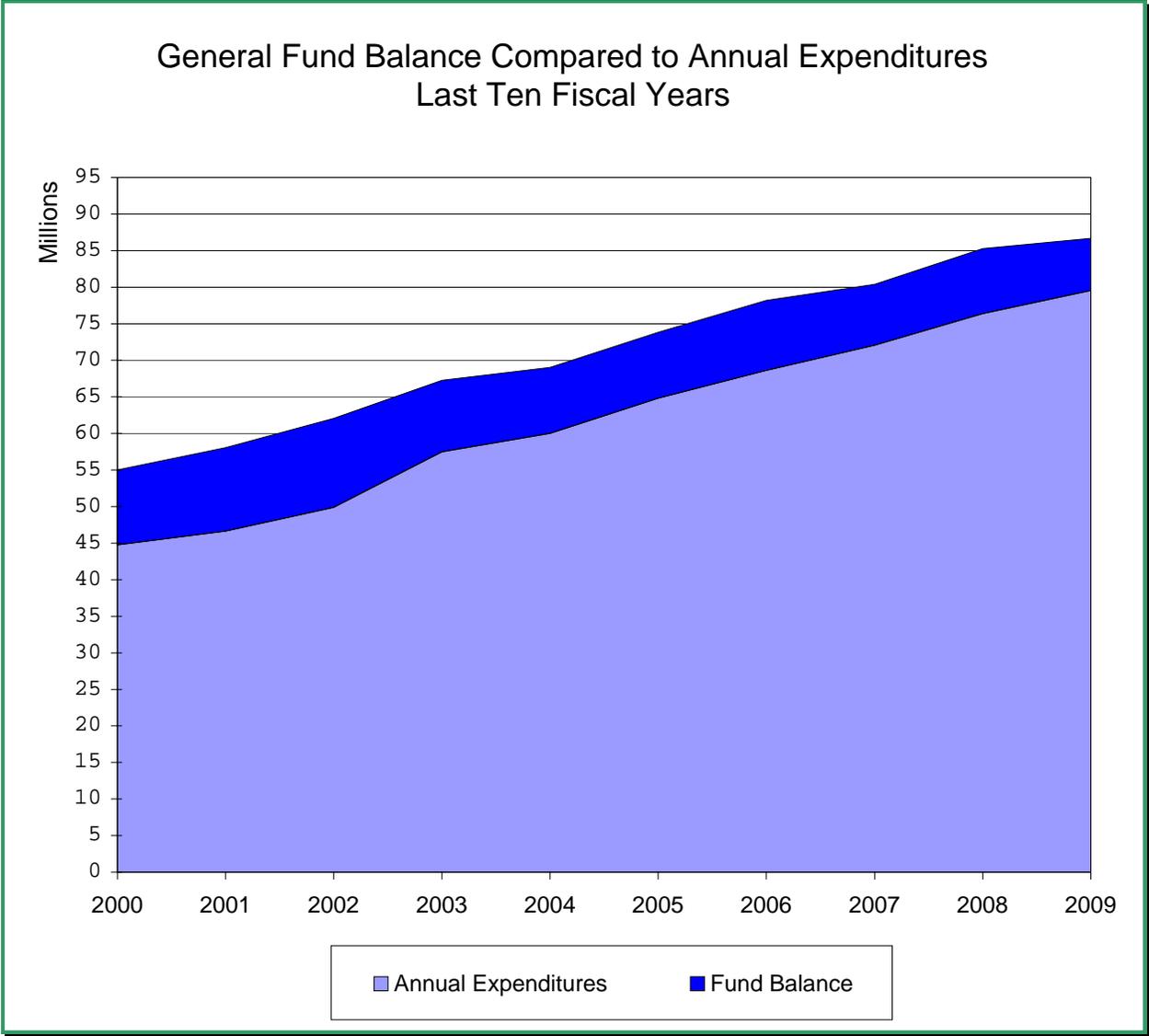
GENERAL FUND TAX REVENUE BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property	Personal Property	Motor Vehicle & Other Excise	Total
2000	\$ 33,915,720	\$ 782,741	\$ 2,734,172	\$ 37,432,633
2001	\$ 35,867,787	\$ 745,087	\$ 2,801,741	\$ 39,414,615
2002	\$ 37,309,524	\$ 625,711	\$ 2,783,268	\$ 40,718,503
2003	\$ 38,110,592	\$ 630,114	\$ 4,173,224	\$ 42,913,930
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



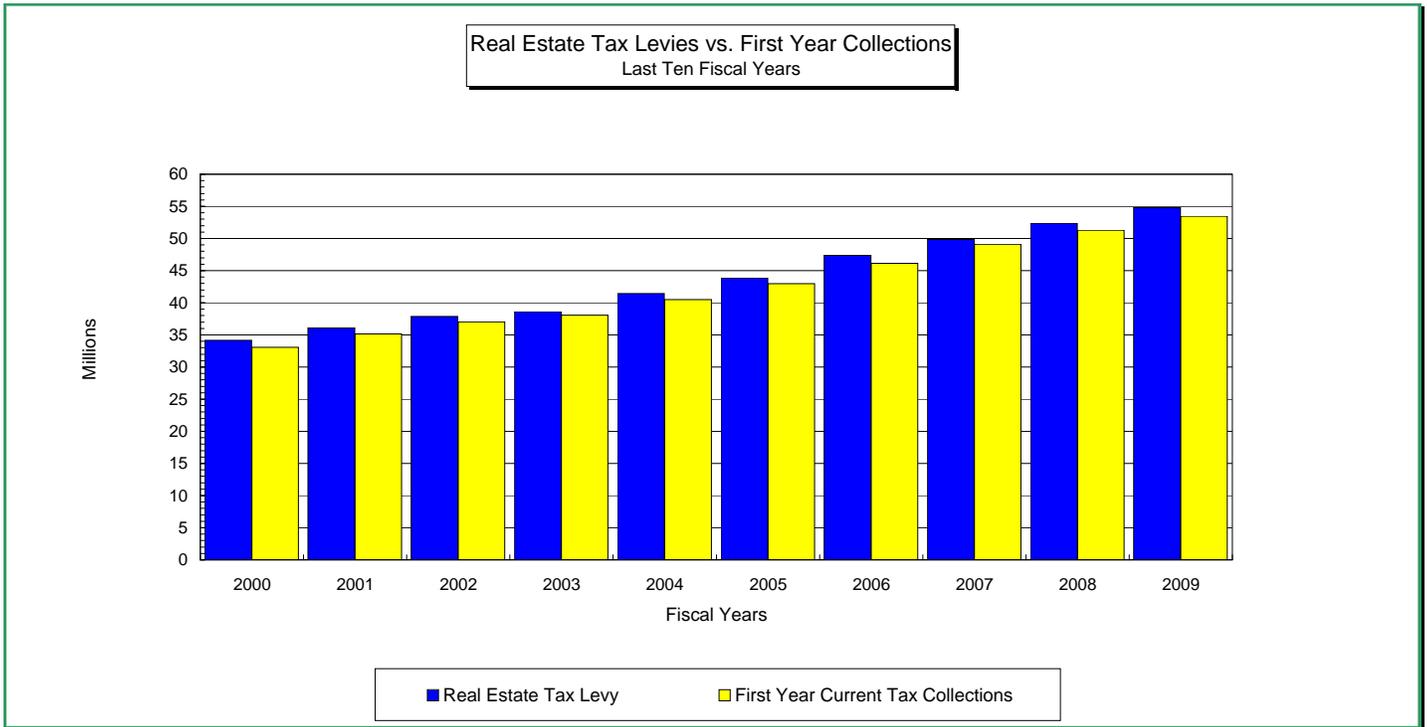
GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Fund Balance	Annual Expenditures	Balance as % of Expenditures
2000	\$ 10,238,139	\$ 44,767,581	22.87%
2001	\$ 11,387,861	\$ 46,645,766	24.41%
2002	\$ 12,158,407	\$ 49,879,152	24.38%
2003	\$ 9,761,788	\$ 57,490,513	16.98%
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%



**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
2000	\$ 34,141,328	\$ 33,068,507	96.9%	\$ 200,031	\$ 33,548,483	98.3%
2001	\$ 36,110,458	\$ 35,156,713	97.4%	\$ 109,278	\$ 35,499,560	98.3%
2002	\$ 37,855,230	\$ 37,052,381	97.9%	\$ 126,626	\$ 37,209,987	98.3%
2003	\$ 38,634,634	\$ 38,052,681	98.5%	\$ 48,423	\$ 38,216,639	98.9%
2004	\$ 41,411,391	\$ 40,475,483	97.7%	\$ 109,179	\$ 40,751,178	98.4%
2005	\$ 43,844,609	\$ 42,972,135	98.0%	\$ 66,592	\$ 43,248,965	98.6%
2006	\$ 47,394,032	\$ 46,131,746	97.3%	\$ 149,335	\$ 46,545,277	98.2%
2007	\$ 49,861,711	\$ 49,102,357	98.5%	\$ 173,488	\$ 49,584,193	99.4%
2008	\$ 52,379,293	\$ 51,298,580	97.9%	\$ 27,937	\$ 51,717,429	98.7%
2009	\$ 54,789,488	\$ 53,444,778	97.5%	\$ -	\$ 53,936,051	98.4%

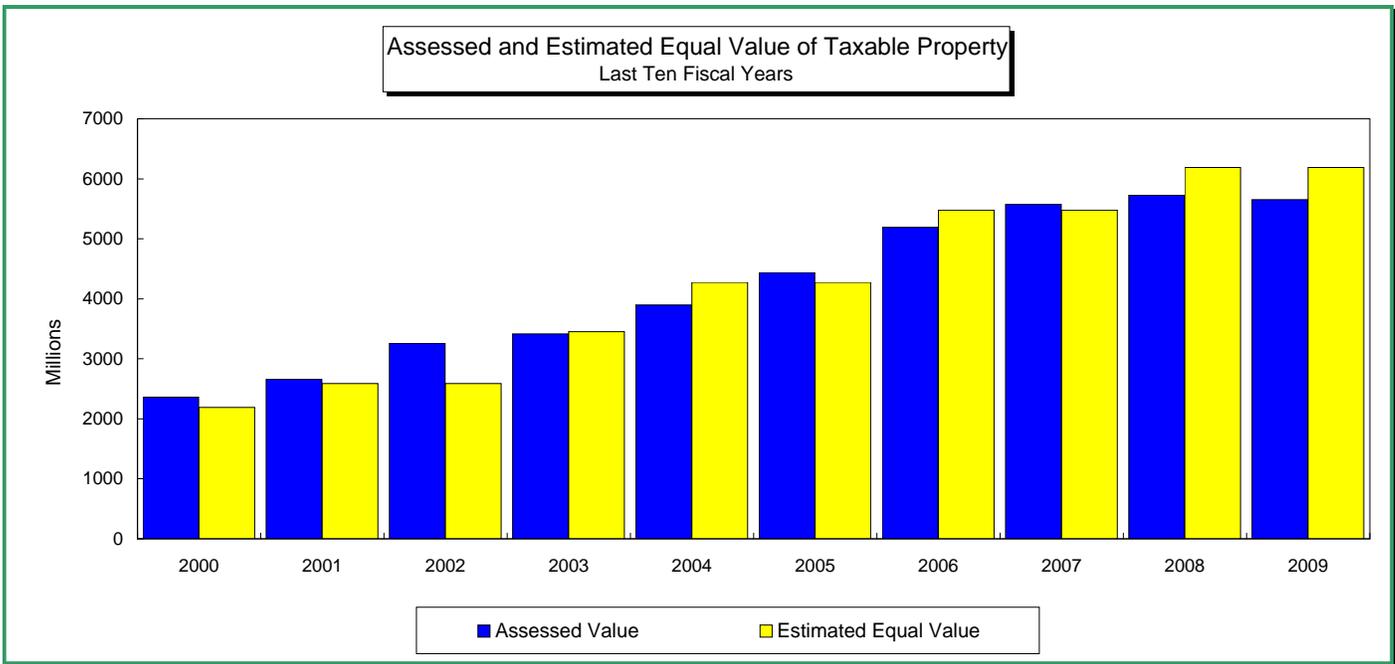


(1) Real Estate Tax Levy net of allowance for abatements and refunds.

(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	Direct Rate
2000	\$ 2,360,625,044	\$ 2,191,461,700	01/01/1998	107.7%	\$ 14.61
2001	\$ 2,654,902,440	\$ 2,588,869,000	01/01/2000	102.6%	\$ 13.75
2002	\$ 3,263,821,350	\$ 2,588,869,000	01/01/2000	126.1%	\$ 11.72
2003	\$ 3,416,302,980	\$ 3,449,880,000	01/01/2002	99.0%	\$ 11.47
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

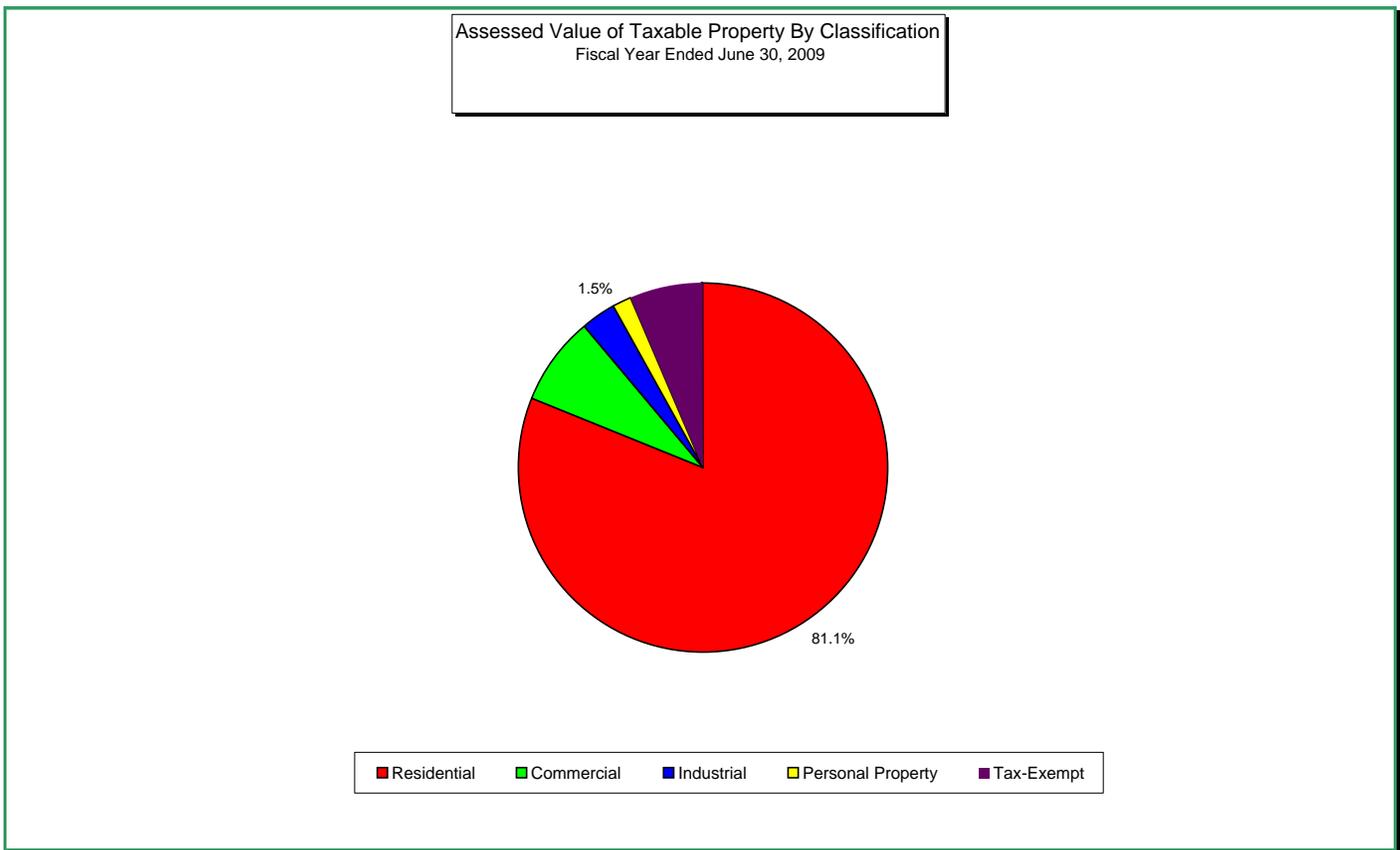


Source: Assessors Department, Town of Hingham

- (1) Assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1.
- (2) 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
2000	\$ 2,009,206,664	\$ 184,860,278	\$ 113,285,982	\$ 53,272,120	\$ 310,932,500	\$ 2,049,692,544
2001	\$ 2,291,626,641	\$ 195,458,633	\$ 113,038,026	\$ 54,779,140	\$ 312,071,400	\$ 2,342,831,040
2002	\$ 2,844,936,015	\$ 221,833,805	\$ 143,584,280	\$ 53,467,250	\$ 313,242,000	\$ 2,950,579,350
2003	\$ 2,968,345,775	\$ 244,125,645	\$ 149,690,680	\$ 54,140,880	\$ 314,993,100	\$ 3,101,309,880
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
10 yr avg	\$ 3,685,066,025	\$ 306,762,985	\$ 160,907,756	\$ 64,667,101	\$ 332,209,020	\$ 3,885,194,847



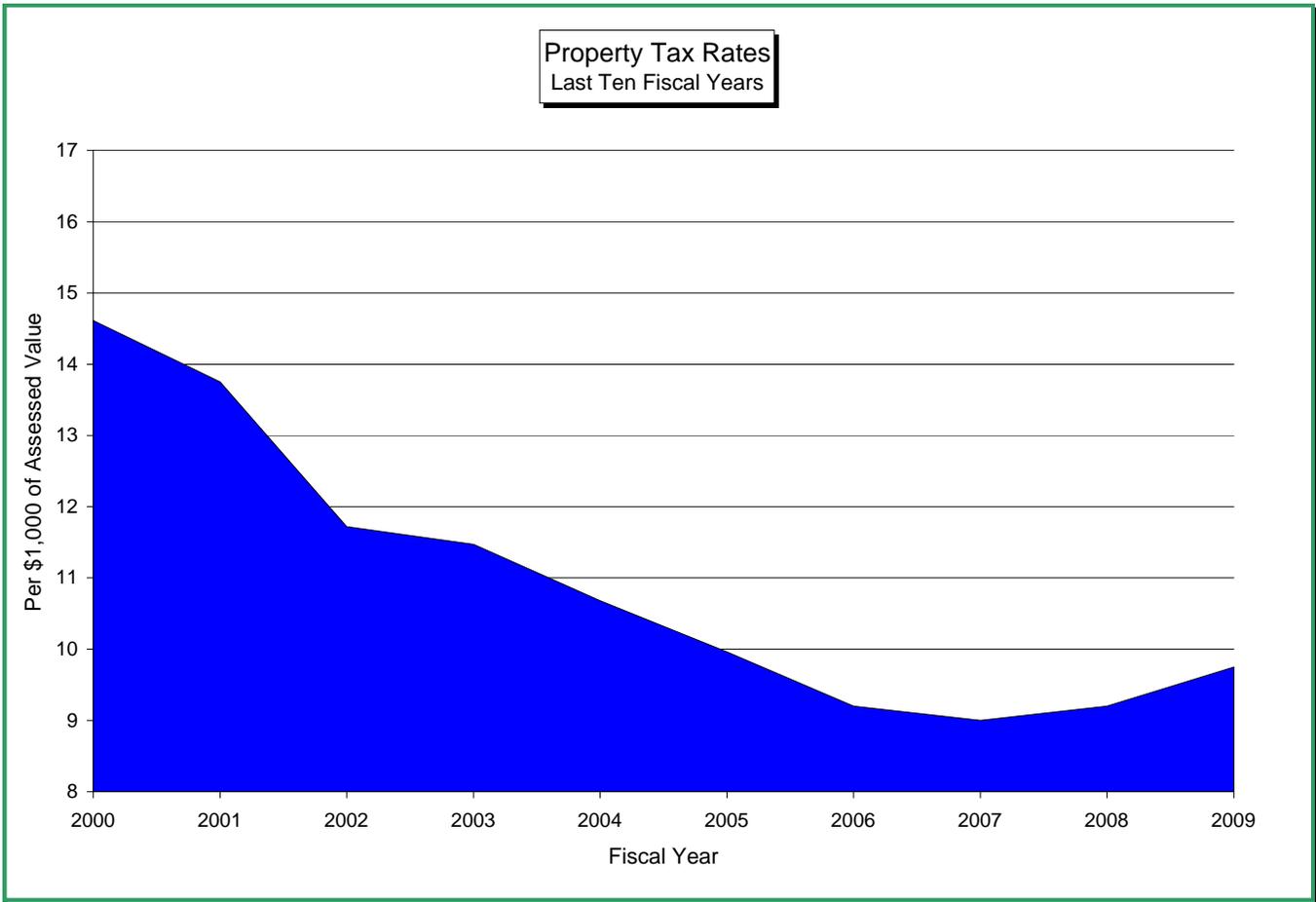
Source: Assessors Department, Town of Hingham

(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; 2002, 2005 and 2008.

**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
2000	\$ 14.61	\$ 14.61	\$ 14.61	\$ 14.61
2001	\$ 13.75	\$ 13.75	\$ 13.75	\$ 13.75
2002	\$ 11.72	\$ 11.72	\$ 11.72	\$ 11.72
2003	\$ 11.47	\$ 11.47	\$ 11.47	\$ 11.47
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

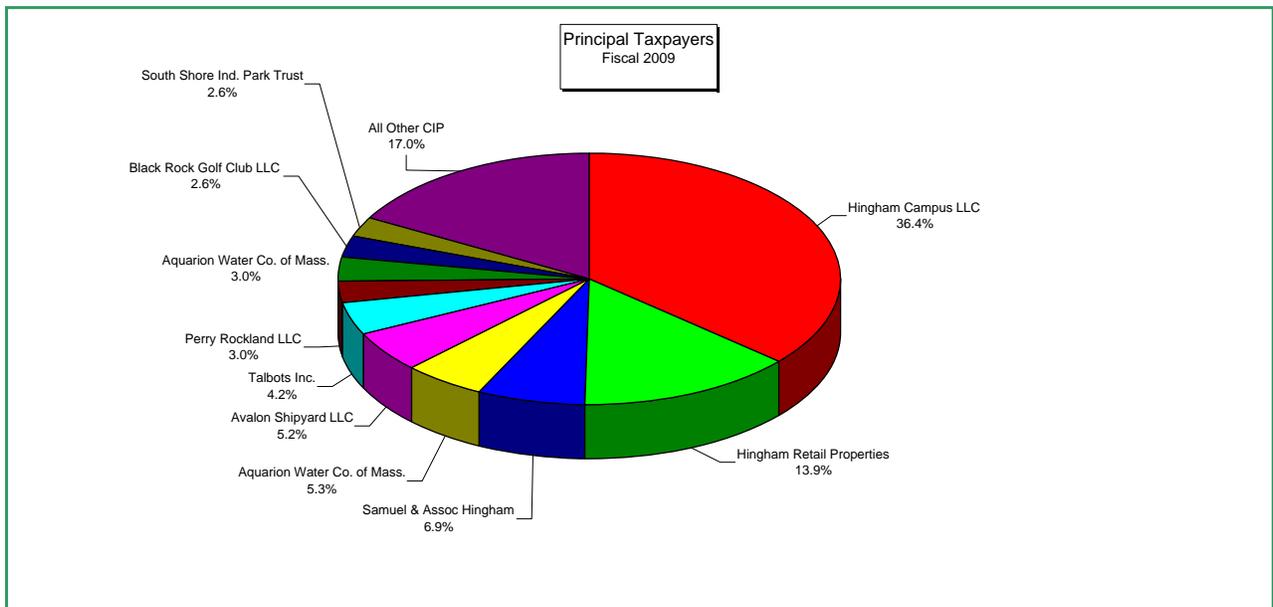


SOURCE: Assessor's Department, Town of Hingham

- (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	2009				2000	
		Assessed Valuation	Rank	Percentage of CIP(2)	Percentage of Total Tax Levy(3)	Valuation	Rank
Hingham Campus LLC	Housing	\$273,124,400	1	36.4%	4.8%	-	-
Hingham Retail Properties	Mall	\$104,319,900	2	13.9%	1.8%	-	-
Samuel & Assoc Hingham	Commercial	\$51,650,800	3	6.9%	0.9%	-	-
Aquarion Water Co. of Mass.	Utilities	\$39,501,050	4	5.3%	0.7%	-	-
Avalon Shipyard LLC	Apartments	\$39,389,900	5	5.2%	0.7%	-	-
Talbots Inc.	Office Manufacturing	\$31,373,700	6	4.2%	0.6%	\$9,315,500	8
Perry Rockland LLC	Land & Building	\$22,428,300	7	3.0%	0.4%	-	-
Aquarion Water Co. of Mass.	Utilities	\$22,325,850	8	3.0%	0.4%	-	-
Black Rock Golf Club LLC	Golf Club	\$19,838,000	9	2.6%	0.4%	-	-
South Shore Ind. Park Trust	Land & Building	\$19,187,000	10	2.6%	0.3%	-	-
Mass American Water	Utility	-	-	-	-	\$34,064,850	1
SS Industrial Park	Industrial Park	-	-	-	-	\$12,810,000	2
Thomas J. Flatley	Office Bldg.	-	-	-	-	\$12,186,900	3
New England Telephone	Utility	-	-	-	-	\$12,044,500	4
FNB Boston Trustee	Mall	-	-	-	-	\$11,039,200	5
Curtio LLC	Mall	-	-	-	-	\$10,042,100	6
Bare Cove Realty	Office Bldg.	-	-	-	-	\$9,662,200	7
Hewitts Cove Marina	Shipyard	-	-	-	-	\$8,301,200	9
Hingham Assisted Living	Healthcare	-	-	-	-	\$6,275,100	10
		<u>\$ 623,138,900</u>		<u>83.0%</u>	<u>11.0%</u>	<u>\$ 125,741,550</u>	



(1) SOURCE: Assessor's Department, Town of Hingham
(2) Total Commercial, Industrial & Personal Property (CIP) valuation \$750,903,976
(3) Total valuation of all property \$5,653,800,660

**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
2000	20,954	\$ 873,844,662	\$ 2,360,625,044	\$ 11,801,795	-	\$ 563	1.35%	0.50%
2001	20,762	\$ 865,837,686	\$ 2,654,902,440	\$ 11,091,207	-	\$ 534	1.28%	0.42%
2002	20,762	\$ 865,837,686	\$ 3,263,821,350	\$ 53,302,405	-	\$ 2,567	6.16%	1.63%
2003	20,898	\$ 871,509,294	\$ 3,416,302,980	\$ 50,486,385	-	\$ 2,416	5.79%	1.48%
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%

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
2000	\$ 1,585,326	\$ -	\$ 13,387,121	\$ 639	1.53%	0.57%
2001	\$ 1,393,300	\$ -	\$ 12,484,507	\$ 601	1.44%	0.47%
2002	\$ 1,200,000	\$ -	\$ 54,502,405	\$ 2,625	6.29%	1.67%
2003	\$ 1,000,000	\$ -	\$ 51,486,385	\$ 2,464	5.91%	1.51%
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%

(1) South Shore Country Club

Source: Audited Financial Statements, U.S.Census

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

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Equalized value established January 1 by Comm of Mass.	\$ 2,191,460	\$ 2,588,860	\$ 2,588,860	\$ 3,449,880	\$ 4,273,600	\$ 4,273,600	\$ 5,479,433	\$ 5,479,433	\$ 6,190,427	\$ 6,190,427
Debt limit.....	\$ 109,573	\$ 129,443	\$ 129,443	\$ 172,494	\$ 213,680	\$ 213,680	\$ 273,972	\$ 273,972	\$ 309,521	\$ 309,521
Less:										
Total net debt applicable to limit.....	\$ 11,802	\$ 11,091	\$ 55,546	\$ 52,910	\$ 49,642	\$ 46,883	\$ 44,430	\$ 41,629	\$ 43,976	\$ 43,976
Legal debt margin.....	\$ 97,771	\$ 118,352	\$ 73,897	\$ 119,584	\$ 164,038	\$ 166,797	\$ 229,542	\$ 232,343	\$ 265,545	\$ 265,545
Total net debt applicable to the limit as a percentage of debt limit...	10.77%	8.57%	42.91%	30.67%	23.23%	21.94%	16.22%	15.19%	14.21%	14.21%

(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, 2008 the most recent valuation was as of Jan 1 ,2008. 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.

**COMPUTATION OF OVERLAPPING DEBT
As of June 30, 2009**

<u>Fiscal Year Ended June 30</u>	<u>Outstanding Long Term Debt</u>	<u>Hingham's Estimated Share (1)</u>	<u>2009 Dollar Assessment (2)</u>
Plymouth County (3)..... \$	-	N/A	\$ 88,925
MWRA (4)..... \$	140,551,875	0.363%	\$ 1,323,016
MBTA (5)..... \$	-	N/A	\$ 439,030

(1) Estimated share based upon operating expenses.

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

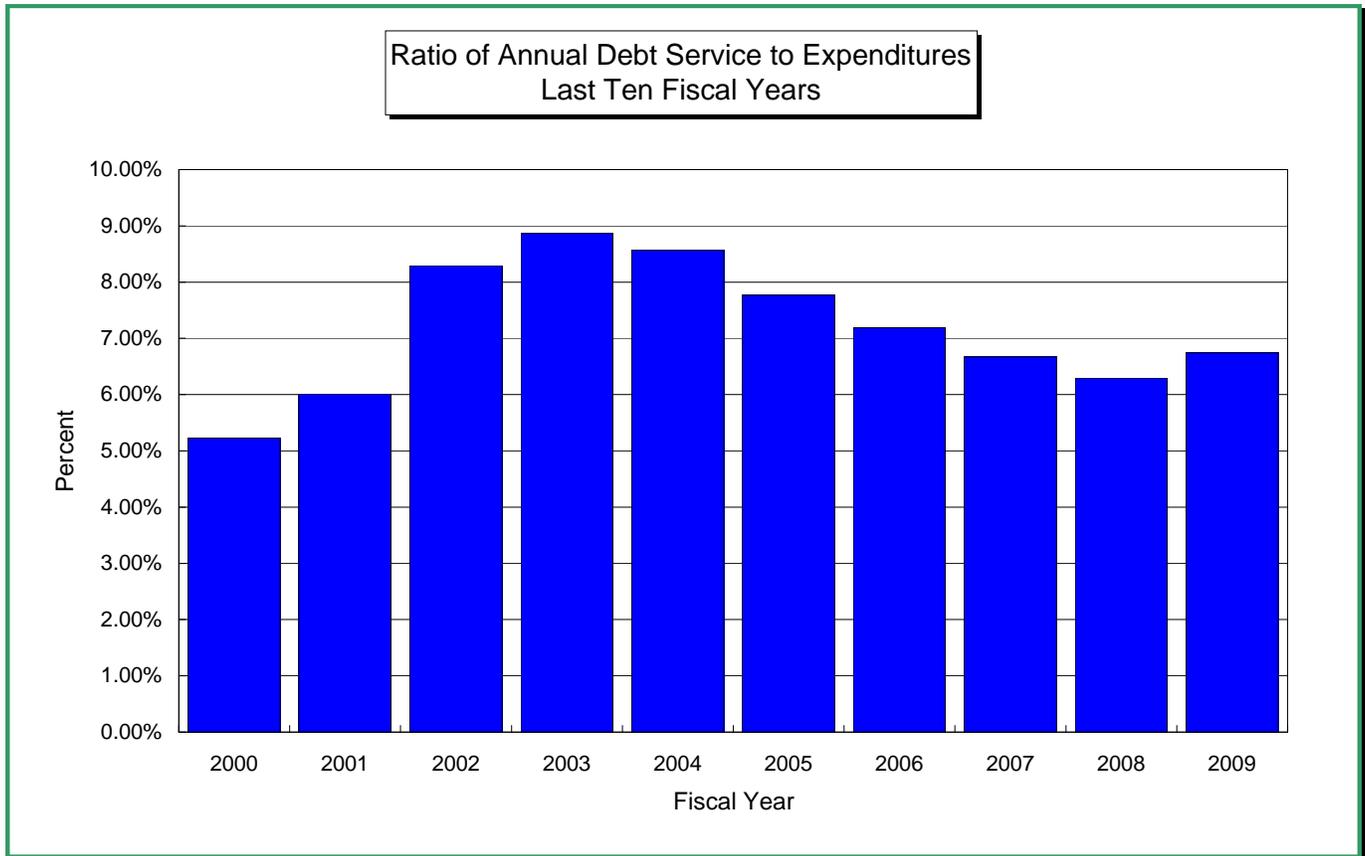
(3) Source: County Treasurer. County expenses, including debt service, are assessed upon the towns within the county in proportion to their taxable valuation.

(4) Source: Massachusetts Water Resources Authority (MWRA). Sewer debt only as of June 30, 2009. 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.

(5) Source: Massachusetts Bay Transportation Authority (MBTA). As part of its Fiscal year 2000 annual appropriations act, Chapter 127 of the Acts of 1999 of the Commonwealth known as "Forward Funding Legislation" the Commonwealth repealed and restated the Prior Act effective July 1, 2000. As of July 1, 2000, the MBTA's 175 member communities are no longer responsible for overlapping debt and are solely responsible for their municipal assessment.

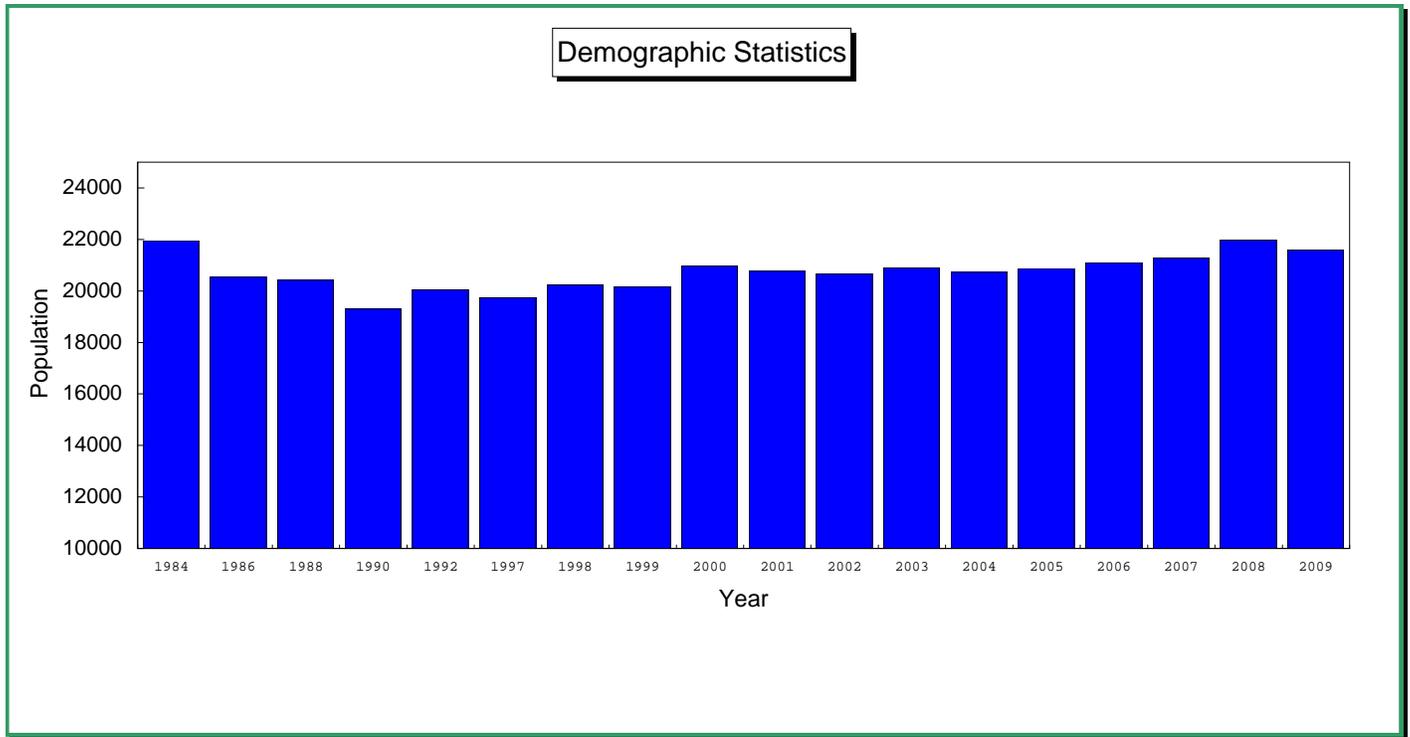
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS**

Fiscal Year Year Ended Ended June 30,	Annual Debt Service	Total General Fund Expenditures	Ratio of Annual Debt Service to Expenditures
2000	\$ 2,338,791	\$ 44,767,581	5.2%
2001	\$ 2,805,734	\$ 46,645,766	6.0%
2002	\$ 4,137,257	\$ 49,879,152	8.3%
2003	\$ 5,271,866	\$ 59,490,513	8.9%
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%



DEMOGRAPHIC STATISTICS

Year	Town of Hingham Pop (1)	Plymouth County Pop (2)	Commonwealth of Mass Pop (2)
1984	21,950	417,328	5,798,000
1986	20,533	424,400	5,832,000
1988	20,421	430,900	5,890,000
1990	19,295	435,276	6,016,000
1992	20,044	439,653	5,998,000
1997	19,738	462,159	6,117,520
1998	20,235	467,588	6,144,407
1999	20,165	473,026	6,175,169
2000	20,954	472,822	6,349,097
2001	20,762	481,059	6,379,304
2002	20,654	474,200	6,421,800
2003	20,898	485,747	6,427,803
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

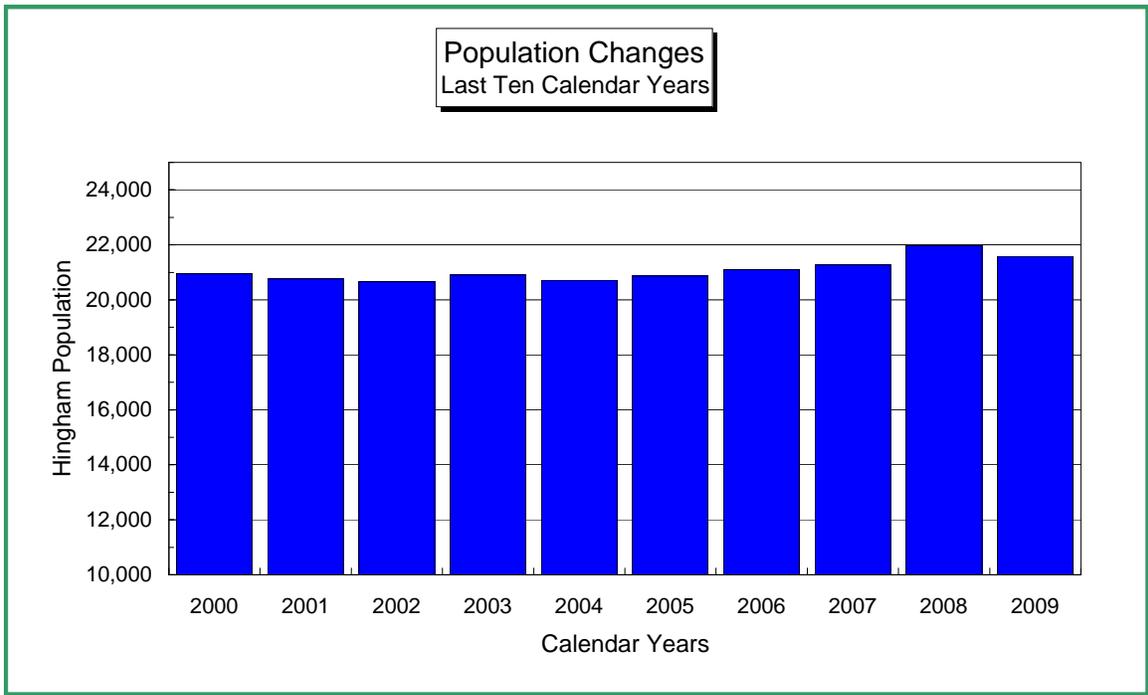


(1) Source:Hingham Town Clerk's Office.

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

POPULATION CHANGES LAST TEN CALENDAR YEARS

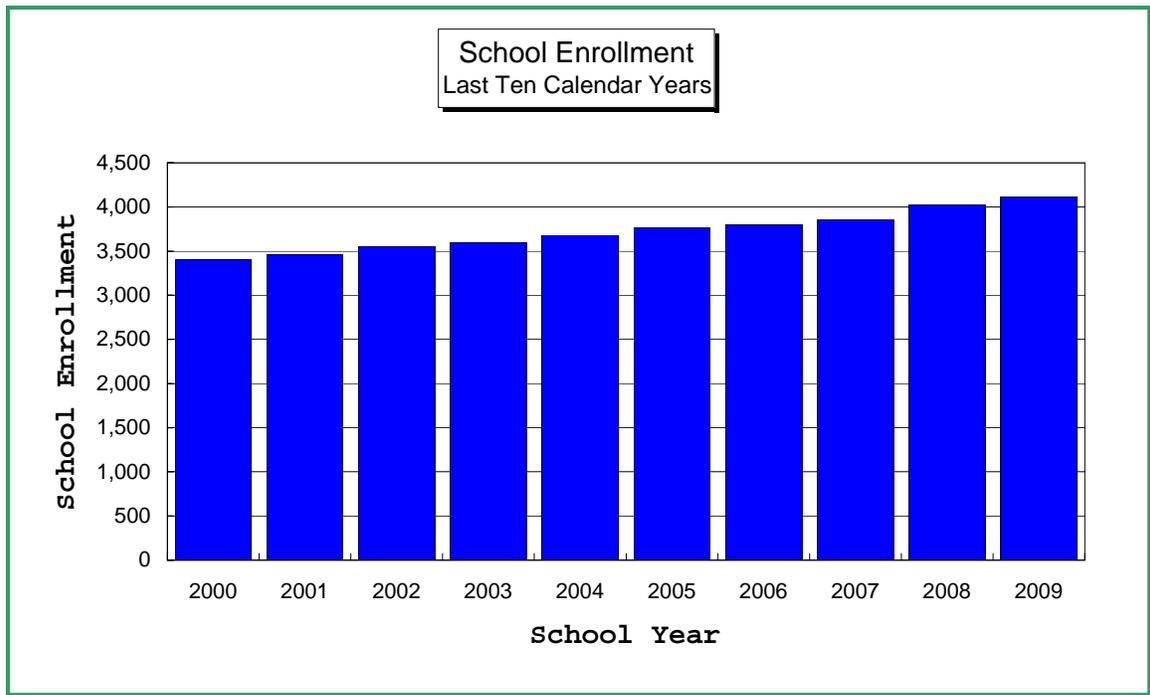
Year	Population	Increase (Decrease)
2000	20,954	(70)
2001	20,762	(192)
2002	20,654	(108)
2003	20,898	244
2004	20,720	(178)
2005	20,872	152
2006	21,095	223
2007	21,275	180
2008	21,978	703
2009	21,589	(389)



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

SCHOOL ENROLLMENT STATISTICS LAST TEN YEARS

School Year	School Enrollment	Increase (Decrease)
2000	3,400	43
2001	3,457	57
2002	3,554	97
2003	3,596	42
2004	3,678	82
2005	3,763	85
2006	3,796	33
2007	3,850	54
2008	4,023	173
2009	4,110	87



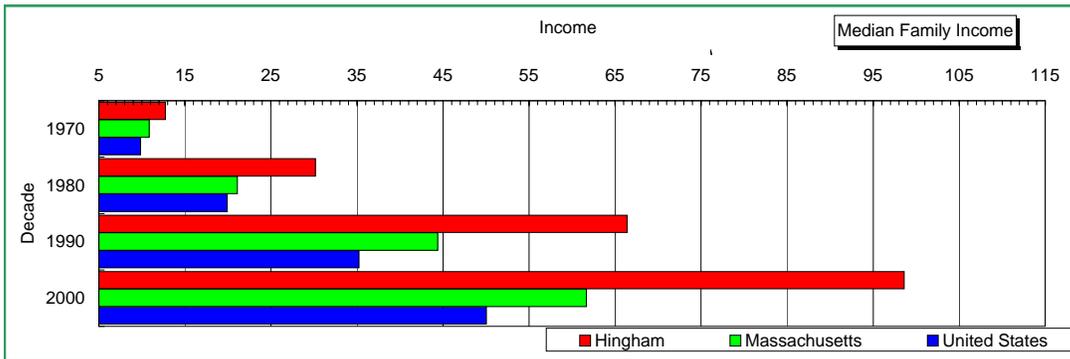
Source: Hingham's School Business Administration Office

MEDIAN AGE, MEDIAN FAMILY INCOME AND PER CAPITA INCOME

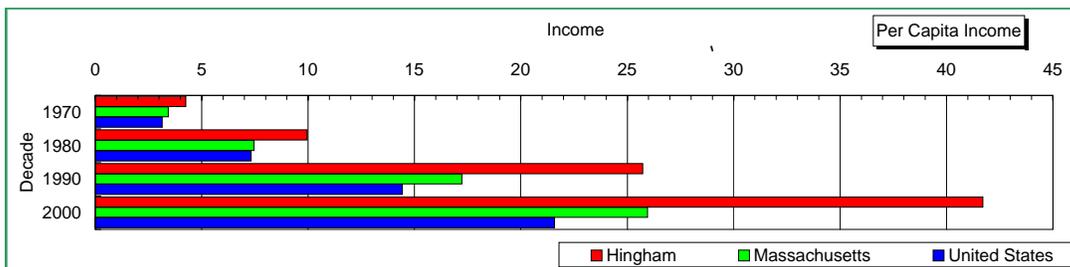
Median Age	Hingham	Massachusetts	United States
1970	27.5	29.0	28.1
1980	32.6	31.2	30.0
1990	37.6	33.6	32.9
2000	39.7	36.5	35.3



Median Family Income	Hingham	Massachusetts	United States
1970	\$ 12,729	\$ 10,835	\$ 9,867
1980	\$ 30,157	\$ 21,116	\$ 19,908
1990	\$ 66,386	\$ 44,367	\$ 35,225
2000	\$ 98,598	\$ 61,664	\$ 50,046



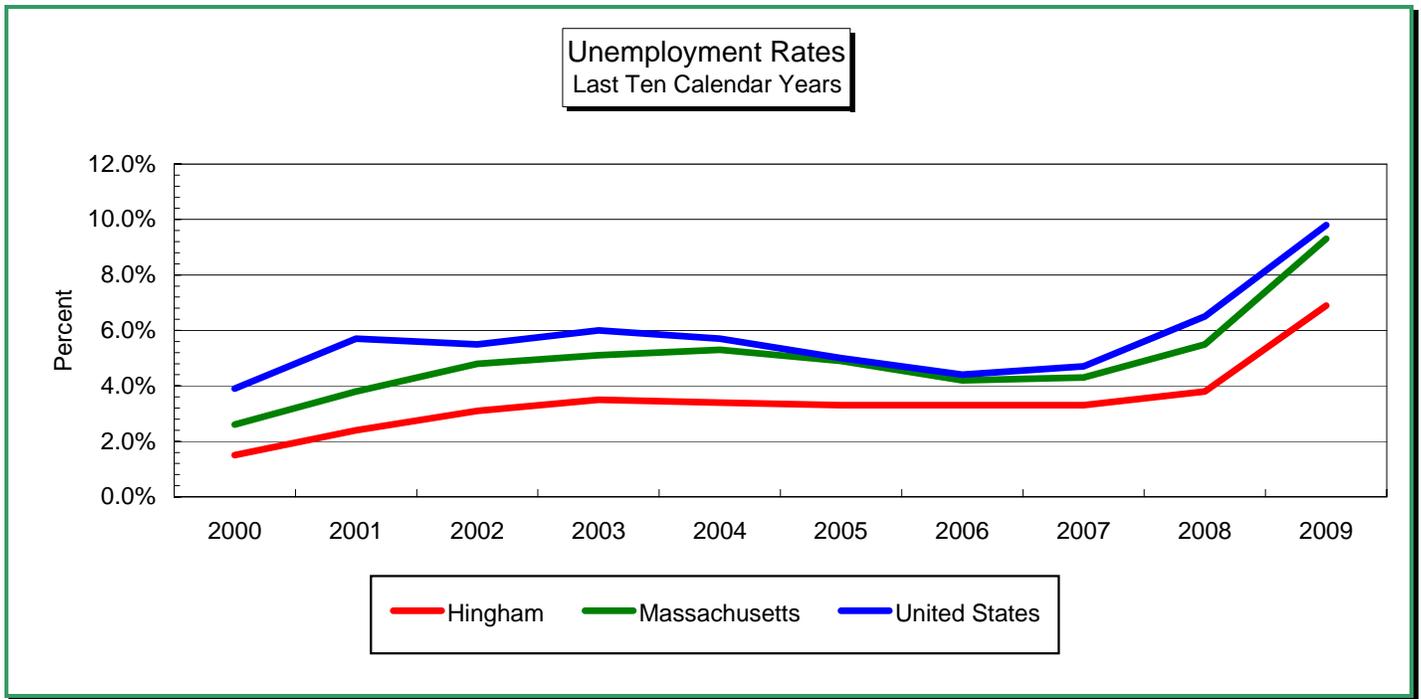
Per Capita Income	Hingham	Massachusetts	United States
1970	\$ 4,251	\$ 3,425	\$ 3,139
1980	\$ 9,949	\$ 7,459	\$ 7,313
1990	\$ 25,726	\$ 17,224	\$ 14,420
2000	\$ 41,703	\$ 25,952	\$ 21,587



Source: Federal Bureau of the Census.

UNEMPLOYMENT RATES LAST TEN CALENDAR YEARS

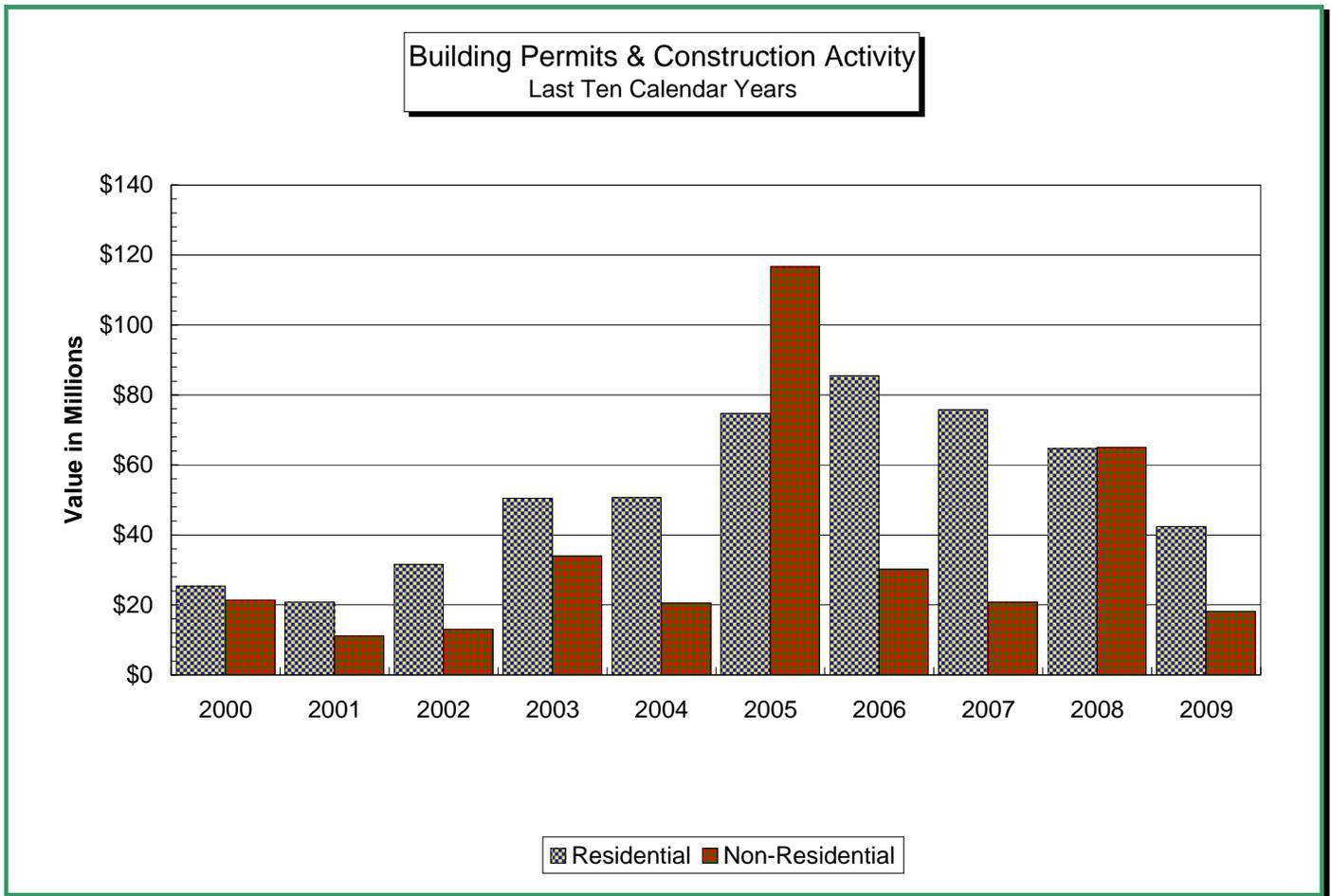
Year	Hingham (1)	Massachusetts (1)	United States (1)
2000	1.5%	2.6%	3.9%
2001	2.4%	3.8%	5.7%
2002	3.1%	4.8%	5.5%
2003	3.5%	5.1%	6.0%
2004	3.4%	5.3%	5.7%
2005	3.3%	4.9%	5.0%
2006	3.3%	4.2%	4.4%
2007	3.3%	4.3%	4.7%
2008	3.8%	5.5%	6.5%
2009	6.9%	9.3%	9.8%



(1) Source: Massachusetts Division of Employment and Training
(As of September 2009)

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

Year	Residential		Non-Residential		Total
	Number	Value	Number	Value	
2000	617	\$ 25,369,117	152	\$ 21,452,362	\$ 46,821,479
2001	550	\$ 20,966,124	200	\$ 11,078,881	\$ 32,045,005
2002	629	\$ 31,516,573	221	\$ 13,121,122	\$ 44,637,695
2003	664	\$ 50,477,912	231	\$ 33,959,121	\$ 84,437,033
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



(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**

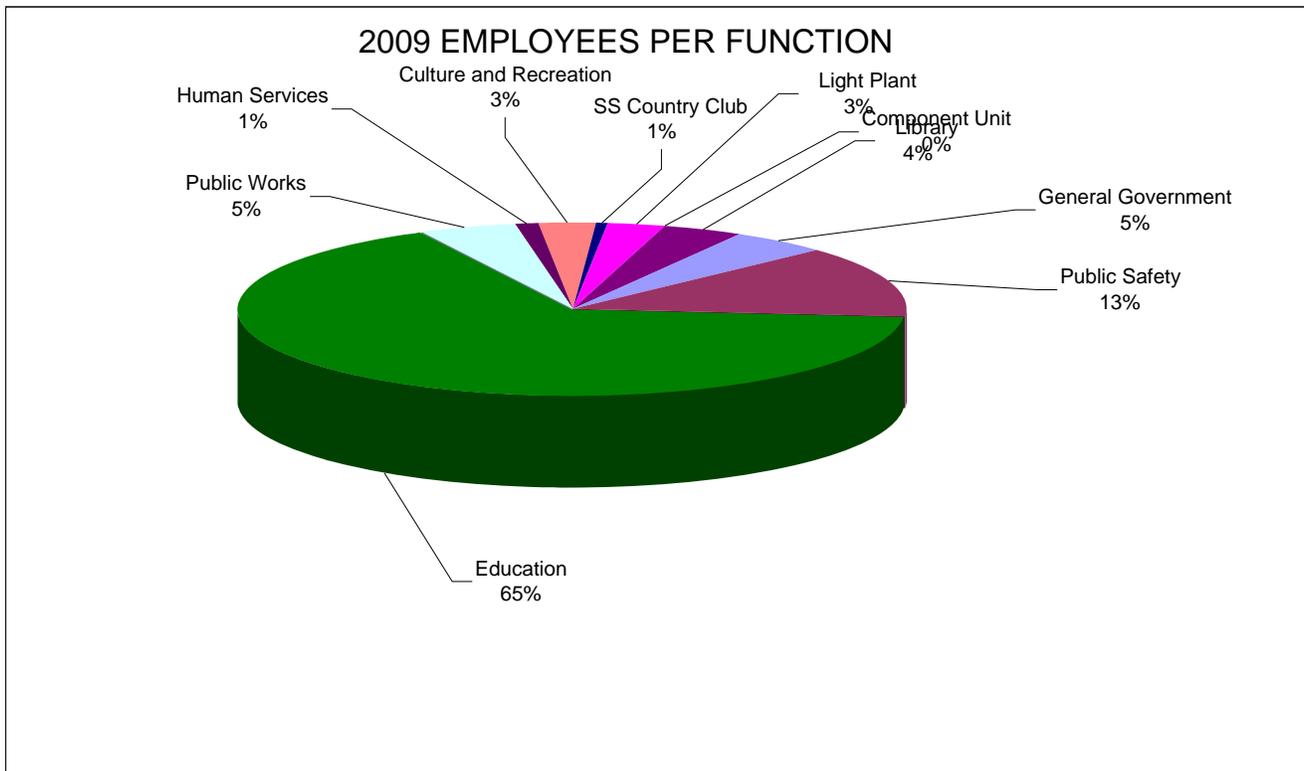
2009				
Employer	Business	Employees	Rank	% of Total Employment
Talbots	Retail Clothing	1,200	1	10.66%
Town of Hingham	Government	1,019	2	9.05%
Blue Cross/Blue Shield	Health Care	990	3	8.79%
Serono Laboratories	Bio-Technology	601	4	5.34%
Linden Ponds	Health Care	450	5	4.00%
Russ Electric	Manufacturing	239	6	2.12%
Harbor House	Health Care	227	7	2.02%
Stop & Shop	Retail	190	8	1.69%
Whole Foods	Retail	169	9	1.50%
Eat Well	Restaurant	148	10	1.31%
		5,233		46.48%

2000				
Employer	Business	Employees	Rank	% of Total Employment
Talbots	Retail Clothing	1,000	1	9.83%
Town of Hingham	Government	943	2	9.27%
Russ Electric	Manufacturing	300	3	2.95%
Stop & Shop	Retail	225	4	2.21%
Sager Electric	Electrical Equipment	150	5	1.47%
Harbor House	Health Care	144	6	1.42%
Building #19	Distribution Warehouse	130	7	1.28%
Bradlees	Retail	103	8	1.01%
Hingham Bay Club	Restaurant	100	9	0.98%
Heritage at Hingham	Health Care	52	10	0.51%
		3,147		30.93%

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

NUMBER OF EMPLOYEEES PER FUNCTION OF GOVERNMENT

Function	2009		2008		2007	
	# of Employees	% of Total Employees	# of Employees	% of Total Employees	# of Employees	% of Total Employees
Governmental Activities						
General Government	48	4.71%	50	4.90%	42	4.32%
Public Safety	135	13.25%	133	13.04%	122	12.55%
Education	676	66.34%	670	65.69%	648	66.67%
Public Works	47	4.61%	49	4.80%	48	4.94%
Human Services	12	1.18%	14	1.37%	14	1.44%
Culture and Recreation	26	2.55%	24	2.35%	25	2.57%
Business-Type Activities						
SS Country Club	6	0.59%	8	0.78%	5	0.51%
Light Plant	29	2.85%	30	2.94%	27	2.78%
Component Unit						
Library	40	3.93%	42	4.12%	41	4.22%
TOTAL EMPLOYEES	1,019	100.00%	1,020	100.00%	972	100.00%



Note: Prior years data not available. Terminated employees are purged from our system.