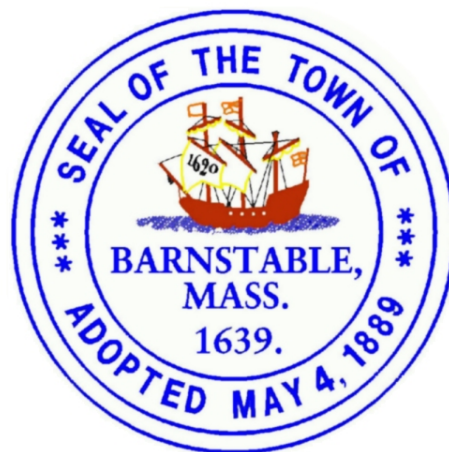


# TOWN OF BARNSTABLE, MASSACHUSETTS

## Comprehensive Annual Financial Report



For the fiscal year ended June 30, 2009



Prepared By:  
Finance Department

On the cover, A view of the front entrance to the new Hyannis Youth and Community Center. Picture by Samantha Garfield.

The Town of Barnstable's Hyannis Youth and Community Center ("HYCC") is situated in the heart of Cape Cod's commercial hub surrounded by hotels, restaurants, local attractions and more! The building is a short stroll (two blocks) away from popular restaurants, shops and attractions on Main Street. The Barnstable Municipal Airport, Hyannis Transportation Center and ferries to Martha's Vineyard and Nantucket are also nearby.

The Hyannis Youth and Community Center broke ground on January 18, 2008. The 105,000 square foot, \$24.7 million project was funded with a combination of federal, state and local money along with private fundraising through the Hyannis Youth and Community Center Foundation. The facility contains two skating rinks with the main rink seating capacity at 1,500 and 250 in the second rink. The gymnasium includes a competition basketball court with two full cross courts and portable seating for 500 spectators along with an elevated three lane walking track. The project, by design, is placed in the area of Town with the greatest need as 2,500 children reside within a one mile radius of the site. The Lt. Joseph P. Kennedy Jr. Memorial Skating Rink was demolished after 52 years of service to make way for additional parking at the new facility and the completion of the attractive landscaped site which serves as the gateway to the downtown district. The completed multi-generational project is a facility which Barnstable residents can all be extremely proud!

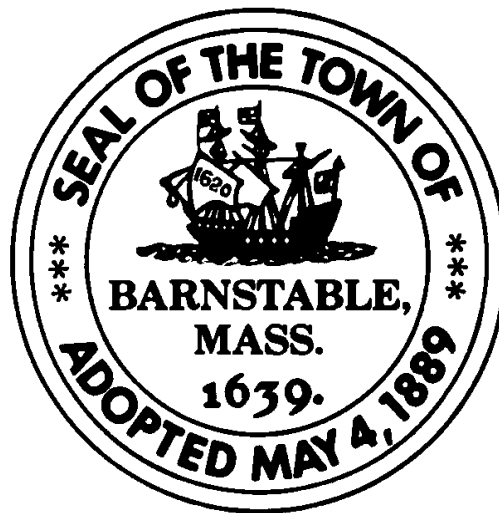


A crowd gathers at the opening day celebration in front of the new Hyannis Youth and Community Center. Picture by Samantha Garfield.

# TOWN OF BARNSTABLE, MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended  
June 30, 2009



Prepared by:  
Finance Department

TOWN OF BARNSTABLE, MASSACHUSETTS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2009

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## *Introductory Section*



The Cape Cod Cubs line up for the presentation of the National Anthem in the Lt. Joseph P. Kennedy, Jr. Memorial Skating Rink at the new Hyannis Youth and Community Center (HYCC). The 1500 seat ice arena is the home ice for this new International Jr. Hockey League team; a member of the Super Elite Division. Picture by Samantha Garfield.

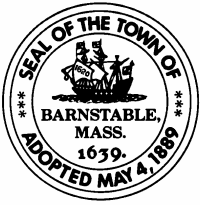


Center ice action during a Cape Cod Cubs game at the HYCC. Picture by Samantha Garfield.

# ***Introductory Section***



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# Town of Barnstable

## Finance Division

School Administration Building  
230 South Street  
Hyannis MA 02601

[www.town.barnstable.ma.us](http://www.town.barnstable.ma.us)



### Letter of Transmittal

January 25, 2010

To the Honorable Members of the Town Council and Citizens of the Town of Barnstable:

State law requires the Town of Barnstable to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Barnstable, Massachusetts, for the fiscal year ending June 30, 2009 for your review. This report was prepared by the Town's Finance Division.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Powers & Sullivan, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town's financial statements for the fiscal year ended June 30, 2009, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented on page 17 of this report.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Single Audit Report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is

designed to compliment the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Town of Barnstable was incorporated in 1639 and is located in the center of Cape Cod. The land area covers over 62 square miles including 100 miles of shoreline and 55 freshwater ponds. The Town is composed of the seven villages of Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills, Osterville, and West Barnstable with a year round population of close to 50,000 that grows to over 125,000 during the summer months. The Town spans the width of Cape Cod from the north to south and is boarded by the towns of Mashpee and Sandwich to the west and Yarmouth to the east. The Town serves as the seat of County government and the Village of Hyannis serves as the seat of Town government.

## **Municipal Services**

The Town provides general governmental services within its boundaries including public education in grades kindergarten through twelve, police protection, collection and treatment of sewage in certain sections, public works, streets, parks and recreation, public beaches and a municipal airport. The village of Hyannis' water supply is provided by the Town of Barnstable. The other villages' public water supply is provided by special districts (The Barnstable Fire District, the Cotuit Fire District, and the Centerville-Osterville-Marstons Mills Fire District). The districts are special purpose units of government and collectively, with the Town, service 96% of the residents while the remainder makes use of private on-site wells. Fire protection is provided by the above named districts and the West Barnstable Fire District and the Hyannis Fire District. The water and fire districts are special governmental units and are not part of the municipal structure. However, the Town does serve as collecting agent for taxes and transfers the funds directly to the districts. Their financial activity is not part of these financial statements.

Seven independent libraries provide library services for Town residents. The libraries include: Centerville Public Library, Cotuit Library, Hyannis Public Library, Marstons Mills Public Library, Osterville Free Library, Sturgis Library, and Whelden Memorial Library. The Town has traditionally provided funding to each library in the form of grants that average 2/3 of the libraries' total operating funds. The Town has no administrative or managerial authority over the libraries; rather, they are governed by independent Boards of Trustees. A Town Library Committee, appointed by the Town Council from members of each Boards of Trustees, provides a coordinated effort of looking at town-wide library issues. The libraries are reported as component units as part of these financial statements.

The Cape Cod Regional Technical High School District provides education in grades nine through twelve. Approximately, 200 Barnstable students attended this school in 2009. The Sturgis High School is a Commonwealth Charter School and provides an alternative choice for public education for grades 9 to 12. Approximately, 100 Barnstable students attended this school in 2009. In addition, the Town operates two Horace Mann Charter Schools; the Grades 4 and 5 building located in Marstons Mills and the K to 3 elementary school located on Bearses Way in Hyannis. The Horace Mann Charter Schools are managed independently by an appointed Board of Trustees and not by the School Committee and Superintendent. Funding for the schools' operations are provided by the Town based upon a negotiated amount between the School Committee and Board of Trustees within the guidelines established by the authorizing legislation of the Commonwealth of Massachusetts. The funding is treated as an assessment and is included in the Town's education expenses.

The Cape Cod Regional Transit Authority provides limited bus service within the Town which receives an annual assessment from the state for this service. The Barnstable Housing Authority provides housing for eligible low income families and elderly and handicapped persons. These entities are not considered component units. The principal services provided by Barnstable County are space for courts, a jail and house of correction and a registry of deeds. The County is not a component unit.

## **Governing Bodies and Officers**

The Town is governed by the Council-Manager form of government with an elected thirteen member Town Council and a council-appointed Town Manager. Council terms are staggered four year terms from thirteen precincts on a nonpartisan basis. Subject to the legislative decisions made by the Town Council, administrative authority is vested in the Town Manager. The Town Manager supervises and directs the administration of all municipal departments except for the School Department and the Barnstable Airport.

The School Department is governed by the elected School Committee consisting of five persons, and a Superintendent appointed by the School Committee.

A seven member Airport Commission appointed by the Town Council with staggered three-year terms governs Barnstable's Municipal Airport. An Airport Manager, appointed by the Airport Commission, is responsible for administration and day-to-day operations.

Local taxes are assessed by a council appointed Board of Assessors who serves a three year staggered term.

## **Organization**

The Town is organized in accordance with its Home Rule Charter, which was adopted in the spring of 1989. The Charter outlines provisions for incorporation, the legislative branch, elected town offices, the Town Manager, administrative organization, financial procedures, nominations and elections and citizen relief mechanisms. A Charter Commission was formed which presented a new town charter to the voters in November 2009. The proposed charter was rejected by the voters by a 10 vote margin so the Town retains its existing structure.

The Town is administratively organized through an administrative code ordinance into six departments reporting to the Town Manager and two elected officer departments. Administrative departments include the Administrative Services and Growth Management. The Administrative Services Department is comprised of several divisions including Legal, Human Resources, Information Technology and Finance. The elective offices of Town Clerk and Town Collector liaison with the Finance Division. The Finance Division incorporates consolidated financial management of accounting, assessing, treasury, and purchasing for all departments including the School Department. Operational departments include the Department of Public Works, Community Services Department, Regulatory Services Department and Police Department.

The administrative code ordinance describes the responsibilities and relationships of all elective officers, all multiple member boards, and all administrative agencies. It further defines legislative policy on financial management, communications, ethics, fleet services, insurance, investment, information systems, personnel, procurement, trust fund management, volunteer services and property management. Administrative procedures are promulgated by the Town Manager to implement the legislative policy in each of these areas.

## **Financial and Management Systems**

The Town annually prepares and updates a ten-year financial forecast and five-year capital improvement plan. The Town annually prepares and presents an annual operating budget. These documents are prepared by the Town Manager's office with the support of the Finance Division and submitted to the Town Council for adoption. The Town Council annually establishes financial policies that guide the preparation of the capital and operating budget plan.

The ten-year forecast, submitted to the Town Council each year, is a comprehensive review of economic trends on a local, regional and national basis; which projects and analyzes major municipal fund projections based upon service program assumptions. Based upon these projections and analyses, the forecast establishes a focal point each year for the Town Council to establish a series of revenue and expenditure policies which guide in the formation of the capital and operating budget.

The five-year capital improvement plan, submitted in the spring of each year, comprehensively identifies municipal infrastructure and improvement needs by detailing on a project basis, project description, cost, potential source(s) of funding, priority need, impact upon the operating budget and ongoing capital maintenance costs. The plan is funded annually by the Town Council adopting a funding strategy for the first year of each plan. The annual update allows decision makers the opportunity to regularly analyze and decide upon the priorities for project funding.

The annual operating budget submitted in the spring of each year, follows a program management format which details source and use recommendations for all funds, details departmental missions, goals, objectives and annual work plans and details performance measurement and financial management criteria for each budget cycle. The budget maintains consistency with the Town Council's strategic plan, financial management standards and policies. The budget funding sources include the general fund, comprised of revenues from the property tax, auto, boat and hotel tax, user fee receipts, grants in aid, trust income and miscellaneous program income; and seven enterprise funds for the municipal airport, two golf courses, the water pollution control facility, the solid waste facility, water supply, town marinas and Sandy Neck Park. A new enterprise fund will be added in fiscal year 2010 for the Hyannis Youth and Community Center (HYCC). These enterprise funds are entirely self-supporting through user-based charges except for the HYCC which will receive a General Fund subsidy to assist in the repayment of bonds issued to construct the facility.

### Principal Executive Officers

<u>Office</u>	<u>Name</u>	<u>Term</u>	<u>Term Exp.</u>
Town Manager	John C. Klimm	Appointed	2015
Superintendent of Schools	Patricia B. Grenier	Appointed	2011
Assistant Town Manager	Thomas K. Lynch	Appointed	Indefinite
Town Attorney	Ruth J. Weil	Appointed	Indefinite
Chief of Police	Paul B. MacDonald	Appointed	Indefinite
Director of Finance	Mark A. Milne	Appointed	2015
Director of Public Works	Mark S. Ells	Appointed	Indefinite
Director of Regulatory Services	Thomas F. Geiler	Appointed	Indefinite
Director of Community Services	Lynne M. Poyant	Appointed	Indefinite
Director of Human Resources	William E. Cole	Appointed	Indefinite
Director of Information Technology	Daniel J. Wood	Appointed	Indefinite
Director of Growth Management	Vacant	Appointed	Indefinite
Tax Collector	Maureen E. Niemi	Elected/4 yrs.	Nov. 2011
Town Clerk	Linda E. Hutchenrider	Elected/4 yrs.	Nov. 2013
Airport Manager	Vacant	Appointed	Indefinite

### Factors Affecting Financial Condition

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

**Local economy.** While tourism will always remain an important component of the Town's economy, improved transportation networks, a heightened popularity among retirees, and the Town's own growing service economy, are helping to diversify the economy from its former heavy reliance on the summer tourism trade. Even the nature of tourism has changed. Expansion of the summer season is evident, including the "shoulder seasons" in the spring and the fall. Contributing to the extension of the season is the large increase in the conversion of former summer homes to year-round second homes, as well as the construction of many expensive second homes. Over the years, Barnstable has evolved from a seasonal to a more year-round community, with a current year-round population of approximately 50,000. The Town estimates that nearly two-thirds of homes are now occupied by year-round residents, compared with about one-third 20 years ago. As the number of second homes increases,

the Town's economic future is becoming linked to the greater Boston, Connecticut, and New York economies from which the second homeowners derive their livelihood.

The Town also is a major transportation hub for the Cape Cod region and the islands of Nantucket and Martha's Vineyard. Over 200,000 passengers pass through and over 120,000 takeoffs and landings per year occur at the Barnstable Municipal Airport. Employment at the airport exceeds 1,100 people. The Cape Cod Regional Transportation Authority's main terminal is located in the village of Hyannis and the Steamship Authority and Hyline Cruises provide ferry service to Nantucket & Martha's Vineyard. Over one million people pass through these ports every year. All this traffic creates the opportunity for the Town to sustain a healthy retail and service driven economy.

Wealth levels are understated because they, as reported, only include income and do not take into account individual assets or the wealth of second homeowners or retirees. Effective buying income (EBI) levels for the Town are average to above average, with household EBI equal to 109% of the national level and per capita EBI equal to 124%.<sup>1</sup>

**Tax Base.** Total assessed valuation for the Town has declined to \$13.4 billion in fiscal 2010 reflecting a 7.5% decrease from the fiscal year 2009 value. However, this is still \$8.4 billion more than the fiscal 2000 value of \$5 billion. Included in that amount is a substantial \$1.3 billion commercial base, highlighting the Town's position as one of the economic centers of southeastern Massachusetts. Per capita market value is extremely strong at \$309,000 based on the year-round population, and is still very strong at \$116,000 based on the estimated peak summer population.<sup>2</sup> New building growth activity has declined with \$137 million in fiscal year 2009 and \$93 million projected in fiscal year 2010. The tax levy for fiscal year 2009 was \$89.1 million and the excess tax levy capacity was \$277 million. The excess capacity can only be accessed by a voter approved tax levy override. The tax rates for fiscal year 2009 were \$6.90 per thousand dollars of valuation on residential property and \$6.12 per thousand dollars of value on commercial, industrial and personal property (CIP). The residential rate was higher than the CIP rate as a result of the Town Council adopting a twenty percent residential exemption. This effectively removed \$1.3 billion of property value from the residential class driving the tax rate upwards for this class of property as the residential tax levy remains the same.

**Long-term financial planning.** The Town of Barnstable's capital program has identified approximately \$82 million in capital improvements needed over the next five years. More resources will need to be identified to address these items. \$12 million of this amount is for improvements at the Barnstable Municipal Airport. The majority of the capital program at the airport is federal and state funded. \$10 million is associated with the Town's water pollution control facility enterprise fund; \$10 million is for water system improvements and \$5 million is associated with the Barnstable Harbor bulkhead replacement. In addition, there is \$16 million for road improvements and \$29 million mainly connected to the Town's aging facilities.

On the operations side, the most significant factors affecting long-term financial planning included the level of new building growth, state aid levels, excise taxes, personnel costs including wages, salaries and benefits, utility and fuel costs, the aging of the Town's population and the decline in school enrollments.

As mentioned previously, new building growth projections are lower than recent actual results due to the decline in developable lots and recent developments in the housing and financial markets. The Town will continue to expand its effort in the redevelopment of existing lots to achieve adequate levels of new building growth in order to maintain its current operation levels.

State aid is projected to decrease over the next couple years before it levels off. The single largest form of aid is Chapter 70 aid for education. The new formula passed in fiscal year 2006 states that no community will receive less than 17.5 percent of its foundation budget in the form of Chapter 70 aid. If a community currently receives

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<sup>1</sup> Standard and Poor's credit analysis, dated June 10, 2009.

<sup>2</sup> Standard and Poor's credit analysis, dated June 10, 2009.

less than 17.5 percent, the additional aid will be phased in over a 5 year period. Barnstable falls into this category and the town's aid would increase by approximately \$2 million if this formula were fully funded. However, with the condition of the state's economy, it is highly unlikely that they will be able to provide any increase in the Town's aid. Lottery aid, or general governmental aid, is the second largest category which is also expected to decline as a result of the state's economy.

Health insurance cost increases continue to outpace the rate of inflation and this trend is projected to continue in the long-term. The Town has been participating in a joint purchase group (Cape Cod Municipal Health Group) for a number of years for its health insurance. Participating in a large pool allows for risks to be spread and helps control cost increases. The Town contributes 50 percent towards active and retired employees' health insurance premiums. This is the minimum amount it can contribute by state law. The Town's total health insurance expense for fiscal year 2009 was \$10.3 million. This includes active and retired employees including retired teachers. Retired teachers join the Group Insurance Commission (GIC) upon retirement and the Town receives an assessment from the GIC every year. The assessment for fiscal year 2009 was \$2.3 million. Additionally, a new Government Accounting Standards Board (GASB) pronouncement was issued that requires the Town to perform an actuarial calculation of its unfunded health insurance liability for all active and retired employees. This liability is disclosed in these financial statements on page 95. The Town will eventually need to begin accumulating assets to fund this liability. This will mean that there will be fewer resources available for capital and operational needs.

In the areas of utilities and fuel the Town continues to implement and explore alternative options. New cogeneration technology was installed at the largest town facility, Barnstable High School (BHS), in 2008. A cogeneration facility is planned for the new youth center as well. This technology allows for the production of electricity, reducing our reliance on NSTAR and saving over \$100,000 per year in electricity cost. Furthermore, the byproduct of the production of electricity is heat which is captured and used to heat water at the school, further enhancing our utility savings. This technology is also being explored for the Hyannis Intermediate School and Barnstable Police Department. The Town is also planning on installing a large photovoltaic system at the Water Pollution Control Plant (WPCP), photovoltaic panels at the High School and two wind turbines at the WPCP. In the area of fuel, the Town's Highway Division and Police Department are the largest users of gasoline and diesel fuel. The Highway Division is using biodiesel fuel in some of its vehicle and equipment fleet. Increased utilization of renewable biofuels results in significant microeconomic benefits to both the urban and rural sectors. In addition to being a domestically produced, renewable alternative fuel for diesel engines, biodiesel has positive performance attributes such as increased cetane and high fuel lubricity. The Barnstable Police Department has purchased several new vehicles including hybrids and more fuel efficient vehicles as opposed to the traditional Ford Crown Victoria. Dodge Chargers have been purchased for the marked fleet and Ford Fusions for the unmarked fleet. The Public Works Department has also purchased hybrid vehicles and has implemented program changes to reduce the number of miles driven by the fleet in a year.

Declining school enrollments and the aging population of the Town will require an on-going analysis of program services and resource allocation. The School Department closed three buildings for fiscal year 2010; the Osterville Elementary School, Cotuit Elementary and the Marstons Mills Elementary. Service directed towards the senior population will likely increase as this segment continues to grow. It is estimated that public safety and public roads will become higher priorities over time.

The construction of sewer line extensions and additional treatment plants are also projected to have significant financial impacts on the community in the coming years. Studies are currently under way that will determine the Town's total maximum daily load (TMDL) of pollutants into our estuaries and the amounts that should be removed to comply with Federal Clean Water regulations. Removal of the excess pollutants will require sewer expansions that are estimated to cost hundreds of millions of dollars over several years.

The Town continues to manage its financial affairs in a prudent manner. It has been able to do so by incorporating long range planning tools such as a ten-year forecast, a five-year Capital Improvement Program; establishing rainy day accounts and budgeting stabilization reserves; prioritizing spending plans and identifying discretionary

spending; pay as you go financing strategies; long-term planning for all liabilities including pension and insurance reserves, and investing in technology to make our operations more efficient.

The Town of Barnstable has also enhanced its revenue flexibility by establishing enterprise funds for certain operations. This has allowed the Town to shift one hundred percent of the operating cost and capital improvements to the users of certain services so that no tax support goes towards providing these services. This includes the airport, municipal golf course, solid waste transfer station and recycling center, and water pollution control operations, the Hyannis water operations, Town owned marinas and Sandy Neck Park. A new enterprise fund for fiscal year 2010 is anticipated for the Hyannis Youth and Community Center. The creation of these enterprise funds allows the Town to provide the maximum tax dollars available to all other services.

**Fiscal Year 2009 Major Initiative and Highlights**

**Fund balance.** During the fiscal year, the Town’s general fund balance declined to \$16.4 million from \$21.6 million from the previous year. This was attributable an operating deficit as the Town used some of its general fund reserves to finance its fiscal year 2009 operating budget. Enterprise fund balances increased from \$94.9 million to \$97.4 million as a result of temporary borrowing from reserves for financing capital improvements. Subsequently, the reserves were replenished as grant reimbursements were received.

**Bond sale and bond rating.** The Town conducted a \$4.6 million bond anticipation note (BAN) sale in fiscal year 2009. \$2.7 million was for land acquisition by the Airport Enterprise Fund for which the Federal Aviation Administration reimbursed the Airport. The grant reimbursement will be used to repay the bond anticipation note. The remaining \$1.9 million was for various other Town capital projects. This note will be converted to long-term bonds in June 2010 when the Town anticipates its next bond issue. The Town received an SP-1+ rating on this short-term bond issue and all of the Town’s existing long-term debt was reaffirmed at AAA with Standard & Poor’s.

Additionally, the Town borrowed \$771 thousand through the Massachusetts Water Pollution Abatement Trust’s loan program to fund water improvement projects.

**Investment income.** The Town realized a significant decrease in its investment earnings in fiscal year 2009. Total investment earnings were \$2.3 million compared to \$3.7 million in fiscal year 2008. The decrease in due to declining investment rates earned as well as decreasing cash balances available for investment.

**Cash and investments.** The Town’s ending cash balance declined from the previous year as cash reserves are being used to finance capital improvements as well as the normal spend down of bond proceeds for capital projects. Additionally, reserves have been used to finance a portion of general fund and enterprise fund operating budgets. The following table illustrates the change in the overall cash balance for the past several years.

FY2002	\$90,277,514
FY2003	\$94,222,616
FY2004	\$94,887,682
FY2005	\$96,375,779
FY2006	\$108,792,141
FY2007	\$134,211,367
FY2008	\$135,143,563
FY2009	\$120,708,687



**Free cash and enterprise fund surplus.** The Town's surplus funds in the general fund and enterprise funds are certified each year by the Massachusetts Department of Revenue. The following table compares the past two year's certifications.

	<u>On July 1, 2009</u>	<u>On July 1, 2008</u>	<u>Change</u>
General Fund Free Cash	\$8,411,317	\$7,932,730	\$478,587
<u>Enterprise Funds:</u>			
Airport Surplus	\$8,693,064	\$4,202,370	\$4,490,694
Golf Course Surplus (deficit)	\$4,812	(\$170,202)	\$175,014
Solid Waste Surplus (deficit)	\$2,243,244	\$5,257,705	(\$3,014,461)
Sewer Surplus	\$5,662,245	\$2,606,901	\$3,055,344
Water Surplus	\$684,261	\$535,194	\$194,067
Marina Surplus	\$202,553	\$131,049	\$71,504
Sandy Neck Surplus	\$280,890	\$200,398	\$80,492

The general fund's surplus increased as a result of unspent appropriations in fiscal year 2009. The airport's surplus increased from positive operating results as well as a grant reimbursement received in fiscal year 2009 from the Federal Aviation Administration for a land acquisition it made in fiscal year 2008. The golf course achieved its first year of surplus as it realized a positive operating result and paid off its loan from the general fund. The loan balance had been deducted from the cash balance in previous years which resulted in the negative balance. The solid waste surplus decreased as a result of designating a portion of the surplus for paying off the landfill capping loan. The increase in the sewer fund surplus is the result of funds being borrowed that offset a large contract encumbrance. The increase in the water, marinas and Sandy Neck Park accounts are the result of positive operating results in fiscal year 2009.

**Cash Management Policies and Practices**

The Town of Barnstable switched to quarterly tax billing in fiscal year 2006 and derives approximately 70 percent of annual General Fund revenue from this source. The quarterly billings result in a cyclical buildup and then spend down of operational cash reserves. Every effort is made to put our reserves to work. The Town's investment policy remains conservative with particular attention to the constraints of safety and liquidity while attempting to secure the highest yield possible within those constraints.

On a daily basis, the Treasurer deposits funds into a local depository account currently held at TD Bank. Frequently, depending on the level of receipts and the rate of interest, this money is transferred into our accounts at various other financial institutions, including, but not limited to the Massachusetts Municipal Depository Trust (MMDT). This is the State Treasurer's pool of invested funds that is currently managed by Fidelity Investments. The MMDT's investment policy requires that these pooled funds be invested in short-term fixed income securities (both government and corporate) with maturities not to exceed 90 days. Until recently, this fund generally offered a higher rate of return. Due to the economic downturn and the lower yields generated in this account, we have moved away from investing as heavily with MMDT. The MMDT account was often used to fund our vendor and payroll checking accounts at Mellon Bank. The Treasurer is responsible for having adequate cash available to fund bills and payroll that are paid weekly. This requirement as well as the cyclical flow of money from quarterly property tax collections affects the type and terms of the Town's investment portfolios.

The Treasurer must continually evaluate cash flow data to determine the amount of money that can be invested for a longer term in an effort to yield a higher return. The Treasurer operates on an aggregate cash basis and invests in the same fashion. This means that the Treasurer does not make separate investments linked to fund balances maintained on the general ledger but, rather, invests on the basis of estimated aggregate cash surpluses and the predicted term of availability of those surpluses. These surplus funds are used to purchase various obligations of the U.S. Treasury, government agency and corporate bonds, equities and certificates of deposit. Currently, the maturities of the various investments range from 14 days to 6 years; approximately 85%

with maturity dates within one year. The equity portion of the portfolio accounts for a small percentage of invested balances and is intended to provide a slight offset to fixed income investments.

While maintaining a highly diversified investment portfolio, the Treasurer also aims to maintain competitive investment relationships with numerous banks and other financial institutions. Since short-term rates fluctuate frequently among many of these institutions, the accounts and interest rates are continuously reviewed.

The Town's trust funds were managed in fiscal year 2009 by Rockland Trust with input from the Town's Trust Fund Advisory Committee. The Town awarded the management of these trust funds to Rockland Trust in the fall of 2007 as a result of a competitive proposal process. Each trust fund has a distinct purpose and, therefore, the mix of holdings in cash, fixed income securities, and equities varies by fund. The amount of annual income required and the timing of disbursements generally governs this mix.

### **Risk Management**

The Town of Barnstable manages its risk primarily through premium based coverage with commercial insurance carriers. Unemployment activities are self-insured while exposures to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and workers' compensation are covered through policies purchased from commercial carriers. Various control techniques including employee accident prevention training have been performed to minimize accident-related losses. In addition, the Town administers an insurance reserve fund to help offset the annual cost of its risk management program. Additional information on the Town of Barnstable's risk management activity can be found in the notes to the financial statements.

### **Pension and Other Post-Employment Benefits**

The Town of Barnstable contributes to the Barnstable County Retirement Association, a cost sharing, multiple-employer defined benefit pension plan administered by the Barnstable Contributory Retirement Board. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the Town must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a requirement by law, the Town fully funds each year's annual required contribution to the pension plan as determined by the actuary. As of January 1, 2009, the county retirement association has succeeded in funding 54% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 30 years as part of the annual required contribution calculated by the actuary.

The Town of Barnstable also provides postretirement health care benefits for certain retirees and their dependents. As of June 30, 2009, there were 326 retired employees receiving these benefits, which are financed on a pay-as-you-go basis. Governmental Accounting Standards (GAS) require that the Town calculate the unfunded portion of the liability associated with this benefit and report it on the Town's financial statements. Additionally, as this benefit is earned over the working lifetimes of the town's employees the annual cost of the benefit earned should be recognized and reported in the Town's financial statements in accordance with GAS. The Town's most recent actuarial valuation calculated the unfunded liability at approximately \$159 million.

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

### **Awards and Acknowledgements**

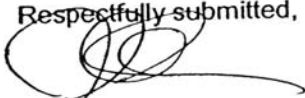
The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Barnstable for its comprehensive annual financial report (CAFR) for the fiscal years ended June 30, 2002 through June 30, 2008. In order to be awarded a Certificate of Achievement, the

Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

In addition, the GFOA also awarded the Town of Barnstable the Distinguished Budget Presentation Award for its annual budget document for the fiscal years beginning July 1, 2001, through July 1, 2009. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Town Manager and Finance Division. We would like to express our appreciation to all the members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Town Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Barnstable's finances.

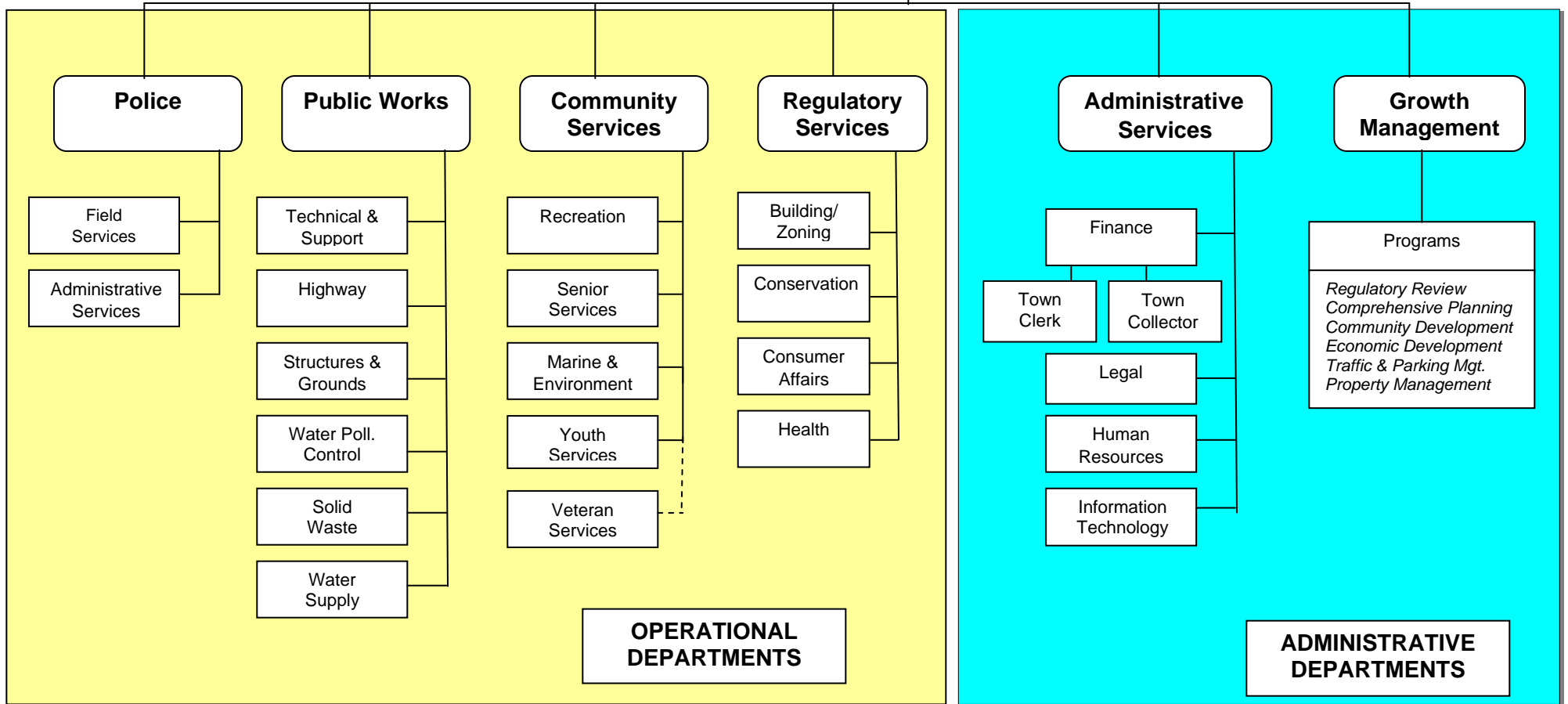
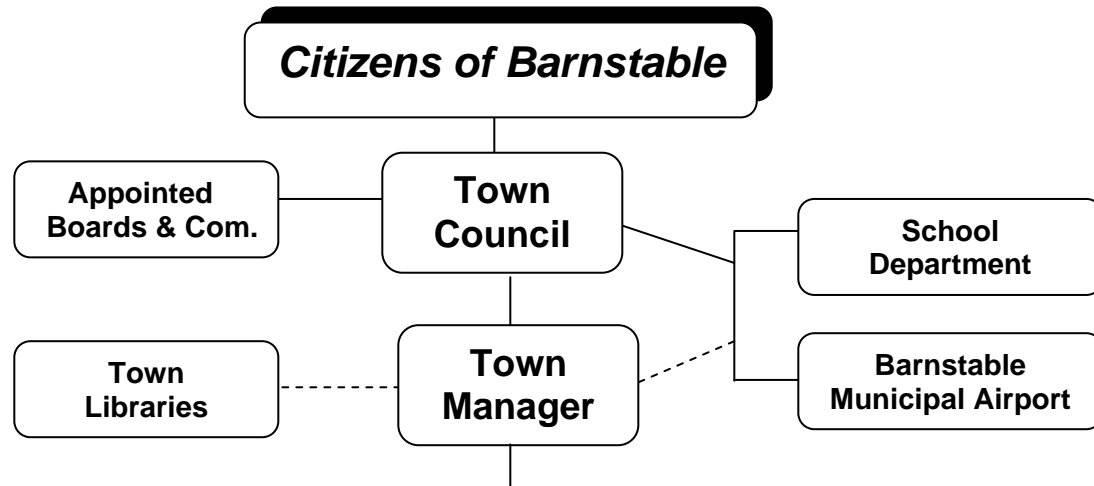
Respectfully submitted,



John C. Klimm  
Town Manager



Mark A. Milne  
Finance Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Barnstable  
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.



A handwritten signature in black ink, appearing to read "M. L. R. T.", positioned above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", positioned above the title "Executive Director".

Executive Director

## *Financial Section*



A poekoelan class taking place in the gymnasium of the new Hyannis Youth and Community Center. Picture by Sarah Beal.



*The public warming room located on the lower level of the HYCC between the two skating rinks. Picture by Samantha Garfield.*

# ***Financial Section***



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## Independent Auditors' Report

To the Honorable Town Council  
Town of Barnstable, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Barnstable, 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 Barnstable, 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 Barnstable Horace Mann Charter School and the Marstons Mills East Horace Mann Charter School, which represents 1% of the governmental activities assets, 1% of the governmental fund assets, 1% of the governmental activities net assets, 1% of the governmental funds balance, 1% of the governmental activities revenues, and 1% of the governmental fund revenues. We did not audit the financial statements of four of the Town of Barnstable, Massachusetts' library component units listed in Note 1, which reflect 82% of the total assets and 64% of the total revenues of the discretely presented component units. 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 Barnstable Horace Mann Charter School, the Marstons Mills East Horace Mann Charter School, and the discretely presented component units referred to above, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, each major fund, and the aggregate remaining fund information of the Town of Barnstable, Massachusetts, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2010, on our consideration of the Town of Barnstable, 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 conducted for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund statements, as listed in the table of contents, are presented for the purpose of supplementary analysis and are not a required part of the basic financial statements of the Town of Barnstable, 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, retirement system schedule of funding progress, retirement system schedule of employer contributions, the other post-employment benefit schedule of funding progress, schedule of employer contributions and other post-employment benefits actuarial methods and assumptions, are not a required part of the basic financial statements but is 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 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Bowers + Sullivan". The signature is written in dark ink and is positioned in the middle-left area of the page.

January 25, 2010, except for the Barnstable Horace Mann Charter School, the Marstons Mills East Horace Mann Charter School, and the library component units listed in Note 1, which were audited by other auditors and whose reports are dated on various dates through October 29, 2009.

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

## Management's Discussion and Analysis

As management of the Town of Barnstable, Massachusetts, we offer readers of the Town of Barnstable's financial statements this narrative overview and analysis of the financial activities of the Town of Barnstable for the fiscal year ended June 30, 2009. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

GASB is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with accounting principles generally accepted in the United States of America (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 of Barnstable'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. If the Town of Barnstable did not comply with GASB statement number 34 we would most likely receive a disclaimer of opinion. The Town of Barnstable has enjoyed an unqualified opinion on its financial statements since the fiscal year ended June 30, 1984.

### Financial Highlights

- The assets of the Town of Barnstable exceeded its liabilities at the close of the most recent fiscal year by \$336.8 million. Of this amount, \$71.9 million (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors.
- The primary government's total net assets decreased by \$1.7 million. The decrease was the net result of a decrease in the Town's governmental activities of approximately \$5 million and an increase of approximately \$3.3 million attributable to the Town's business type activities. The governmental activities decrease is mainly attributable to the recognition of an additional \$5.5 million in other post-employment benefit obligations; a \$696 thousand increase in compensated absences liability due to renegotiated union contracts; a decrease in capital grants of \$3.4 million and decreased revenues and the planned use of reserves; offset by an increase totaling \$3.5 million for legal settlements. The majority of the \$3.3 million growth in business type activities is largely attributable to the activity of the Water Supply Enterprise Fund.
- At the close of the current fiscal year, the Town of Barnstable's governmental funds reported combined ending fund balances of \$80.8 million, a decrease of \$22.6 million in comparison with the prior year. Approximately \$15.2 million of this total amount is available for appropriation at the government's discretion. Of this amount, \$1.9 million was appropriated to balance the subsequent year's budget.
- At the end of the current fiscal year, fund balance for the general fund totaled \$16.4 million, or 12 percent of total general fund expenditures.
- Total expenditures for the general fund were \$132 million or \$5.2 million more than the prior fiscal year. Education was the one area with the largest increase totaling \$2 million. Pension was the next highest area, increasing by just over \$1.3 million.
- The Town of Barnstable's total long-term debt decreased by \$11.9 million during the current fiscal year. The Town has one issuance of \$771,000 from the Massachusetts Water Pollution Abatement Trust for wastewater projects, and a total of \$12.7 million in long-term debt principal was paid down.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Barnstable's basic financial statements. The Town of Barnstable'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 of Barnstable's finances, in a manner similar to private-sector business.

The statement of net assets presents information on all of the Town of Barnstable'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 of Barnstable is improving or deteriorating.

The statement of activities presents information showing how the government'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 of 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 the government-wide financial statements include not only the Town of Barnstable itself (known as the primary government), but also the seven village libraries for which the Town of Barnstable contributes a majority of funding for their annual operations. Although they are legally separate, the libraries receive a significant portion of their annual operating budget from the Town of Barnstable and, therefore, the financial information for these component units is reported separately from the financial information presented for the primary government itself.

**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 of Barnstable, 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 of Barnstable 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 of Barnstable maintains eight major governmental funds that are presented separately in the governmental fund financial statements. The remaining nine 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 of Barnstable adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town of Barnstable maintains seven different enterprise funds within the proprietary fund type. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town of Barnstable uses enterprise funds to account for its airport, municipal golf course, solid waste disposal and recycling center, wastewater, water supply, marina and sandy neck recreation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for airport, golf, solid waste, wastewater operations, water supply, marina and sandy neck recreation all of which are considered major funds of the Town of Barnstable.

**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 of Barnstable'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.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the notes to the basic 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 Barnstable, assets exceeded liabilities by \$336.8 million at the close of the most recent fiscal year.

By far the largest portion of the Town of Barnstable's net assets (\$241.2 million or 72%) reflects its investment in capital assets (e.g., land, buildings, vehicles, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Barnstable uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Barnstable's investment in its 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Barnstable's net assets (\$23.7 million, or 7%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$71.9 million, or 21%) may be used to meet the government's ongoing obligations to citizens and creditors.

The change in net assets by activity (governmental and business-type) is also a useful measure to assess the financial position of the Town. By understanding the underlying reasons for these changes, communities may be better prepared to make decisions in regards to the allocation of resources from year to year.

### Comparative Net Assets

	Governmental Activities			Business-type Activities		
	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2007	June 30, 2008	June 30, 2009
Current and other assets	\$ 151,597,269	\$ 157,926,157	\$ 135,526,934	\$ 38,518,405	\$ 43,365,922	\$ 41,712,446
Capital assets	\$ 214,890,212	\$ 220,778,548	\$ 236,846,539	\$ 87,313,124	\$ 94,170,473	\$ 100,753,510
<b>Total assets</b>	<b>\$ 366,487,481</b>	<b>\$ 378,704,705</b>	<b>\$ 372,373,473</b>	<b>\$ 125,831,529</b>	<b>\$ 137,536,395</b>	<b>\$ 142,465,956</b>
Current liabilities	\$ 19,687,377	\$ 22,719,234	\$ 25,544,912	\$ 4,592,455	\$ 4,686,824	\$ 7,754,436
Long-term liabilities	\$ 101,563,399	\$ 112,464,841	\$ 108,343,958	\$ 32,109,907	\$ 37,900,715	\$ 36,415,508
<b>Total liabilities</b>	<b>\$ 121,250,776</b>	<b>\$ 135,184,075</b>	<b>\$ 133,888,870</b>	<b>\$ 36,702,362</b>	<b>\$ 42,587,539</b>	<b>\$ 44,169,944</b>
Net assets:						
Invested in capital assets net of related debt	\$ 164,369,948	\$ 172,052,048	\$ 170,657,049	\$ 63,605,089	\$ 69,038,883	\$ 70,569,512
Restricted	\$ 21,546,963	\$ 21,761,627	\$ 23,653,035	\$ -	\$ -	\$ -
Unrestricted	\$ 59,319,794	\$ 49,706,955	\$ 44,174,519	\$ 25,524,078	\$ 25,909,975	\$ 27,726,500
<b>Total net assets</b>	<b>\$ 245,236,705</b>	<b>\$ 243,520,630</b>	<b>\$ 238,484,603</b>	<b>\$ 89,129,167</b>	<b>\$ 94,948,858</b>	<b>\$ 98,296,012</b>

The Town has realized a decrease in its **net assets** from 2007 to 2009 within its governmental activities and a growth in its business type activities. Total net assets have decreased \$6.8 million over this period for governmental activities and increased \$9.1 million for business-type activities. Most of the decrease is attributable to the recognition of other post-employment obligation of \$12.8 million which was implemented in fiscal year 2008. The amortization of this liability will continue to deteriorate the Town's overall financial position unless it is pre-funded. Increases are attributable to capital grants received for capital acquisitions and annual principal payments on debt service exceeding depreciation amounts. In fiscal year 2009, capital grants have totaled \$3.3 million for governmental activities and \$2.9 million for business-type activities. Principal payments on debt service for governmental and business-type activities were \$9.8 million and \$2.8 million respectively. Depreciation on capital assets was \$6.4 million and \$2.8 million, respectively.

The majority of the increases to the Town's capital assets during fiscal year 2009 were in the form of \$4.5 million in road and drainage improvements and \$11.6 million in the construction of the Hyannis Youth and Community Center. Capital assets growth within the business-type activities for 2009 has consisted mainly of the land acquisition for the new terminal at the airport totaling approximately \$2.6 million and various sewer upgrades totaling approximately \$3.8 million.

**Current assets and current liabilities** have remained at substantially consistent levels since the prior two years.

**Long-term liabilities** have decreased from the fiscal year 2008 levels for both governmental and business-type activities. For governmental activities, the decrease is largely due to a decrease in bonds and notes payable of \$9.8 million and an increase in the other post-employment benefits obligation of \$5.5 million. For business-type activities, the decrease is due to the decrease in bonds and notes payable of \$2.8 million and an increase in the other post-employment benefits obligation of \$674 thousand.



**Investments in capital assets** have slightly decreased in governmental activities and continue to increase in business-type activities. This is mainly attributable to capital asset acquisitions and payments on bond principal exceeding depreciation on capital assets.

**Restricted net assets** have increased \$1.9 million for governmental activities from 2008 to 2009 mainly due to the increase in the Town's capital projects. The **unrestricted net assets** amount has decreased \$5.5 million in the current year due to the recognition of an additional \$5.5 million for other post-employment benefits obligation, use of reserves to balance the 2010 budget and the transfer out to fund Town capital projects.

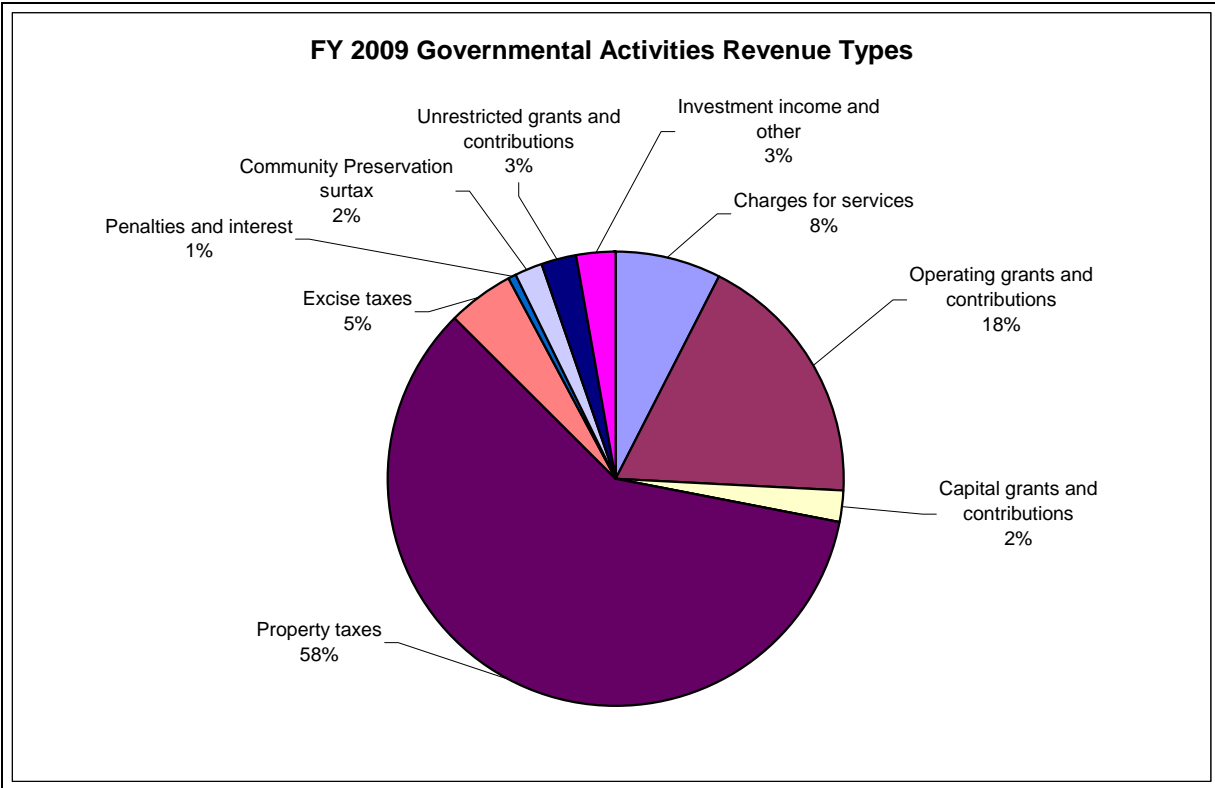
At the end of the current fiscal year, The Town of Barnstable is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

**Governmental activities.** Governmental activities decreased the Town of Barnstable's net assets by \$5 million. Key elements of this decrease are as follows:

- In fiscal year 2008, the Town implemented GASB Statement #45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*. In fiscal year 2009, the Town recognized an additional \$5.5 million of post-employment benefits obligation which resulted in a decrease in net assets.
- The Town received \$3.3 million in capital grants which resulted in an increase in net assets, which includes \$1.8 million from state funding of Chapter 90 highway projects.
- The Town received \$3.5 million in fiscal year 2009, for a legal settlement reached with various oil companies.

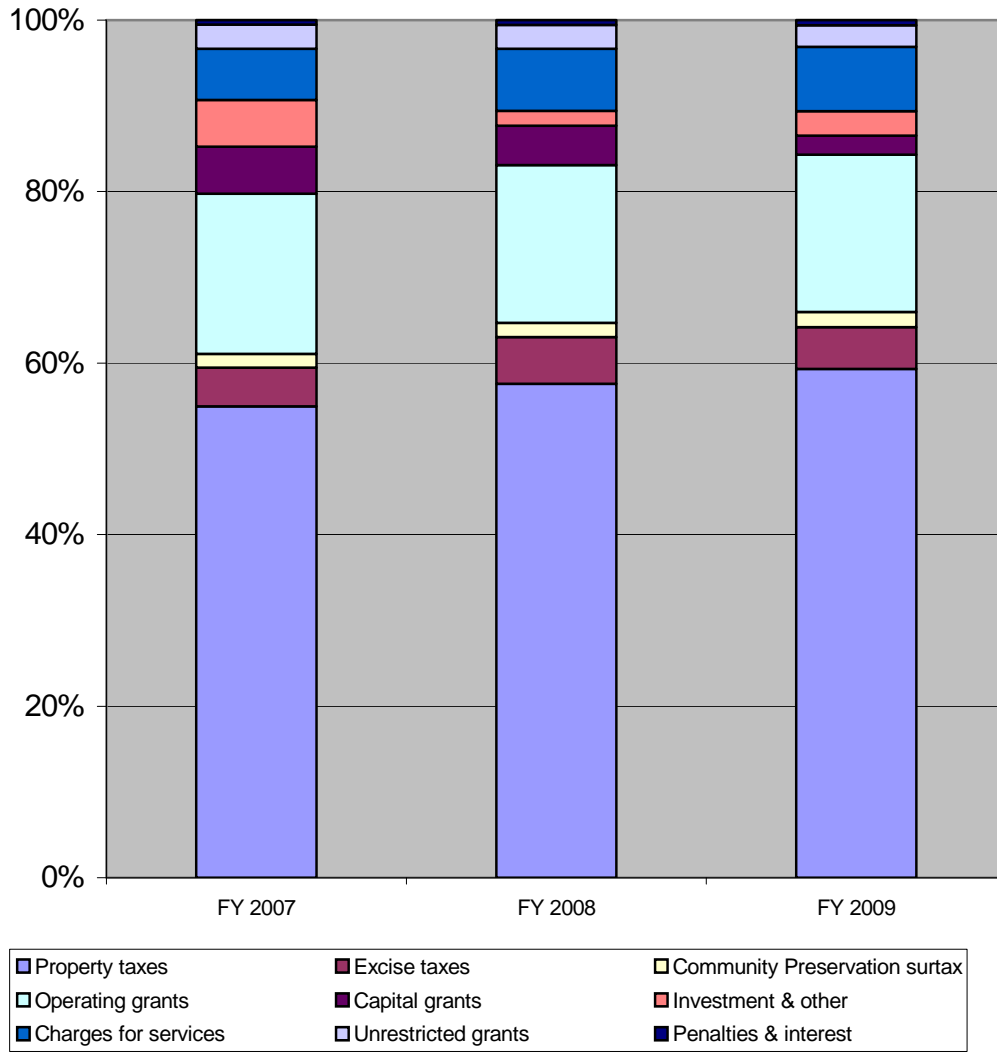
### Changes in Net Assets

	Governmental Activities		Business-Type Activities	
	FY 2009	FY 2008	FY 2009	FY 2008
Revenues:				
Program Revenues:				
Charges for services.....	\$ 11,157,440	\$ 10,691,144	\$ 19,375,068	\$ 20,428,323
Operating grants and contributions.....	27,264,953	27,133,578	436,056	500,061
Capital grants and contributions.....	3,334,070	6,778,249	2,881,380	4,498,513
General revenues:				
Property taxes.....	88,253,725	84,936,744	-	-
Excise taxes.....	7,229,870	8,015,583	-	-
Penalties and interest.....	905,602	852,148	-	-
Community Preservation surtax.....	2,619,643	2,474,265	-	-
Unrestricted grants and contributions..	3,742,347	4,055,268	-	-
Investment income and other.....	4,239,495	2,555,986	484,857	1,136,095
Total revenues.....	<u>148,747,145</u>	<u>147,492,965</u>	<u>23,177,361</u>	<u>26,562,992</u>
Expenses:				
Charter Commission.....	46,380	2,065	-	-
Town Council.....	356,983	346,498	-	-
Town Manager.....	675,969	719,449	-	-
Administrative services.....	9,691,557	9,862,293	-	-
Growth management.....	3,321,356	3,507,729	-	-
Public safety.....	15,190,576	15,378,587	-	-
Education.....	93,940,477	92,444,424	-	-
Public works.....	16,910,307	13,806,146	-	-
Community services.....	4,762,643	4,152,881	-	-
Regulatory services.....	2,964,772	3,753,307	-	-
Culture and recreation.....	1,727,069	1,817,859	-	-
Interest.....	4,707,186	4,595,119	-	-
Airport.....	-	-	7,062,613	7,563,704
Golf course.....	-	-	2,712,412	2,949,522
Solid waste.....	-	-	2,140,520	2,263,740
Waste water.....	-	-	4,211,888	3,439,444
Water supply.....	-	-	2,222,892	2,322,025
Marina.....	-	-	493,447	559,857
Sandy neck.....	-	-	474,332	467,692
Total expenses.....	<u>154,295,275</u>	<u>150,386,357</u>	<u>19,318,104</u>	<u>19,565,984</u>
Change in net assets before transfers.....	(5,548,130)	(2,893,392)	3,859,257	6,997,008
Transfers, net.....	512,103	1,177,317	(512,103)	(1,177,317)
Change in net assets.....	(5,036,027)	(1,716,075)	3,347,154	5,819,691
Net assets - Beginning of Year.....	<u>243,520,630</u>	<u>245,236,705</u>	<u>94,948,858</u>	<u>89,129,167</u>
Net assets - End of Year.....	<u>\$ 238,484,603</u>	<u>\$ 243,520,630</u>	<u>\$ 98,296,012</u>	<u>\$ 94,948,858</u>



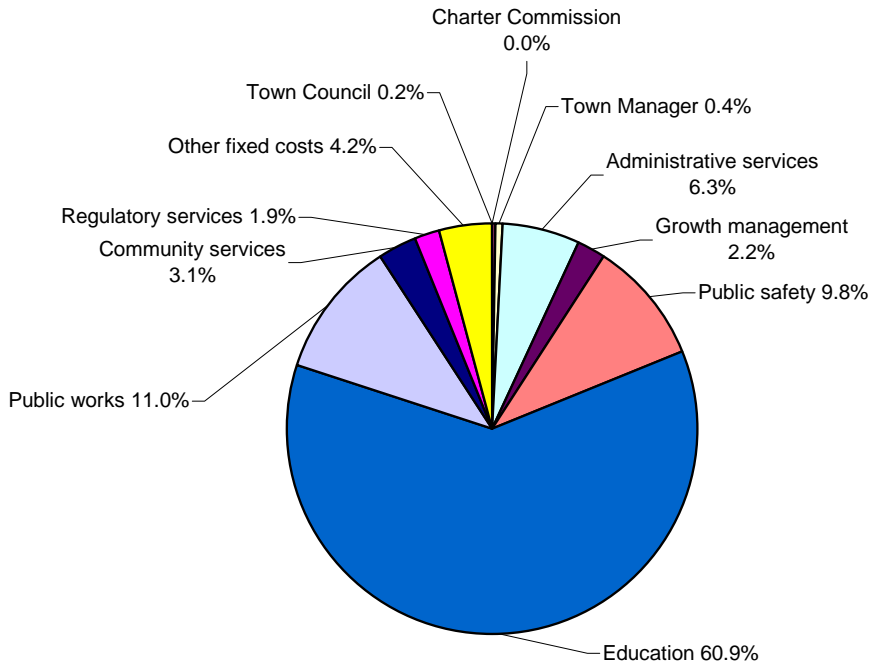
- Charges for services represent about 8 percent of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Council and Manager are included in this category.
- Operating and capital grants and contributions account for 20 percent of the governmental activities resources. Most of these resources apply to education operations. These resources offset cost within the school department in addition to their General Fund operating budget.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 58 percent of all resources.
- Other taxes and other revenues comprise a total of 14 percent of the governmental activity's resources.

### Three Year Comparison of Governmental Activities Revenue Composition

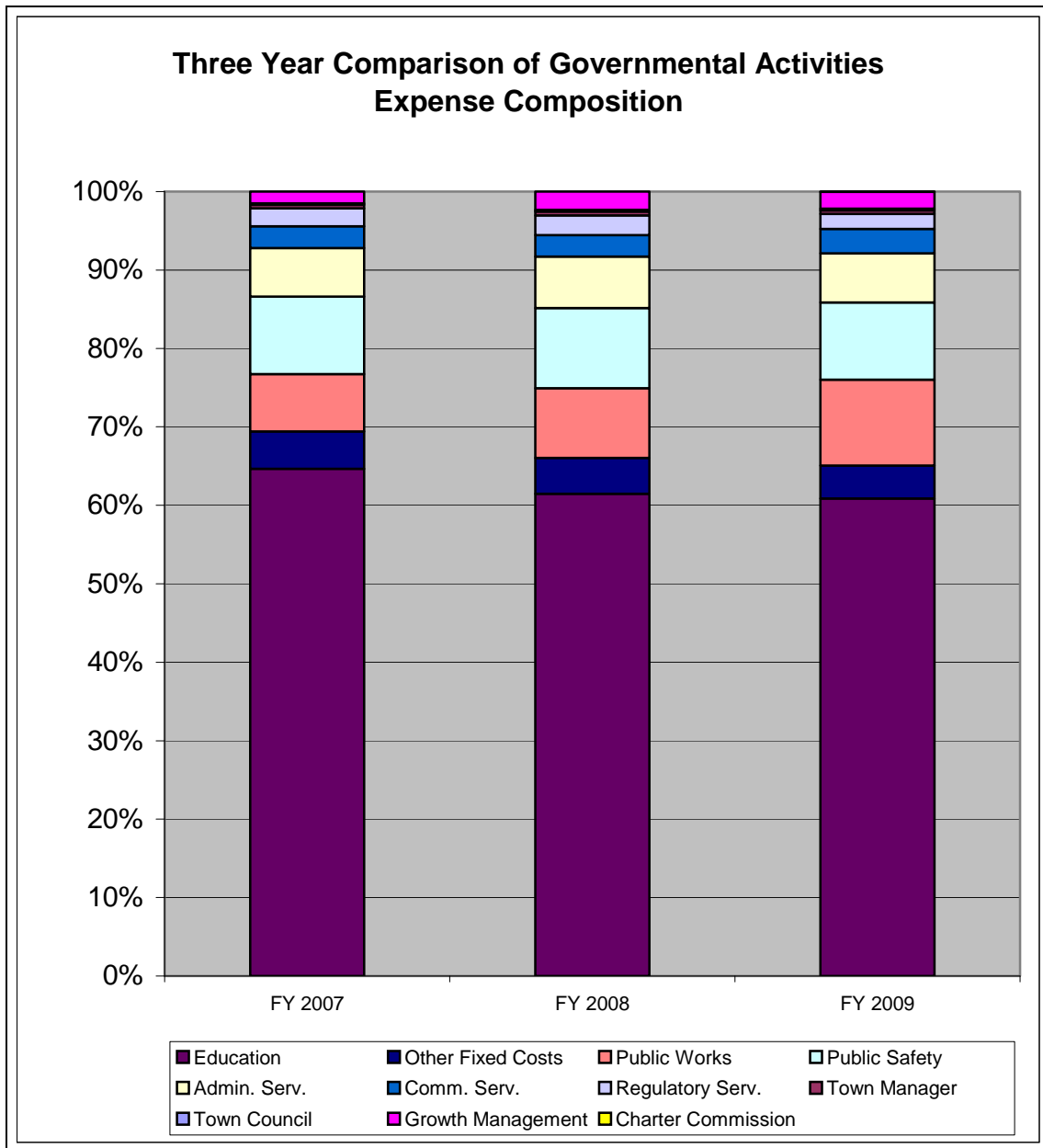


- Property taxes provide approximately 59 percent of all governmental activity revenue in fiscal year 2009. This is 2 percent more than fiscal year 2008.
- Investment and other revenue increased 1 percent or approximately \$1.7 million partly due to decreases in the market value of investments and an increase from a legal settlement reached with various oil companies.
- Capital grants decreased 2 percent or approximately \$3.4 million due to a decrease in state highway reimbursements from the state.
- All other categories have remained fairly consistent.

### FY 2009 Governmental Activity Expenses

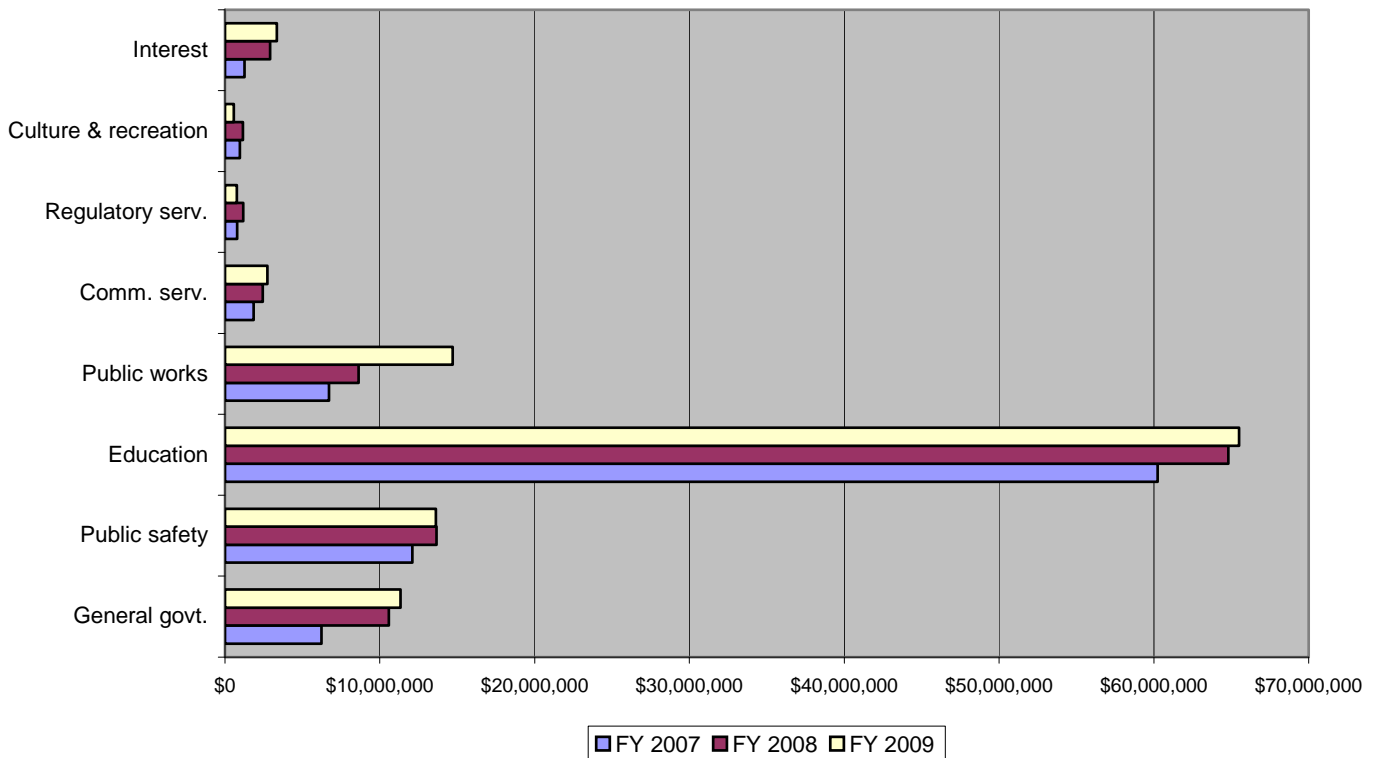


- Education is by far the largest governmental activity of the Town totaling \$93.9 million or 60.9 percent of all expenses.
- Public works is the second largest activity consisting of \$16.9 million each or 11 percent.
- Public safety is the third largest category at \$15.2 million or 9.8 percent.
- 85.9 percent of all governmental activity is associated with public safety, education, public works and fixed costs. The remaining activity, or 14.1 percent, is associated with community services, regulatory services, growth management, administrative services, town council, town manager and charter commission.



- Education is by far the largest category of governmental activity expenses. This has consistently been above 60 percent of all expenses, as education has always been the largest governmental expense.
- Public safety, public works and other fixed costs are the other three main expense categories, as these expenses along with education comprise 85.9 percent of the Town's governmental activity expenses.

### Net Expense (Revenue) By Function

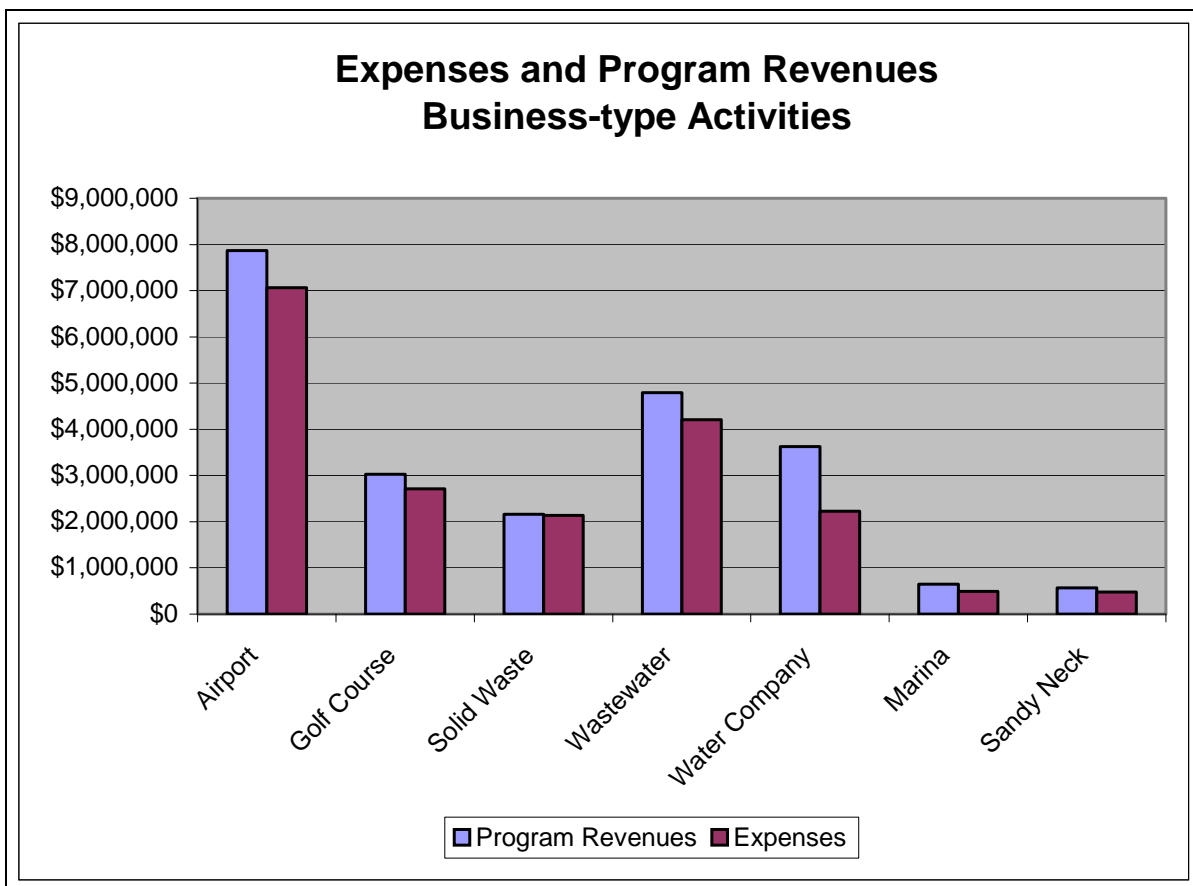


The change in the net expenses by function from year to year is useful to understand where tax dollars and other general revenues not restricted for particular purposes are being allocated.

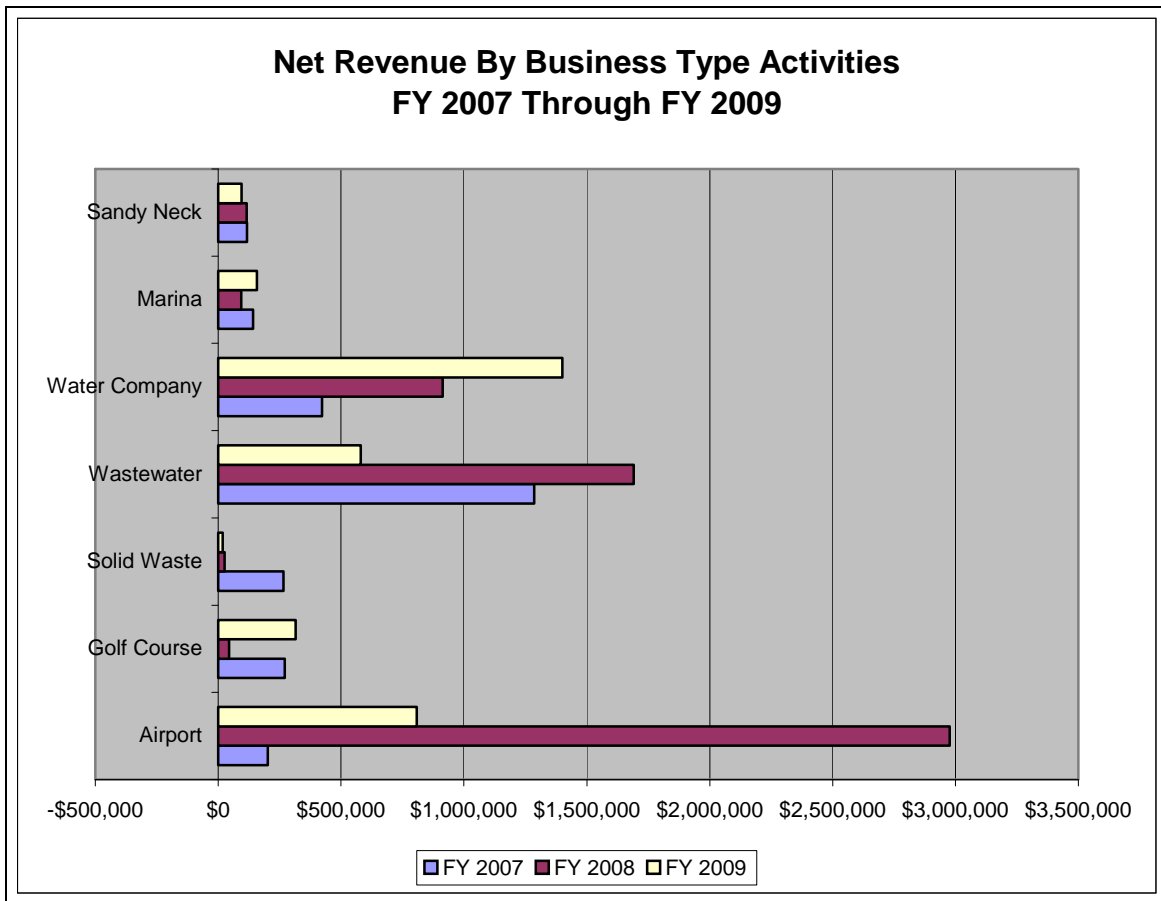
- Public works realized the largest increase in net expenses from fiscal year 2008 to fiscal year 2009 (\$6.1 million). This was the result of a decrease in state highway reimbursements from the state and an increase in expenditures relating to road reconstruction and improvements.

**Business-type activities.** Business-type activities increased the Town of Barnstable’s net assets by \$3.3 million. Key elements of this increase are as follows:

- \$460 thousand was attributable to airport operations. This was down from the prior year increase of \$3 million due to capital revenue received in fiscal year 2008 for land acquisition.
- \$278 thousand was attributable to golf course operations as a result of operating revenues exceeding operating expenses.
- (\$34) thousand was attributable to solid waste operations.
- \$355 thousand was attributable to wastewater operations as a result of operating revenues exceeding operating expenses.
- \$2.1 million was attributable to water supply operations. This increase was mainly due to a \$794 thousand transfer in from proceeds of a legal settlement reached with various oil companies and as a result of operating revenues exceeding operating expenses.
- \$127 thousand was attributable to the marina enterprise fund.
- \$70 thousand was attributable to the sandy neck recreation fund.
- The business-type activities transferred \$1.4 million of its net operating income to governmental activities to pay for cost associated with running the business-type activities which are budgeted and paid for out of governmental activities.







- All business type activities have generated net revenue for the past three years.
- The golf course realized an increase in their net revenue generated from fiscal year 2008 to fiscal year 2009. This is principally due to increasing revenues for charges for services and the pay down of an interfund loan with the general fund.
- The fiscal year 2009 airport net revenue decreased from the fiscal year 2008 amount due to the Town receiving a grant reimbursement in fiscal year 2008 for a land acquisition.

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

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

**Governmental funds.** The focus of the Town of Barnstable'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 of Barnstable's financing requirements. In particular, 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.

At the end of the current fiscal year, the Town of Barnstable's governmental funds reported combined ending fund balances of \$80.8 million, a decrease of \$22.6 million in comparison with the prior year.

The general fund is the chief operating fund of the Town of Barnstable. At the end of the current fiscal year, unreserved fund balance of the general fund totaled \$15.2 million, while total fund balance was \$16.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures.

### Analysis of Fund Balance and General Fund Expenditures

	FY 2007	FY 2008	FY 2009
Unreserved fund balance	\$ 28,200,523	\$ 19,740,195	\$ 15,179,667
Total fund balance	\$ 29,712,771	\$ 21,629,194	\$ 16,421,306
Total General Fund expenditures	\$ 119,890,091	\$ 126,818,702	\$ 132,030,576
Unreserved fund balance as a % of total GF expenditures	23.52%	15.57%	11.50%
Total fund balance as a % of total GF expenditures	24.78%	17.06%	12.44%

Unreserved fund balance and total fund balance as a percentage of total general fund expenditures both decreased in fiscal year 2009 from the fiscal year 2008 and fiscal year 2007 levels. The Town's general fund expenditures have grown from \$119.9 million in fiscal year 2007 to \$132 million in fiscal year 2009 and its liquidity has decreased.

The Town has planned to use \$1.9 million of unreserved fund balance to balance the fiscal year 2010 general fund budget, which is reported as designated for subsequent year's expenditures.

### General Fund Comparison

	FY 2007	FY 2008	FY 2009	Increase (Decrease) FY07-FY09
Cash and investments	\$ 34,895,598	\$ 24,585,564	\$ 21,587,773	\$ (13,307,825)
Receivables	\$ 41,183,189	\$ 40,949,041	\$ 36,628,152	\$ (4,555,037)
Total liabilities	\$ 46,366,016	\$ 43,905,412	\$ 41,794,619	\$ (4,571,397)
Reserved fund balance	\$ 1,512,248	\$ 1,888,999	\$ 1,241,639	\$ (270,609)
Unreserved fund balance	\$ 28,200,523	\$ 19,740,195	\$ 15,179,667	\$ (13,020,856)
Revenues	\$ 120,815,177	\$ 125,450,530	\$ 126,169,231	\$ 5,354,054
Expenditures	\$ 119,890,091	\$ 126,818,702	\$ 132,030,576	\$ 12,140,485
Other financing sources (uses)	\$ (209,719)	\$ (6,715,405)	\$ 653,458	\$ 863,177
Net change in fund balance	\$ 715,367	\$ (8,083,578)	\$ (5,207,887)	\$ (5,923,254)

- Cash and investments have decreased mainly as a result of the planned use of reserves to balance the operating budget and to finance the Municipal Stabilization Fund.
- Receivables have decreased by \$4.6 million from fiscal year 2007, mostly due to receipts coming in from state reimbursement programs.
- Reserved fund balance has remained consistent and represents year-end encumbrances.
- The \$5.4 million increase in revenue is comprised mostly of the increase of \$5.4 million in property tax growth and \$3 million in intergovernmental revenue and the decrease of \$3.1 million in investment income.
- The \$12.1 million growth in expenditures was mainly concentrated in education as it increased \$4.5 million. The next largest increase was in pension benefits which increased \$2.7 million.
- Unreserved fund balance has decreased by \$13 million over the past three years mainly as a result of the planned use of high reserves to maintain operations and to finance the Town's Municipal Stabilization Fund.

	Fund Balance			Increase (Decrease)
	FY 2007	FY 2008	FY 2009	FY07-FY09
Municipal Stabilization Fund	\$ 6,519,140	\$ 12,379,306	\$ 13,530,478	\$ 7,011,338
Pension Stabilization	\$ 4,110,429	\$ 3,557,803	\$ 2,851,534	\$ (1,258,895)
Insurance Stabilization	\$ 559,574	\$ 600,734	\$ 645,944	\$ 86,370
Town Capital Projects	\$ 26,787,032	\$ 33,746,027	\$ 15,703,783	\$ (11,083,249)
Community Preservation Fund	\$ 8,905,548	\$ 9,584,725	\$ 9,028,521	\$ 122,973
Nonmajor Governmental Funds	\$ 23,177,167	\$ 22,001,108	\$ 22,668,024	\$ (509,143)

The fund balance in the municipal purpose stabilization fund has increased \$7 million since fiscal year 2007. This fund is more commonly referred to in town as the "Capital Trust Fund". Resources are accumulated in this fund to provide for future capital improvements on a pay-as-you-go basis and to pay debt service on borrowing authorizations issued to finance capital improvements. This fund receives an annual transfer from the General Fund (\$6.7 million in fiscal year 2009) and transfers out a sum of money that equals the annual debt service payments on projects authorized as well as cash appropriations for capital improvements. The difference between the transfer in and out contributes to the increase or decrease in this fund balance at the end of any fiscal year.

The fund balance in the pension stabilization fund declined \$1.3 million since fiscal year 2007 which is mainly attributed to transfers and a negative return on investments.

The fund balance in the insurance fund increased \$86 thousand since fiscal year 2007. This is attributable to return on investments which have been positive for the past year reducing the declines.

The state fiscal stabilization fund is used to account for the Town's use of the federal state fiscal stabilization program which was awarded to Governors to help stabilize State and local budgets in order to minimize and avoid reductions in education and other essential services. The governor cut state Chapter 70 funding by 10% and replaced the amount with federal state fiscal stabilization funds. During fiscal year 2009, the Town received and spent \$814 thousand of state fiscal stabilization funds.

The Town capital projects fund has decreased by \$11.1 million since fiscal year 2007. This is due to the Town's ongoing capital construction and improvement projects. In fiscal year 2009, the Town's major project included \$11.6 million for the Hyannis Youth and Community Center.

The Chapter 90 highways fund reported expenditures of \$531 thousand on projects in fiscal year 2009 which are fully supported by state grants on a reimbursable basis.

The community preservation fund balance has increased by \$123 thousand since fiscal year 2007. This is principally due to matching state funds received under the community preservation act program. The Town had built up a reserve in anticipation of debt service exceeding annual revenues whereby the reserve would cover the deficit until the annual debt service payments dropped below the annual revenue collected.

The non-major funds decreased in fund balance by approximately \$509 thousand since fiscal year 2007. During fiscal year 2009, revenues exceeding expenditures by \$667 thousand and transfers out totaled \$4 million.

**Proprietary funds.** The Town of Barnstable'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 of Barnstable's business-type activities.

## **General Fund Budgetary Highlights**

The \$95 thousand increase from the original budget to the final amended budget resulted from a supplemental appropriation to fund various capital items.

General fund revenues came in less than budgeted by \$1.1 million. All categories of revenues exceeded budget estimates with the exception of motor vehicle and other excise taxes, licenses and permits, intergovernmental, special assessments and investment income. Departmental and other realized the largest positive variance at \$357 thousand.

Intergovernmental revenues came in lower than expected by \$1.2 million mainly due to the Governor's use of State Fiscal Stabilization Funds to replace state aid to Cities and Towns (\$814 thousand). Under this initiative, state revenues were reduced, showing a budgetary deficit, and expenditures were transferred to the grant fund, leaving a budgetary surplus in the education line.

General Fund expenditures came in approximately \$2.3 million less than budgeted. All departments realized budget savings except for the Department of Public Works (DPW). The DPW's budget was over expended as a result of excessive snow and ice removal costs. This is an area where municipalities are allowed to deficit spend under state law. The deficit is raised on the subsequent year's budget which amounted to \$620 thousand for fiscal year 2009.

## **Capital Assets and Debt Management**

**Capital assets.** The Town of Barnstable's investment in capital assets for its governmental and business type activities as of June 30, 2009 amount to \$337.6 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements to land and buildings, machinery and equipment, vehicles, roads, sidewalks, bridges, runways and sewer lines. The total increase in the Town of Barnstable's net investment in capital assets for the current fiscal year was \$22.7 million (a \$16.1 million increase for governmental activities and a \$6.6 million increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- The Town spent \$3.9 million on land purchases.
- The Town spent \$10.4 million for various infrastructure improvements including roads, drainage and sidewalks.
- The Town spent \$6.1 million on various building improvements.
- The Town spent \$14.6 million on construction in progress. Of this amount \$11.6 million was spent on the new Hyannis Youth and Community Center and \$1.4 million on the design of the new airport terminal.

**Capital Assets**

	<b>Cost of Capital Assets at end of year</b>	<b>Accumulated Depreciation at end of year</b>	<b>Capital Assets, net</b>
<b>Governmental activities</b>			
<u>Function:</u>			
General government.....	\$ 10,471,915	\$ (4,776,317)	\$ 5,695,598
Public safety.....	9,679,338	(5,874,385)	3,804,953
Education.....	127,621,402	(57,828,656)	69,792,746
Public works.....	94,492,381	(33,407,340)	61,085,041
Regulatory services.....	70,681,770	(735,490)	69,946,280
Community services.....	30,853,225	(4,331,304)	26,521,921
Total by function.....	<u>343,800,031</u>	<u>(106,953,492)</u>	<u>236,846,539</u>
<b>Business-type activities</b>			
<u>Function:</u>			
Airport.....	54,395,105	(15,784,207)	38,610,898
Golf.....	17,398,258	(3,055,814)	14,342,444
Solid Waste.....	3,761,931	(1,760,167)	2,001,764
Wastewater.....	42,794,712	(11,356,170)	31,438,542
Water Supply.....	11,517,289	(563,443)	10,953,846
Marina.....	4,344,205	(1,063,411)	3,280,794
Sandy Neck recreation.....	245,014	(119,792)	125,222
Total by function.....	<u>134,456,514</u>	<u>(33,703,004)</u>	<u>100,753,510</u>
<b>Grand Total.....</b>	<b><u>\$ 478,256,545</u></b>	<b><u>\$ (140,656,496)</u></b>	<b><u>\$ 337,600,049</u></b>

Additional information on the Town of Barnstable's capital assets can be found in Note 5 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Barnstable had total bonded debt outstanding of \$141.3 million. The entire amount is classified as general obligation debt and is backed by the full faith and credit of the Town. The town has no revenue bonds outstanding, which are bonds secured solely by specified revenue sources.

**Governmental Activities:**

Projects	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Land Acquisitions.....	3.51 - 5.00	\$ 3,275,200	\$ -	\$ (249,200)	\$ 3,026,000
Community Preservation Fund					
Land Acquisitions.....	3.25 - 5.00	25,890,000	-	(1,805,000)	24,085,000
Schools.....	0.00 - 5.00	51,027,651	-	(4,577,287)	46,450,364
Roads.....	2.74 - 5.00	5,594,000	-	(998,000)	4,596,000
Title V Loan Program.....	0.00	834,991	-	(50,420)	784,571
Public Buildings.....	3.39 - 5.00	22,057,890	-	(1,419,500)	20,638,390
Improvements.....	3.5-4.75	2,082,000	-	(181,000)	1,901,000
Dredging.....	4.20	1,184,800	-	(241,000)	943,800
Drainage.....	3.39 - 6.00	793,900	-	(182,600)	611,300
Sewer Planning.....	4.07	1,590,474	-	(72,832)	1,517,642
Aerial Mapping.....	3.61	305,000	-	(65,000)	240,000
<b>Total Bonds Payable.....</b>		<b>\$ 114,635,906</b>	<b>\$ -</b>	<b>\$ (9,841,839)</b>	<b>\$ 104,794,067</b>

**Business-type Activities:**

Projects	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Golf Course.....	5.00	\$ 4,681,287	\$ -	\$ (414,825)	\$ 4,266,462
Wastewater.....	4.00 - 5.00	2,837,966	-	(471,954)	2,366,012
Wastewater.....	Various	14,588,219	770,754	(990,671)	14,368,302
<b>Total Wastewater Bonds Payable.....</b>		<b>17,426,185</b>	<b>770,754</b>	<b>(1,462,625)</b>	<b>16,734,314</b>
Water.....	4.00 - 5.00	9,670,000	-	(345,000)	9,325,000
Landfill Closure.....	Various	5,174,955	-	(416,128)	4,758,827
Sandy Neck.....	4.00	75,000	-	(25,000)	50,000
Marina.....	3.00 - 5.00	1,500,000	-	(150,000)	1,350,000
<b>Total Bonds and Notes Payable.....</b>		<b>\$ 38,527,427</b>	<b>\$ 770,754</b>	<b>\$ (2,813,578)</b>	<b>\$ 36,484,603</b>

The Town of Barnstable's total long-term debt decreased by \$11.9 million during the current fiscal year. The decrease was the net result of the issuance of \$771 thousand in new long-term debt used to finance new capital projects and principal payments of approximately \$12.7 million.

The Town of Barnstable has maintained its bond rating from Standard & Poor's of AAA which was upgraded in June of 2007.

State statutes limit the amount of general obligation debt a governmental entity may issue to 5 percent of its total equalized property valuation. This limit could go to 10 percent with the State's Municipal Finance Oversight Board's approval. Additionally, certain general obligation debt is exempt from this limit such as debt associated with school construction and many water improvement projects. The current debt limitation for the Town of Barnstable is \$807 million, which is significantly in excess of the Town of Barnstable's outstanding general obligation debt that is subject to this limitation.

Additional information on the Town of Barnstable's long-term debt can be found in Note 8 of this report.

### **Economic Factors and Next Year's Budget and Rates**

- Property taxes from new building growth continues to decline as the downturns in the national housing market and the mortgage loan business sectors have impacted the local economy. Property taxes from new building growth in fiscal year 2010 are \$618 thousand, down from \$877 thousand in fiscal year 2009. The Town is estimating only \$450 thousand of property taxes from new building growth in fiscal year 2011 and beyond.
- Motor vehicle excise taxes are projected to decline \$675 thousand in fiscal year 2010 due to the struggling auto industry. Further declines are projected in the subsequent year before we may see a recovery.
- Hotel/Motel excise taxes are projected to decline 10% or \$160 thousand for fiscal year 2010.
- State aid is declining \$1.1 million for fiscal year 2010 as the Town will see reductions to Chapter 70 funding for education as well as unrestricted general fund aid.
- Investment income in fiscal year 2010 is projected to decrease \$314 thousand from the fiscal year 2009 budget. This is a result of declining interest rates and a reduction in cash on hand to be invested.
- The fiscal year 2010 General Fund operating budget is decreasing 3.9 percent, or \$5.3 million to \$127.6 million. A level service budget for fiscal year 2010 would have costs \$135 million or \$2.1 million more than the fiscal year 2009 approved budget. Total budget reductions of \$7.4 million were made in the development of the fiscal year 2010 approved budget.
- Fixed costs decreased from \$39.3 million in fiscal year 2009 to \$38.1 million in fiscal year 2010 mainly as a result of a decrease in the Town's debt service expenditures.
- The largest operating budget decrease was in the School Department which saw a \$3 million reduction in its fiscal year 2010 budget. This is followed by \$445 thousand for the Police Department, \$328 thousand for the Department of Public Works, \$320 thousand for the Community Services Department, \$209 thousand for the Administrative Services Department, \$85 thousand for the Growth Management Department, \$33 thousand for the Town Manager's operation, and \$11 thousand for the Regulatory Services Department.
- Fiscal year 2010 workforce reductions included the layoff of 74 positions in the School Department as 3 elementary schools were closed and other consolidation and reorganization strategies were implemented. This is in addition to 30 vacant positions that were eliminated in the School Department. Total personnel reductions amounted to 79.80 FTE's. Declines in school enrollment also contributed to these reductions being made as the enrollment has declined from a high of 7,200 in fiscal year 2000 to about 5,700 for fiscal year 2010.
- 13 vacant positions in other municipal departments were eliminated and 9 layoffs were implemented resulting in a reduction of just over 12 FTE's.
- Fiscal year 2010 is a revaluation year for the Town of Barnstable which saw the town-wide property value drop \$1.1 billion to \$13.4 billion.
- The fiscal year 2010 Town tax rate for the residential property class is \$7.77 per \$1,000 of valuation, an increase of \$0.87 per \$1,000 of valuation. The fiscal year 2010 tax rate for commercial, industrial

and personal property (CIP) is \$6.87 verses \$6.12 for fiscal year 2009. The residential tax rates for both years are higher than the CIP rates due to the adoption of a residential exemption of 20% by the Town Council in both years. This only affects the residential class as every qualifying residential property owner receives a 20% reduction on the assessed value of their home, which decreases the overall tax valuation base driving up the tax rate.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Barnstable's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 1<sup>st</sup> Floor, School Administration Building, 230 South Street, Hyannis, MA, 02601.



# ***Basic Financial Statements***

**STATEMENT OF NET ASSETS**

JUNE 30, 2009

	<b>Primary Government</b>			<b>Component</b>
	Governmental Activities	Business-type Activities	Total	<b>Units</b>
				Libraries
<b>ASSETS</b>				
<b>CURRENT:</b>				
Cash and cash equivalents.....	\$ 60,858,216	\$ 20,529,189	\$ 81,387,405	\$ 1,196,261
Investments.....	28,982,184	11,219,648	40,201,832	7,579,213
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	4,841,261	-	4,841,261	-
Tax liens.....	524,029	-	524,029	-
Motor vehicle and other excise taxes.....	1,192,922	-	1,192,922	-
User fees.....	-	2,103,679	2,103,679	-
Community Preservation Fund surtaxes.....	124,957	-	124,957	-
Departmental and other.....	276,729	-	276,729	107,250
Special assessments.....	8,562	220,485	229,047	-
Intergovernmental.....	12,236,858	3,088,989	15,325,847	-
Tax foreclosures.....	1,185,252	-	1,185,252	-
Inventory.....	-	174,701	174,701	2,372
Prepaid expenses.....	698	-	698	17,120
<b>Total current assets.....</b>	<b>110,231,668</b>	<b>37,336,691</b>	<b>147,568,359</b>	<b>8,902,216</b>
<b>NONCURRENT:</b>				
Receivables, net of allowance for uncollectibles:				
Special assessments.....	499,340	1,869,872	2,369,212	-
Intergovernmental.....	24,775,876	2,505,883	27,281,759	-
Other assets.....	20,050	-	20,050	-
Capital assets, net of accumulated depreciation:				
Depreciable.....	136,027,453	60,426,190	196,453,643	2,198,717
Nondepreciable.....	100,819,086	40,327,320	141,146,406	178,365
<b>Total noncurrent assets.....</b>	<b>262,141,805</b>	<b>105,129,265</b>	<b>367,271,070</b>	<b>2,377,082</b>
<b>TOTAL ASSETS.....</b>	<b>372,373,473</b>	<b>142,465,956</b>	<b>514,839,429</b>	<b>11,279,298</b>
<b>LIABILITIES</b>				
<b>CURRENT:</b>				
Warrants payable.....	4,141,455	564,179	4,705,634	60,583
Accrued liabilities.....	192,634	1,375	194,009	8,360
Accrued payroll.....	5,631,765	170,737	5,802,502	-
Tax refunds payable.....	171,800	-	171,800	-
Accrued interest.....	1,011,048	212,793	1,223,841	-
Other liabilities.....	364,830	357,306	722,136	22,811
Unearned membership revenue.....	-	583,268	583,268	-
Customer deposits payable.....	26,225	-	26,225	-
Landfill closure.....	-	70,000	70,000	-
Compensated absences.....	2,145,798	218,205	2,364,003	-
Workers' compensation.....	174,000	-	174,000	-
Bonds and notes payable.....	11,685,357	5,576,573	17,261,930	-
<b>Total current liabilities.....</b>	<b>25,544,912</b>	<b>7,754,436</b>	<b>33,299,348</b>	<b>91,754</b>
<b>NONCURRENT:</b>				
Landfill closure.....	-	1,190,000	1,190,000	-
Compensated absences.....	489,352	37,616	526,968	-
Workers' compensation.....	20,000	-	20,000	-
Other post-employment benefits obligation.....	12,818,152	1,575,000	14,393,152	-
Bonds and notes payable.....	95,016,454	33,612,892	128,629,346	-
<b>Total noncurrent liabilities.....</b>	<b>108,343,958</b>	<b>36,415,508</b>	<b>144,759,466</b>	<b>-</b>
<b>TOTAL LIABILITIES.....</b>	<b>133,888,870</b>	<b>44,169,944</b>	<b>178,058,814</b>	<b>91,754</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	170,657,049	70,569,512	241,226,561	2,377,082
Restricted for:				
Capital projects.....	6,239,104	-	6,239,104	-
Permanent funds:				
Expendable.....	1,092,032	-	1,092,032	-
Nonexpendable.....	8,847,452	-	8,847,452	-
Grants and gifts.....	7,474,447	-	7,474,447	-
Unrestricted.....	44,174,519	27,726,500	71,901,019	8,810,462
<b>TOTAL NET ASSETS.....</b>	<b>\$ 238,484,603</b>	<b>\$ 98,296,012</b>	<b>\$ 336,780,615</b>	<b>\$ 11,187,544</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
Charter Commission.....	\$ 46,380	\$ -	\$ -	\$ -	\$ (46,380)
Town Council.....	356,983	-	-	-	(356,983)
Town Manager.....	675,969	38,120	-	-	(637,849)
Administrative services.....	9,691,557	730,873	467,617	558,208	(7,934,859)
Growth management.....	3,321,356	33,303	-	929,905	(2,358,148)
Public safety.....	15,190,576	881,633	694,479	-	(13,614,464)
Education.....	93,940,477	4,372,469	24,064,124	-	(65,503,884)
Public works.....	16,910,307	96,207	282,790	1,828,603	(14,702,707)
Community services.....	4,762,643	1,717,789	299,265	15,000	(2,730,589)
Regulatory services.....	2,964,772	2,116,776	93,855	2,354	(751,787)
Culture and recreation.....	1,727,069	1,170,270	-	-	(556,799)
Interest.....	4,707,186	-	1,362,823	-	(3,344,363)
<b>Total Governmental Activities.....</b>	<b>154,295,275</b>	<b>11,157,440</b>	<b>27,264,953</b>	<b>3,334,070</b>	<b>(112,538,812)</b>
<i>Business-Type Activities:</i>					
Airport activities.....	7,062,613	6,810,056	-	1,060,587	808,030
Golf Course activities.....	2,712,412	3,027,102	-	-	314,690
Solid Waste activities.....	2,140,520	2,006,111	152,217	-	17,808
Wastewater activities.....	4,211,888	3,187,621	283,839	1,320,793	580,365
Water Supply activities.....	2,222,892	3,123,598	-	500,000	1,400,706
Marina activities.....	493,447	651,019	-	-	157,572
Sandy Neck activities.....	474,332	569,561	-	-	95,229
<b>Total Business-Type Activities.....</b>	<b>19,318,104</b>	<b>19,375,068</b>	<b>436,056</b>	<b>2,881,380</b>	<b>3,374,400</b>
<b>Total Primary Government.....</b>	<b>\$ 173,613,379</b>	<b>\$ 30,532,508</b>	<b>\$ 27,701,009</b>	<b>\$ 6,215,450</b>	<b>\$ (109,164,412)</b>
<b>Component Units:</b>					
Libraries.....	\$ 2,978,214	\$ 294,586	\$ 2,823,131	\$ -	\$ 139,503

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2009

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Libraries
<b>Changes in net assets:</b>				
Net (expense) revenue from previous page.....	\$ <b>(112,538,812)</b>	\$ <b>3,374,400</b>	\$ <b>(109,164,412)</b>	\$ <b>139,503</b>
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	88,253,725	-	88,253,725	-
Motor vehicle and other excise taxes.....	5,625,147	-	5,625,147	-
Hotel/motel tax.....	1,604,723	-	1,604,723	-
Penalties and interest on taxes.....	905,602	-	905,602	-
Community Preservation Fund surtax.....	2,619,643	-	2,619,643	-
Grants and contributions not restricted to specific programs.....	3,742,347	-	3,742,347	-
Unrestricted investment income (loss).....	746,614	484,857	1,231,471	(1,045,384)
Legal settlements.....	3,492,881	-	3,492,881	-
<i>Transfers, net</i> .....	512,103	(512,103)	-	-
Total general revenues and transfers.....	107,502,785	(27,246)	107,475,539	(1,045,384)
Change in net assets.....	(5,036,027)	3,347,154	(1,688,873)	(905,881)
<i>Net Assets:</i>				
Beginning of year .....	243,520,630	94,948,858	338,469,488	12,093,425
End of year.....	\$ <u>238,484,603</u>	\$ <u>98,296,012</u>	\$ <u>336,780,615</u>	\$ <u>11,187,544</u>

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2009

<b>ASSETS</b>	<u>General</u>	<u>Municipal Purpose Stabilization</u>	<u>Pension Stabilization</u>	<u>Insurance Stabilization</u>
Cash and cash equivalents.....	\$ 14,293,513	\$ 3,617,182	\$ 196,175	\$ 46,843
Investments.....	7,294,260	9,913,296	2,655,359	599,101
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	4,841,261	-	-	-
Tax liens.....	516,517	-	-	-
Motor vehicle and other excise taxes.....	1,192,922	-	-	-
Community Preservation Fund surtaxes.....	-	-	-	-
Departmental and other.....	247,758	-	-	-
Special assessments.....	-	-	-	-
Intergovernmental.....	28,623,694	-	-	-
Tax foreclosures.....	1,185,252	-	-	-
Due from other funds.....	-	-	-	-
Other assets.....	20,050	-	-	-
Prepaid expenses.....	698	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 58,215,925</b>	<b>\$ 13,530,478</b>	<b>\$ 2,851,534</b>	<b>\$ 645,944</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Warrants payable.....	\$ 1,074,611	\$ -	\$ -	\$ -
Accrued liabilities.....	192,634	-	-	-
Accrued payroll.....	5,212,658	-	-	-
Tax refunds payable.....	171,800	-	-	-
Liabilities due depositors.....	26,225	-	-	-
Other liabilities.....	174,219	-	-	-
Deferred revenues.....	34,942,472	-	-	-
Due to other funds.....	-	-	-	-
Notes payable.....	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>41,794,619</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Reserved for:				
Encumbrances and continuing appropriations.....	1,241,639	-	-	-
Perpetual permanent funds.....	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures.....	1,930,000	-	-	-
Undesignated, reported in:				
General fund.....	13,249,667	-	-	-
Special revenue funds.....	-	13,530,478	2,851,534	645,944
Capital projects funds.....	-	-	-	-
Permanent funds.....	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>16,421,306</b>	<b>13,530,478</b>	<b>2,851,534</b>	<b>645,944</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 58,215,925</b>	<b>\$ 13,530,478</b>	<b>\$ 2,851,534</b>	<b>\$ 645,944</b>

See notes to basic financial statements.

Town Capital Projects	Chapter 90 Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 17,857,456	\$ -	\$ 9,053,409	\$ 15,793,638	\$ 60,858,216
-	-	-	8,520,168	28,982,184
-	-	-	-	4,841,261
-	-	7,512	-	524,029
-	-	-	-	1,192,922
-	-	124,957	-	124,957
-	-	-	28,971	276,729
-	-	-	507,902	507,902
1,172,767	6,239,104	949,652	27,517	37,012,734
-	-	-	-	1,185,252
71,569	-	-	-	71,569
-	-	-	-	20,050
-	-	-	-	698
<u>\$ 19,101,792</u>	<u>\$ 6,239,104</u>	<u>\$ 10,135,530</u>	<u>\$ 24,878,196</u>	<u>\$ 135,598,503</u>
\$ 2,474,716	\$ 459,139	\$ 19,726	\$ 113,263	\$ 4,141,455
-	-	-	-	192,634
15,524	-	1,824	401,759	5,631,765
-	-	-	-	171,800
-	-	-	-	26,225
25	-	3,338	187,248	364,830
-	5,708,396	1,082,121	507,902	42,240,891
-	71,569	-	-	71,569
907,744	-	-	1,000,000	1,907,744
<u>3,398,009</u>	<u>6,239,104</u>	<u>1,107,009</u>	<u>2,210,172</u>	<u>54,748,913</u>
-	-	-	-	1,241,639
-	-	-	8,847,452	8,847,452
-	-	-	-	1,930,000
-	-	-	-	13,249,667
-	-	9,028,521	12,586,594	38,643,071
15,703,783	-	-	141,946	15,845,729
-	-	-	1,092,032	1,092,032
<u>15,703,783</u>	<u>-</u>	<u>9,028,521</u>	<u>22,668,024</u>	<u>80,849,590</u>
<u>\$ 19,101,792</u>	<u>\$ 6,239,104</u>	<u>\$ 10,135,530</u>	<u>\$ 24,878,196</u>	<u>\$ 135,598,503</u>

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

JUNE 30, 2009

Total governmental fund balances.....		\$ 80,849,590
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		236,846,539
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		42,240,891
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(1,011,048)
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.....	(104,794,067)	
Workers' compensation.....	(194,000)	
Compensated absences.....	(2,635,150)	
Other post-employment benefits obligation.....	<u>(12,818,152)</u>	
Net effect of reporting long-term liabilities.....		<u>(120,441,369)</u>
Net assets of governmental activities.....		<u>\$ 238,484,603</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	General	Municipal Purpose Stabilization	Pension Stabilization	Insurance Stabilization	State Fiscal Stabilization
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 88,165,857	\$ -	\$ -	\$ -	-
Motor vehicle and other excise taxes.....	5,646,089	-	-	-	-
Hotel/motel tax.....	1,624,723	-	-	-	-
Charges for services.....	2,839,585	-	-	-	-
Penalties and interest on taxes.....	1,206,383	-	-	-	-
Fees and rentals.....	986,050	-	-	-	-
Licenses and permits.....	1,562,705	-	-	-	-
Intergovernmental.....	22,509,928	-	-	-	814,460
Departmental and other.....	1,033,905	-	-	-	-
Special assessments.....	98,692	-	-	-	-
Community Preservation Fund surtax.....	-	-	-	-	-
Contributions.....	-	-	-	-	-
Net increase (decrease) in fair value of investments.....	-	320,384	(424,085)	19,379	-
Investment income (loss).....	495,314	459,408	106,442	27,416	-
Legal settlements.....	-	-	-	-	-
<b>TOTAL REVENUES.....</b>	<b>126,169,231</b>	<b>779,792</b>	<b>(317,643)</b>	<b>46,795</b>	<b>814,460</b>
<b>EXPENDITURES:</b>					
Current:					
Charter Commission.....	46,380	-	-	-	-
Town Council.....	296,316	-	-	-	-
Town Manager.....	541,963	-	-	-	-
Administrative services.....	5,161,056	26,715	7,126	1,585	-
Growth management.....	842,544	-	-	-	-
Public safety.....	11,409,149	-	-	-	-
Education.....	64,550,729	-	-	-	814,460
Public works.....	8,736,294	-	-	-	-
Community services.....	2,628,571	-	-	-	-
Regulatory services.....	2,200,667	-	-	-	-
Culture and recreation.....	1,722,811	-	-	-	-
Pension benefits.....	13,477,597	-	-	-	-
Property and liability insurance.....	1,151,284	-	-	-	-
Employee benefits.....	1,810,176	-	-	-	-
Other assessments.....	424,848	-	-	-	-
State and county charges.....	5,500,040	-	-	-	-
Debt service:					
Principal.....	7,946,419	-	-	-	-
Interest.....	3,583,732	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>132,030,576</b>	<b>26,715</b>	<b>7,126</b>	<b>1,585</b>	<b>814,460</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(5,861,345)</b>	<b>753,077</b>	<b>(324,769)</b>	<b>45,210</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	7,816,153	9,567,068	-	-	-
Transfers out.....	(7,162,695)	(9,168,973)	(381,500)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>653,458</b>	<b>398,095</b>	<b>(381,500)</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(5,207,887)</b>	<b>1,151,172</b>	<b>(706,269)</b>	<b>45,210</b>	<b>-</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>21,629,193</b>	<b>12,379,306</b>	<b>3,557,803</b>	<b>600,734</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 16,421,306</b>	<b>\$ 13,530,478</b>	<b>\$ 2,851,534</b>	<b>\$ 645,944</b>	<b>\$ -</b>

See notes to basic financial statements.

Town Capital Projects	Chapter 90 Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 88,165,857
-	-	-	-	5,646,089
-	-	-	-	1,624,723
-	-	-	3,952,613	6,792,198
-	-	-	-	1,206,383
-	-	-	121,076	1,107,126
-	-	-	530,280	2,092,985
568,684	530,708	1,765,694	9,160,156	35,349,630
-	-	-	895,620	1,929,525
-	-	-	44,517	143,209
-	-	2,619,643	-	2,619,643
-	-	-	153,455	153,455
-	-	-	(880,502)	(964,824)
-	-	220,157	403,757	1,712,494
-	-	-	3,492,881	3,492,881
<u>568,684</u>	<u>530,708</u>	<u>4,605,494</u>	<u>17,873,853</u>	<u>151,071,374</u>
-	-	-	-	46,380
-	-	-	-	296,316
-	-	-	-	541,963
233,219	-	-	970,679	6,400,380
-	-	2,180,623	-	3,023,167
30,443	-	-	483,001	11,922,593
4,000	-	-	10,209,883	75,579,072
9,903,544	530,708	-	86,015	19,256,561
11,757,463	-	-	1,411,657	15,797,691
82,217	-	-	423,116	2,706,000
-	-	-	4,258	1,727,069
-	-	-	-	13,477,597
-	-	-	-	1,151,284
-	-	-	-	1,810,176
-	-	-	-	424,848
-	-	-	-	5,500,040
10,000	-	1,835,000	50,420	9,841,839
-	-	1,146,075	-	4,729,807
<u>22,020,886</u>	<u>530,708</u>	<u>5,161,698</u>	<u>13,639,029</u>	<u>174,232,783</u>
<u>(21,452,202)</u>	<u>-</u>	<u>(556,204)</u>	<u>4,234,824</u>	<u>(23,161,409)</u>
3,460,620	-	-	427,695	21,271,536
(50,662)	-	-	(3,995,603)	(20,759,433)
<u>3,409,958</u>	<u>-</u>	<u>-</u>	<u>(3,567,908)</u>	<u>512,103</u>
(18,042,244)	-	(556,204)	666,916	(22,649,306)
<u>33,746,027</u>	<u>-</u>	<u>9,584,725</u>	<u>22,001,108</u>	<u>103,498,896</u>
<u>\$ 15,703,783</u>	<u>\$ -</u>	<u>\$ 9,028,521</u>	<u>\$ 22,668,024</u>	<u>\$ 80,849,590</u>

**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..... \$ (22,649,306)

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.....	22,486,003	
Depreciation expense.....	<u>(6,418,012)</u>	
Net effect of reporting capital assets.....		16,067,991

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue..... (2,324,229)

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.

Capital lease payments.....	793	
Debt service principal payments.....	<u>9,841,839</u>	
Net effect of reporting long-term debt.....		9,842,632

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.....	(696,204)	
Net change in accrued interest on long-term debt.....	22,621	
Net change in workers' compensation accrual.....	168,000	
Net change in other post-employment benefits obligation.....	<u>(5,467,532)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		<u>(5,973,115)</u>

Change in net assets of governmental activities..... \$ (5,036,027)

See notes to basic financial statements.

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**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGETARY BASIS - 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			
<b>REVENUES:</b>					
Real estate and personal property taxes, net of tax refunds.....	\$ 87,949,656	\$ 87,949,656	\$ 88,181,957	\$ -	\$ 232,301
Motor vehicle and other excise taxes.....	6,524,435	6,524,435	5,646,089	-	(878,346)
Hotel/motel tax.....	1,575,000	1,575,000	1,624,723	-	49,723
Charges for services.....	1,550,100	1,550,100	1,707,828	-	157,728
Penalties and interest on taxes.....	1,111,500	1,111,500	1,206,383	-	94,883
Fees and rentals.....	789,390	789,390	986,050	-	196,660
Licenses and permits.....	1,572,030	1,572,030	1,562,705	-	(9,325)
Intergovernmental.....	15,161,288	15,161,288	13,978,521	-	(1,182,767)
Special assessments.....	101,000	101,000	98,692	-	(2,308)
Departmental and other.....	687,400	687,400	1,044,027	-	356,627
Investment income.....	1,200,000	1,200,000	1,075,795	-	(124,205)
<b>TOTAL REVENUES.....</b>	<b>118,221,799</b>	<b>118,221,799</b>	<b>117,112,770</b>	<b>-</b>	<b>(1,109,029)</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
Charter Commission.....	50,175	50,000	46,380	-	3,620
<b>Town Council:</b>					
Personnel.....	294,883	294,883	279,438	-	15,445
Operating Expenses.....	39,837	39,837	16,878	428	22,531
<b>TOTAL.....</b>	<b>334,720</b>	<b>334,720</b>	<b>296,316</b>	<b>428</b>	<b>37,976</b>
<b>Town Manager:</b>					
Personnel.....	442,834	442,834	435,582	-	7,252
Operating Expenses.....	181,763	181,763	106,381	41,478	33,904
<b>TOTAL.....</b>	<b>624,597</b>	<b>624,597</b>	<b>541,963</b>	<b>41,478</b>	<b>41,156</b>
<b>Administrative Services:</b>					
Personnel.....	4,199,753	4,199,753	4,116,121	-	83,632
Operating Expenses.....	1,370,681	1,370,681	947,301	301,517	121,863
Capital Outlay.....	97,752	97,752	97,634	-	118
<b>TOTAL.....</b>	<b>5,668,186</b>	<b>5,668,186</b>	<b>5,161,056</b>	<b>301,517</b>	<b>205,613</b>
<b>Growth Management:</b>					
Personnel.....	929,990	929,990	775,807	-	154,183
Operating Expenses.....	114,686	114,686	66,737	6,303	41,646
<b>TOTAL.....</b>	<b>1,044,676</b>	<b>1,044,676</b>	<b>842,544</b>	<b>6,303</b>	<b>195,829</b>
<b>Police:</b>					
Personnel.....	11,046,574	11,046,574	10,558,572	-	488,002
Operating Expenses.....	636,164	636,164	596,517	28,101	11,546
Capital Outlay.....	312,178	312,178	254,060	58,118	-
<b>TOTAL.....</b>	<b>11,994,916</b>	<b>11,994,916</b>	<b>11,409,149</b>	<b>86,219</b>	<b>499,548</b>
<b>Regulatory Services:</b>					
Personnel.....	2,088,602	2,090,902	1,937,885	-	153,017
Operating Expenses.....	299,745	297,445	262,782	18,568	16,095
<b>TOTAL.....</b>	<b>2,388,347</b>	<b>2,388,347</b>	<b>2,200,667</b>	<b>18,568</b>	<b>169,112</b>
Local School System.....	61,539,908	61,403,789	60,300,877	238,783	864,129
Regional School District.....	2,788,500	2,788,500	2,788,500	-	-

**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGETARY BASIS - 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			
Public Works:					
Personnel.....	5,244,039	5,244,039	4,954,663	-	289,376
Operating Expenses.....	2,898,031	2,898,031	3,129,317	148,008	(379,294)
Capital Outlay.....	895,997	895,997	652,314	238,866	4,817
<b>TOTAL.....</b>	<b>9,038,067</b>	<b>9,038,067</b>	<b>8,736,294</b>	<b>386,874</b>	<b>(85,101)</b>
Community Services:					
Personnel.....	2,471,666	2,471,666	2,265,910	-	205,756
Operating Expenses.....	360,549	360,549	314,939	14,398	31,212
Capital Outlay.....	50,000	50,000	47,722	-	2,278
<b>TOTAL.....</b>	<b>2,882,215</b>	<b>2,882,215</b>	<b>2,628,571</b>	<b>14,398</b>	<b>239,246</b>
Culture and Recreation.....	1,835,905	1,835,905	1,722,811	106,845	6,249
Debt Service:					
Principal.....	7,980,059	7,980,059	7,946,419	-	33,640
Interest.....	3,720,091	3,720,091	3,583,732	-	136,359
<b>TOTAL.....</b>	<b>11,700,150</b>	<b>11,700,150</b>	<b>11,530,151</b>	<b>-</b>	<b>169,999</b>
Pension Benefits.....	5,324,176	5,324,176	5,315,124	-	9,052
Employee Benefits.....	1,970,907	1,970,907	1,810,176	-	160,731
Liability Insurance.....	1,340,000	1,305,086	1,151,284	40,000	113,802
State and County Assessments.....	5,956,567	5,709,948	5,500,040	-	209,908
Other Assessments.....	289,500	434,414	424,848	226	9,340
Claims and Judgments.....	450,972	450,972	-	-	450,972
<b>TOTAL EXPENDITURES.....</b>	<b>127,222,484</b>	<b>126,949,571</b>	<b>122,406,751</b>	<b>1,241,639</b>	<b>3,301,181</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(9,000,685)	(8,727,772)	(5,293,981)	(1,241,639)	2,192,152
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	8,114,018	8,114,018	8,164,680	-	50,662
Transfers out.....	(6,795,000)	(7,162,695)	(7,162,695)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>1,319,018</b>	<b>951,323</b>	<b>1,001,985</b>	<b>-</b>	<b>50,662</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(7,681,667)</b>	<b>(7,776,449)</b>	<b>(4,291,996)</b>	<b>(1,241,639)</b>	<b>2,242,814</b>
BUDGETARY FUND BALANCE, Beginning of year.....	21,013,104	21,013,104	21,013,104	-	-
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ 13,331,437</b>	<b>\$ 13,236,655</b>	<b>\$ 16,721,108</b>	<b>\$ (1,241,639)</b>	<b>\$ 2,242,814</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET ASSETS

JUNE 30, 2009

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
<b>ASSETS</b>					
<b>CURRENT:</b>					
Cash and cash equivalents.....	\$ 6,962,264	\$ 298,346	\$ 4,978,450	\$ 6,276,910	\$ 1,581,723
Investments.....	3,782,291	218,974	2,742,859	3,383,245	856,586
Receivables, net of allowance for uncollectibles:					
User fees.....	97,691	-	-	1,146,356	859,632
Special assessments.....	-	-	-	220,485	-
Intergovernmental.....	-	-	106,275	2,982,714	-
Inventory.....	83,835	90,866	-	-	-
Total current assets.....	<u>10,926,081</u>	<u>608,186</u>	<u>7,827,584</u>	<u>14,009,710</u>	<u>3,297,941</u>
<b>NONCURRENT:</b>					
Receivables, net of allowance for uncollectibles:					
Special assessments.....	-	-	-	1,869,872	-
Intergovernmental.....	-	-	876,068	1,629,815	-
Capital assets, net of accumulated depreciation:					
Depreciable.....	20,419,109	5,843,848	861,130	29,549,260	2,311,704
Nondepreciable.....	18,191,790	8,498,596	1,140,634	1,889,282	8,642,142
Total noncurrent assets.....	<u>38,610,899</u>	<u>14,342,444</u>	<u>2,877,832</u>	<u>34,938,229</u>	<u>10,953,846</u>
<b>TOTAL ASSETS.....</b>	<u><b>49,536,980</b></u>	<u><b>14,950,630</b></u>	<u><b>10,705,416</b></u>	<u><b>48,947,939</b></u>	<u><b>14,251,787</b></u>
<b>LIABILITIES</b>					
<b>CURRENT:</b>					
Warrants payable.....	150,814	8,518	38,893	319,796	39,116
Accrued liabilities.....	-	-	-	-	1,375
Accrued payroll.....	45,087	41,190	25,638	29,094	2,529
Accrued interest.....	-	66,001	-	-	146,792
Other liabilities.....	300,000	18,440	-	22,165	15,701
Unearned membership revenue.....	-	583,268	-	-	-
Landfill closure.....	-	-	70,000	-	-
Compensated absences.....	77,889	46,388	42,424	51,504	-
Bonds and notes payable.....	2,704,862	426,462	420,100	1,545,149	360,000
Total current liabilities.....	<u>3,278,652</u>	<u>1,190,267</u>	<u>597,055</u>	<u>1,967,708</u>	<u>565,513</u>
<b>NONCURRENT:</b>					
Landfill closure.....	-	-	1,190,000	-	-
Compensated absences.....	9,564	4,147	8,502	15,403	-
Other post-employment benefits obligation.....	522,000	364,000	282,000	283,000	26,000
Bonds and notes payable.....	-	3,840,000	4,338,727	15,189,165	8,965,000
Total noncurrent liabilities.....	<u>531,564</u>	<u>4,208,147</u>	<u>5,819,229</u>	<u>15,487,568</u>	<u>8,991,000</u>
<b>TOTAL LIABILITIES.....</b>	<u><b>3,810,216</b></u>	<u><b>5,398,414</b></u>	<u><b>6,416,284</b></u>	<u><b>17,455,276</b></u>	<u><b>9,556,513</b></u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt.....	35,906,037	10,075,982	2,001,764	18,950,868	1,628,846
Unrestricted.....	9,820,727	(523,766)	2,287,368	12,541,795	3,066,428
<b>TOTAL NET ASSETS.....</b>	<u><b>\$ 45,726,764</b></u>	<u><b>\$ 9,552,216</b></u>	<u><b>\$ 4,289,132</b></u>	<u><b>\$ 31,492,663</b></u>	<u><b>\$ 4,695,274</b></u>

See notes to basic financial statements.

	Marina Recreation	Sandy Neck Recreation	Total
\$	171,547	\$ 259,949	\$ 20,529,189
	91,364	144,329	11,219,648
	-	-	2,103,679
	-	-	220,485
	-	-	3,088,989
	-	-	174,701
	<u>262,911</u>	<u>404,278</u>	<u>37,336,691</u>
	-	-	1,869,872
	-	-	2,505,883
	1,315,917	125,222	60,426,190
	<u>1,964,876</u>	<u>-</u>	<u>40,327,320</u>
	<u>3,280,793</u>	<u>125,222</u>	<u>105,129,265</u>
	<u>3,543,704</u>	<u>529,500</u>	<u>142,465,956</u>
	7,012	30	564,179
	-	-	1,375
	9,151	18,048	170,737
	-	-	212,793
	1,000	-	357,306
	-	-	583,268
	-	-	70,000
	-	-	218,205
	<u>100,000</u>	<u>20,000</u>	<u>5,576,573</u>
	<u>117,163</u>	<u>38,078</u>	<u>7,754,436</u>
	-	-	1,190,000
	-	-	37,616
	35,000	63,000	1,575,000
	<u>1,250,000</u>	<u>30,000</u>	<u>33,612,892</u>
	<u>1,285,000</u>	<u>93,000</u>	<u>36,415,508</u>
	<u>1,402,163</u>	<u>131,078</u>	<u>44,169,944</u>
	1,930,793	75,222	70,569,512
	<u>210,748</u>	<u>323,200</u>	<u>27,726,500</u>
\$	<u>2,141,541</u>	\$ <u>398,422</u>	\$ <u>98,296,012</u>



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

FISCAL YEAR ENDED JUNE 30, 2009

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
<b>OPERATING REVENUES:</b>					
Charges for services .....	\$ 6,810,056	\$ 3,027,102	\$ 2,006,111	\$ 3,187,621	\$ 3,623,598
<b>OPERATING EXPENSES:</b>					
Salaries, wages and fringe benefits.....	1,825,484	1,414,080	1,136,993	1,153,927	103,995
Operations.....	4,113,134	882,140	609,968	1,210,797	1,587,543
Transfer station operations.....	-	-	88,393	-	-
Depreciation.....	1,123,995	216,502	78,357	1,145,481	134,750
<b>TOTAL OPERATING EXPENSES .....</b>	<b>7,062,613</b>	<b>2,512,722</b>	<b>1,913,711</b>	<b>3,510,205</b>	<b>1,826,288</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(252,557)</b>	<b>514,380</b>	<b>92,400</b>	<b>(322,584)</b>	<b>1,797,310</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income.....	159,014	16,585	146,981	162,277	-
Interest expense.....	-	(199,690)	(226,809)	(701,683)	(396,604)
Intergovernmental.....	-	-	152,217	1,346,532	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>159,014</b>	<b>(183,105)</b>	<b>72,389</b>	<b>807,126</b>	<b>(396,604)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....</b>	<b>(93,543)</b>	<b>331,275</b>	<b>164,789</b>	<b>484,542</b>	<b>1,400,706</b>
<b>CAPITAL CONTRIBUTIONS.....</b>	<b>1,060,587</b>	<b>-</b>	<b>-</b>	<b>258,100</b>	<b>-</b>
<b>TRANSFERS:</b>					
Transfers in.....	-	96,000	-	-	794,000
Transfers out.....	(506,909)	(149,223)	(198,960)	(387,367)	(103,502)
<b>TOTAL TRANSFERS.....</b>	<b>(506,909)</b>	<b>(53,223)</b>	<b>(198,960)</b>	<b>(387,367)</b>	<b>690,498</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>460,135</b>	<b>278,052</b>	<b>(34,171)</b>	<b>355,275</b>	<b>2,091,204</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>45,266,629</b>	<b>9,274,164</b>	<b>4,323,303</b>	<b>31,137,388</b>	<b>2,604,070</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 45,726,764</b>	<b>\$ 9,552,216</b>	<b>\$ 4,289,132</b>	<b>\$ 31,492,663</b>	<b>\$ 4,695,274</b>

See notes to basic financial statements.

	Marina Recreation	Sandy Neck Recreation	Total
\$	651,019	\$ 569,561	\$ 19,875,068
	283,415	383,105	6,300,999
	29,092	74,513	8,507,187
	-	-	88,393
	112,882	13,714	2,825,681
	425,389	471,332	17,722,260
	225,630	98,229	2,152,808
	-	-	484,857
	(68,058)	(3,000)	(1,595,844)
	-	-	1,498,749
	(68,058)	(3,000)	387,762
	157,572	95,229	2,540,570
	-	-	1,318,687
	-	-	890,000
	(30,505)	(25,637)	(1,402,103)
	(30,505)	(25,637)	(512,103)
	127,067	69,592	3,347,154
	2,014,474	328,830	94,948,858
\$	<u>2,141,541</u>	<u>\$ 398,422</u>	<u>\$ 98,296,012</u>

**PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers and users.....	\$ 6,796,711	\$ 2,977,364	\$ 2,006,111	\$ 3,335,946	\$ 3,545,968
Payments to vendors.....	(3,580,206)	(848,449)	(792,825)	(884,998)	(1,680,654)
Payments to employees.....	(1,235,559)	(972,868)	(689,117)	(666,735)	(70,403)
Payments for interfund services used.....	(350,061)	(283,907)	(318,387)	(351,655)	(22,172)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>1,630,885</b>	<b>872,140</b>	<b>205,782</b>	<b>1,432,558</b>	<b>1,772,739</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers in.....	-	96,000	-	-	794,000
Transfers out.....	(506,909)	(149,223)	(198,960)	(387,367)	(103,502)
Advances (to) from other funds.....	-	(766,665)	-	-	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(506,909)</b>	<b>(819,888)</b>	<b>(198,960)</b>	<b>(387,367)</b>	<b>690,498</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from the issuance of bonds and notes.....	2,704,862	-	-	695,808	-
Capital contributions.....	3,794,078	-	-	258,100	-
Capital assessments.....	-	-	-	261,409	-
Intergovernmental grants.....	-	-	129,094	3,642,116	-
Acquisition and construction of capital assets.....	(4,274,885)	(175,072)	(96,991)	(4,734,644)	(456,536)
Principal payments on bonds and notes.....	-	(414,825)	(294,911)	(1,171,711)	(345,000)
Interest expense.....	-	(203,368)	(226,809)	(701,683)	(399,698)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES..</b>	<b>2,224,055</b>	<b>(793,265)</b>	<b>(489,617)</b>	<b>(1,750,605)</b>	<b>(1,201,234)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Purchase of investments.....	-	-	-	-	(490,820)
Sale of investments.....	106,895	300,845	743,320	3,106,432	-
Investment income.....	159,014	16,585	146,981	162,277	-
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>265,909</b>	<b>317,430</b>	<b>890,301</b>	<b>3,268,709</b>	<b>(490,820)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>3,613,940</b>	<b>(423,583)</b>	<b>407,506</b>	<b>2,563,295</b>	<b>771,183</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>3,348,324</b>	<b>721,929</b>	<b>4,570,944</b>	<b>3,713,615</b>	<b>810,540</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 6,962,264</b>	<b>\$ 298,346</b>	<b>\$ 4,978,450</b>	<b>\$ 6,276,910</b>	<b>\$ 1,581,723</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</b>					
Operating income (loss).....	\$ (252,557)	\$ 514,380	\$ 92,400	\$ (322,584)	\$ 1,797,310
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation.....	1,123,995	216,502	78,357	1,145,481	134,750
Changes in assets and liabilities:					
User fees.....	(13,345)	-	-	148,325	(77,630)
Inventory.....	(510)	20,157	-	-	-
Warrants payable.....	233,438	4,881	(24,464)	325,799	(94,730)
Accrued liabilities.....	-	(230)	-	-	1,375
Accrued payroll.....	2,758	(2,463)	(580)	5,640	420
Other liabilities.....	300,000	8,883	-	-	244
Unearned membership revenue.....	-	(49,738)	-	-	-
Accrued compensated absences.....	14,106	1,768	10,069	9,897	-
Landfill closure liability.....	-	-	(70,000)	-	-
Other post-employment benefits obligation.....	223,000	158,000	120,000	120,000	11,000
<b>Total adjustments.....</b>	<b>1,883,442</b>	<b>357,760</b>	<b>113,382</b>	<b>1,755,142</b>	<b>(24,571)</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 1,630,885</b>	<b>\$ 872,140</b>	<b>\$ 205,782</b>	<b>\$ 1,432,558</b>	<b>\$ 1,772,739</b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>					
Intergovernmental subsidy of principal expense.....	\$ -	\$ -	\$ 121,217	\$ 290,914	\$ -

See notes to basic financial statements.

<u>Business-type Activities - Enterprise Funds</u>		
<u>Marina</u>	<u>Sandy Neck</u>	
<u>Recreation</u>	<u>Recreation</u>	<u>Total</u>
\$ 651,019	\$ 569,561	\$ 19,882,680
(23,173)	(77,316)	(7,887,621)
(234,100)	(282,142)	(4,150,924)
<u>(34,140)</u>	<u>(72,677)</u>	<u>(1,432,999)</u>
<u>359,606</u>	<u>137,426</u>	<u>6,411,136</u>
-	-	890,000
(30,505)	(25,637)	(1,402,103)
<u>-</u>	<u>-</u>	<u>(766,665)</u>
<u>(30,505)</u>	<u>(25,637)</u>	<u>(1,278,768)</u>
-	-	3,400,670
-	-	4,052,178
-	-	261,409
-	-	3,771,210
(64,081)	(35,017)	(9,837,226)
(150,000)	(25,000)	(2,401,447)
<u>(68,058)</u>	<u>(3,000)</u>	<u>(1,602,616)</u>
<u>(282,139)</u>	<u>(63,017)</u>	<u>(2,355,822)</u>
(27,065)	(29,541)	(547,426)
-	-	4,257,492
<u>-</u>	<u>-</u>	<u>484,857</u>
<u>(27,065)</u>	<u>(29,541)</u>	<u>4,194,923</u>
19,897	19,231	6,971,469
<u>151,650</u>	<u>240,718</u>	<u>13,557,720</u>
<u>\$ 171,547</u>	<u>\$ 259,949</u>	<u>\$ 20,529,189</u>
\$ 225,630	\$ 98,229	\$ 2,152,808
112,882	13,714	2,825,681
-	-	57,350
-	-	19,647
5,919	(2,803)	448,040
-	-	1,145
175	1,286	7,236
-	-	309,127
-	-	(49,738)
-	-	35,840
-	-	(70,000)
<u>15,000</u>	<u>27,000</u>	<u>674,000</u>
<u>133,976</u>	<u>39,197</u>	<u>4,258,328</u>
<u>\$ 359,606</u>	<u>\$ 137,426</u>	<u>\$ 6,411,136</u>
\$ -	\$ -	\$ 412,131

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2009

	Private Purpose Trust Funds	Agency Fund
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 463,224	\$ 550,609
Investments.....	1,339,745	-
Receivables, net of allowance for uncollectibles:		
Departmental and other.....	27,052	239,386
<b>TOTAL ASSETS.....</b>	<b>1,830,021</b>	<b>789,995</b>
<b>LIABILITIES</b>		
Warrants payable.....	121	2,258
Accrued liabilities.....	-	37,190
Liabilities due depositors.....	-	750,547
<b>TOTAL LIABILITIES.....</b>	<b>121</b>	<b>789,995</b>
<b>NET ASSETS</b>		
Held in trust for other purposes.....	\$ 1,829,900	\$ -

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2009

	Private Purpose Trust Funds
<u>ADDITIONS:</u>	
Contributions:	
Rental income.....	\$ 105,084
Private donations.....	43,902
Total contributions.....	148,986
Net investment income (loss):	
Net increase (decrease) in fair value of investments.....	(153,150)
Interest.....	94,266
TOTAL ADDITIONS.....	90,102
<u>DEDUCTIONS:</u>	
Community services.....	316,578
Educational scholarships.....	97,396
TOTAL DEDUCTIONS.....	413,974
CHANGE IN NET ASSETS.....	(323,872)
NET ASSETS AT BEGINNING OF YEAR.....	2,153,772
NET ASSETS AT END OF YEAR.....	\$ 1,829,900

See notes to basic financial statements.

**COMPONENT UNITS**  
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2009

	Hyannis Public Library	Osterville Free Library	Centerville Public Library
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 121,123	\$ 364,675	\$ 167,385
Investments.....	589,054	3,131,630	605,461
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	87,220	19,440	-
Inventory.....	-	-	-
Prepaid expenses.....	11,178	-	1,583
Total current assets.....	<u>808,575</u>	<u>3,515,745</u>	<u>774,429</u>
<b>NONCURRENT:</b>			
Capital assets, net of accumulated depreciation:			
Depreciable.....	220,962	652,792	513,311
Nondepreciable.....	69,600	80,815	900
Total noncurrent assets.....	<u>290,562</u>	<u>733,607</u>	<u>514,211</u>
<b>TOTAL ASSETS.....</b>	<u>1,099,137</u>	<u>4,249,352</u>	<u>1,288,640</u>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	16,015	3,821	27,680
Accrued liabilities.....	8,360	-	-
Other liabilities.....	-	5,250	-
<b>TOTAL LIABILITIES.....</b>	<u>24,375</u>	<u>9,071</u>	<u>27,680</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	290,562	733,607	514,211
Unrestricted.....	784,200	3,506,674	746,749
<b>TOTAL NET ASSETS.....</b>	<u>\$ 1,074,762</u>	<u>\$ 4,240,281</u>	<u>\$ 1,260,960</u>

See notes to basic financial statements.

<u>Sturgis Library</u>	<u>Cotuit Library</u>	<u>Marstons Mills Public Library</u>	<u>Whelden Memorial Library</u>	<u>Total Component Units</u>
\$ 289,687	\$ 94,614	\$ 140,438	\$ 18,339	\$ 1,196,261
2,224,456	785,315	-	243,297	7,579,213
-	-	590	-	107,250
2,372	-	-	-	2,372
<u>1,736</u>	<u>2,224</u>	<u>-</u>	<u>399</u>	<u>17,120</u>
<u>2,518,251</u>	<u>882,153</u>	<u>141,028</u>	<u>262,035</u>	<u>8,902,216</u>
404,176	49,969	223,690	133,817	2,198,717
<u>5,500</u>	<u>16,550</u>	<u>5,000</u>	<u>-</u>	<u>178,365</u>
<u>409,676</u>	<u>66,519</u>	<u>228,690</u>	<u>133,817</u>	<u>2,377,082</u>
<u>2,927,927</u>	<u>948,672</u>	<u>369,718</u>	<u>395,852</u>	<u>11,279,298</u>
2,869	1,510	8,688	-	60,583
-	-	-	-	8,360
<u>17,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,811</u>
<u>20,430</u>	<u>1,510</u>	<u>8,688</u>	<u>-</u>	<u>91,754</u>
409,676	66,519	228,690	133,817	2,377,082
<u>2,497,821</u>	<u>880,643</u>	<u>132,340</u>	<u>262,035</u>	<u>8,810,462</u>
\$ <u>2,907,497</u>	\$ <u>947,162</u>	\$ <u>361,030</u>	\$ <u>395,852</u>	\$ <u>11,187,544</u>



**COMPONENT UNITS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**

FISCAL YEAR ENDED JUNE 30, 2009

	Hyannis Public Library	Osterville Free Library	Centerville Public Library
<b>OPERATING REVENUES:</b>			
Charges for services.....	\$ 30,991	\$ 44,555	\$ 104,879
<b>OPERATING EXPENSES:</b>			
Program and administrative.....	552,332	522,282	445,415
Depreciation.....	31,290	26,852	21,810
Management and general.....	22,384	69,909	-
Fundraising.....	359	79,079	7,011
<b>TOTAL OPERATING EXPENSES.....</b>	<b>606,365</b>	<b>698,122</b>	<b>474,236</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>(575,374)</b>	<b>(653,567)</b>	<b>(369,357)</b>
<b>NONOPERATING REVENUES/(EXPENSES):</b>			
Investment income (loss).....	(109,075)	(326,206)	(113,065)
Intergovernmental.....	497,590	223,740	272,823
Contributions.....	46,157	633,157	10,382
<b>TOTAL NONOPERATING REVENUES/(EXPENSES)...</b>	<b>434,672</b>	<b>530,691</b>	<b>170,140</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>(140,702)</b>	<b>(122,876)</b>	<b>(199,217)</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>1,215,464</b>	<b>4,363,157</b>	<b>1,460,177</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 1,074,762</b>	<b>\$ 4,240,281</b>	<b>\$ 1,260,960</b>

See notes to basic financial statements.

<u>Sturgis Library</u>	<u>Cotuit Library</u>	<u>Marstons Mills Public Library</u>	<u>Whelden Memorial Library</u>	<u>Total Component Units</u>
\$ <u>65,613</u>	\$ <u>13,580</u>	\$ <u>15,120</u>	\$ <u>19,848</u>	\$ <u>294,586</u>
466,302	310,368	209,728	170,579	2,677,006
18,270	6,450	8,363	-	113,035
-	-	-	-	92,293
<u>5,233</u>	<u>-</u>	<u>4,198</u>	<u>-</u>	<u>95,880</u>
<u>489,805</u>	<u>316,818</u>	<u>222,289</u>	<u>170,579</u>	<u>2,978,214</u>
<u>(424,192)</u>	<u>(303,238)</u>	<u>(207,169)</u>	<u>(150,731)</u>	<u>(2,683,628)</u>
(262,191)	(239,342)	636	3,859	(1,045,384)
206,628	159,451	174,759	83,317	1,618,308
<u>254,220</u>	<u>89,632</u>	<u>146,415</u>	<u>24,860</u>	<u>1,204,823</u>
<u>198,657</u>	<u>9,741</u>	<u>321,810</u>	<u>112,036</u>	<u>1,777,747</u>
(225,535)	(293,497)	114,641	(38,695)	(905,881)
<u>3,133,032</u>	<u>1,240,659</u>	<u>246,389</u>	<u>434,547</u>	<u>12,093,425</u>
\$ <u><u>2,907,497</u></u>	\$ <u><u>947,162</u></u>	\$ <u><u>361,030</u></u>	\$ <u><u>395,852</u></u>	\$ <u><u>11,187,544</u></u>

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

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

**A. Reporting Entity**

The Town was incorporated in 1639 under the Acts of the Commonwealth of Massachusetts (the Commonwealth). The Town is composed of the seven villages of Hyannis, Osterville, Centerville, Cotuit, Barnstable, Marstons Mills, and West Barnstable. The Town is organized in accordance with its Home Rule Charter that was adopted in May 1989 under the Council-Manager form of government, which consists of an elected eleven-member Town Council (the Council) and a Town Manager (the Manager) who is appointed by the Council. The Manager supervises and directs the administration of all municipal departments, except the School Department and the Barnstable Municipal Airport, which are supervised and directed by the School Committee and the Airport Commissioners, respectively.

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. Seven entities have been included as component units in the reporting entity, because of the significance of their operational and/or financial relationships with the Town.

*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 seven libraries as Discretely Presented Component Units because they are fiscally dependent on the Town and because the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. Accordingly, the Component Units column of the combined financial statements includes the financial data of the following entities:

- The Hyannis Public Library Association, Centerville Public Library Association, Osterville Free Library Corporation, Marstons Mills Public Library, Inc., Whelden Memorial Library, Cotuit Library Association and the Sturgis Library were established to provide suitable library facilities to Town residents and visitors. The libraries are governed by separately elected Boards of Trustees.

**Availability of Financial Information for Component Units**

Complete financial statements of the individual component units can be obtained directly from their respective administrative offices.

\*Hyannis Public Library Association  
401 Main Street  
Hyannis, MA 02601

\*The Sturgis Library  
P.O. Box 606  
Barnstable, MA 02630

\*Osterville Free Library Corporation  
43 Wianno Avenue  
Osterville, MA 02655

\*Cotuit Library Association  
Main Street  
Cotuit, MA 02635

The Centerville Public Library Association  
Centerville, Massachusetts 02636

Marstons Mills Public Library, Inc.  
Main Street  
Marstons Mills, MA 02648

Whelden Memorial Library  
Meetinghouse Way  
West Barnstable, MA 02668

\*Discretely presented Component Units audited by auditors other than Powers & Sullivan.

**Availability of Financial Information for Town of Barnstable Horace Mann Charter Schools**

The Town operates two Horace Mann Charter Schools; the Grades 5 and 6 building located in Marstons Mills and the K to 4 elementary school located on the same campus as the Grades 5 and 6 school. The Horace Mann Charter Schools are managed independently by an appointed Board of Trustees and not by the School Committee and Superintendent. Funding for the schools' operations are provided by the Town based upon a negotiated amount between the School Committee and Board of Trustees within the guidelines established by the authorizing legislation of the Commonwealth of Massachusetts. The activity is included within the Town's basic financial statements and is audited by auditors other than Powers & Sullivan. Complete financial statements of the individual Horace Mann Charter Schools can be obtained directly from their respective administrative offices.

Barnstable Horace Mann Charter School  
730 Osterville/West Barnstable Road  
Marstons Mills, MA 02648

Marstons Mills East Horace Mann Charter Public School  
760 Osterville/West Barnstable Road  
Marstons Mills, MA 02648

**Availability of Financial Information for Joint Ventures**

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risk and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified recipients. The Town has no equity interest in the joint ventures. The following identifies where the joint venture financial statements are available, their purpose, and the annual assessment paid by the Town during fiscal year 2009.

<u>Joint venture and address</u>	<u>Purpose</u>	<u>Annual Assessment</u>
Cape Cod Regional Technical High School District 351 Pleasant Lake Avenue Harwich, MA 02645	To provide educational services	\$ 2,788,500
Cape Cod Regional Transit Authority 585 Main Street Dennis, MA 02638	To provide public transportation	\$ 423,611

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

The government-wide financial statements (i.e., statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

*Fund Financial Statements*

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

Internal service funds and 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 *municipal purpose stabilization fund* is a special revenue fund used to account for the accumulation of resources to provide general and/or capital reserves (see Note 9).

The *pension stabilization fund* is a special revenue fund used to account for the accumulation of resources to fund the unfunded pension liability that accrues to the Town through the county retirement system (see Note 9).

The *insurance stabilization fund* is a special revenue fund used to account for the accumulation of resources to meet future insurance costs (see Note 9).

The *state fiscal stabilization fund* is used to account for the Town's use of the federally funded state fiscal stabilization program which was awarded to Governors to help stabilize state and local budgets in order to minimize and avoid reductions in education and other essential services.

The *Town capital projects fund* is used to account for the proceeds of bonds sold, intergovernmental grants and transfers in to finance non-school related major capital acquisitions and construction projects of the governmental funds.

The *chapter 90 highway projects fund* is used to account for costs incurred with the construction and reconstruction of Town owned roadways. Costs charged to the fund are subject to reimbursement by the Commonwealth of Massachusetts.

The *community preservation fund* is a special revenue fund used to account for funds collected in accordance with the Cape Cod Open Space Land Acquisition Program. The funds may be used for acquiring land and interests in land for the protection of public drinking water supplies, open space and conservation and the creation of walking trails, bicycling trails and recreational areas.

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

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

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

The *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 *component units* account for the activity of the entities that are separate from the primary government but are financially accountable to the Town. The component units are reported using the flow of economic resources measurement focus and the accrual basis of accounting and are discretely presented in the basic 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 *airport enterprise fund* is used to account for the Barnstable Municipal Airport activities.

The *golf course enterprise fund* is used to account for the Olde Barnstable Fairgrounds Golf Course and the Hyannis Golf Course activities.

The *solid waste enterprise fund* is used to account for the Town's solid waste transfer station and recycling activities.

The *wastewater enterprise fund* is used to account for the Town's sewer activities.

The *water supply enterprise fund* is used to account for the Town's water activities.

The *marina recreation enterprise fund* is used to account for the Town's marina activities.

The *sandy neck recreation enterprise fund* is used to account for the Town's sandy neck recreation 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 *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings. The Town's educational scholarships and assistance to benefit the needy activities are accounted for in this fund.

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

#### *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 with or contradict guidance of the Governmental 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 government has elected not to follow subsequent private-sector guidance.



#### D. Cash and Investments

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

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

#### 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 is 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 1<sup>st</sup> 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 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup>, and May 1<sup>st</sup> and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy.

Real estate tax liens are processed approximately three months after the due date on delinquent properties and are recorded as receivables in the fiscal year they are processed.

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

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

##### ***Motor Vehicle and Other Excise Taxes***

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value. Boat excise taxes are assessed annually for each boat registered and are recorded as receivables in the fiscal year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

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

##### ***Departmental and Other***

Departmental and other receivables of the primary government consist primarily of refunds paid by the Town on behalf of the local Fire Districts. The Town collects taxes on behalf of the Fire Districts and pays refunds to customers. The Fire Districts are billed for refunds paid on their behalf and a receivable is recorded at the time the payment is made. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Departmental and other receivables of the component units consist of the present value of future bequests that are anticipated to be received under the terms of charitable trusts.

### ***Room Occupancy Tax***

The Town levies 4% of the cost of renting hotel, motel, lodging house and bed and breakfast rooms in accordance with Massachusetts General Law, Chapter 64G, Section 3A. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The room occupancy tax receivable is categorized as an intergovernmental receivable.

### ***Intergovernmental***

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, revenue is recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, revenue is recognized 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.

### ***Community Preservation Fund Surtaxes***

Community Preservation Fund Surtaxes, formerly known as Land Bank Surtaxes, consist of an excise tax of 3% of the real estate tax levy against real property which is levied by the Town as part of the Cape Cod Open Space Land Acquisition Program.

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

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

Airport user fees consist of car rental parking fees assessed to car rental companies on a monthly basis, vehicle parking revenues collected by an independently contracted management company, rents and airplane hanger fees assessed to the Federal Aviation Administration.

The airport user fee receivables outstanding at June 30<sup>th</sup> consist primarily of June rents collected in July and intergovernmental receivables which are considered 100% collectible and therefore do not report an allowance for uncollectibles.

### ***Wastewater and Water User Fees***

Wastewater and water user fees are levied quarterly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Delinquent charges are added to the property owner's tax bill in the fiscal year after they are due. Charges and liens are recorded as receivables in the fiscal year of the levy.

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

**Special Assessments**

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

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

**F. Inventories**

*Government-Wide and Fund Financial Statements*

Inventories of the Airport and Golf Courses are priced at the lower of cost or market, with cost being determined on the first-in, first-out method basis. Expendable supplies and small tools are not inventoried but rather expensed when purchased.

Inventories of the Sturgis Library are carried at cost.

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

**G. Capital Assets**

*Government-Wide and Proprietary Fund Financial Statements*

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

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. All major general infrastructure assets acquired or significantly reconstructed in fiscal years ending after June 30, 1980 have been recorded at estimated historical cost.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20
Buildings.....	40
Building improvements.....	20
Machinery and equipment.....	5-10
Vehicles.....	5
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.

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

#### *Fund Financial Statements*

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

#### I. Interfund Transfers

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

#### *Government-Wide Financial Statements*

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

#### *Fund Financial Statements*

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

#### J. Deferred Revenue

Deferred revenue at the 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 and the Massachusetts Water Pollution Abatement Trust’s loan subsidy 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:

“Capital projects” represents amounts restricted for capital purposes.

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

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

“Grants and gifts” represents restrictions placed on assets from outside parties and consists primarily of gifts and federal and state grants.

### *Fund Financial Statements (Fund Balances)*

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

Fund balances have been “reserved for” the following:

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

“Perpetual permanent funds” represents the permanently restricted portion of amounts held in trust which stipulate that only earnings may be used for purposes that support governmental programs.

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. Investment Income

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

#### N. Compensated Absences

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

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

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

##### *Governmental Fund Financial Statements*

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

#### O. Use of Estimates

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

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

#### P. 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 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### A. Budgetary Information

In accordance with the Town Charter, the Town Manager presents an annual budget to the Council, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Expenditures are budgeted by categories that are broken down by personnel, operating expenses, debt service and capital outlay and are mandated by Municipal Law. The Council may authorize appropriations for the recommended purposes and may reduce or reject any appropriation by majority vote. The Council may not increase an appropriation without the recommendation of the Manager.

Supplemental appropriations are made upon recommendation of the Manager and require two-thirds majority approval of the Council.

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 (personnel, operating 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 majority vote of the Council.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2009 approved budget authorized approximately \$132,128,000 in current year appropriations and other amounts to be raised and approximately \$1,889,000 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2009, the Council also approved supplemental appropriations totaling approximately \$94,800.

The Finance Director has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town's 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 as follows:

Net change in fund balance, budgetary basis.....	\$ (4,291,996)
<u>Perspective difference:</u>	
Activity of the Horace Mann Charter Schools recorded in the general fund for GAAP.....	78,114
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(16,100)
Net change in recording revenues.....	(736,856)
Net change in recording expenditures.....	(241,049)
Recognition of revenue for on-behalf payments.....	8,511,000
Recognition of expenditures for on-behalf payments....	<u>(8,511,000)</u>
Net change in fund balance, GAAP basis.....	\$ <u>(5,207,887)</u>

### C. Appropriation Deficits

Expenditures exceeded appropriations in public works for snow and ice removal. This deficit will be funded in fiscal 2010 via the tax levy.

### D. Individual Fund Deficits

Several individual fund deficits exist at June 30, 2009, within the nonmajor governmental funds. These deficits will be funded through available fund balance, long-term financing and grants.

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

### Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Barnstable's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of deposits totaled \$65,463,129 and the bank balance totaled \$69,264,691. Of the bank balance, \$10,617,466 was covered by Federal Depository Insurance, \$28,735,506 was covered by the Depositors Insurance Fund, \$25,991,834 was collateralized, and \$3,919,885 was exposed to custodial credit risk because it was uninsured and uncollateralized.



Investments

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

Investment Type	Fair Value	Maturity			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities:</u>					
U.S. Government Treasuries.....	\$ 5,925,776	\$ 2,095,319	\$ 2,813,892	\$ 599,902	\$ 416,663
Corporate Bonds.....	5,631,892	2,311,368	2,804,163	365,423	150,938
Government Sponsored Enterprises.....	19,673,048	1,791,720	12,413,137	4,282,958	1,185,233
Total Debt Securities.....	31,230,716	\$ 6,198,407	\$ 18,031,192	\$ 5,248,283	\$ 1,752,834
<u>Other Investments:</u>					
Equity Securities.....	4,793,561				
Money Market Mutual Funds.....	16,613,289				
Equity Mutual Funds.....	5,187,869				
Preferred Securities.....	329,431				
MMDT.....	324,820				
Total Investments.....	\$ 58,479,686				

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's investments of \$31,230,716 in debt securities, \$4,793,561 in equity securities and \$329,431 in preferred securities, the Town has custodial credit risk exposure because the related securities are uninsured, unregistered and held by the counterparty. The Town's investment policy places no limit to the amount of United States Treasury and United States Government Agency obligations, as they carry "AAA" ratings. In regards to other investments, the Town will only purchase investment grade securities with a high concentration in securities rated "A" or better

Interest Rate Risk

The Town's policy is to concentrate its investment portfolio in shorter-term securities in order to limit principal risk caused by changes in interest rates. For general town funds, the weighted average days to maturity for the overall Town portfolio should be less than 365 days.

Credit Risk

The Town has not adopted a formal policy related to Credit Risk. At June 30, 2009 the Town's investments were rated as follows:

Quality Ratings	Corporate Bonds	Government Sponsored Enterprises	Preferred Securities	Totals
AAA.....	\$ 186,000	\$ 19,673,048	\$ -	\$ 19,859,048
A.....	917,286	-	-	917,286
A1.....	426,722	-	-	426,722
A2.....	1,661,549	-	-	1,661,549
AA3.....	350,865	-	-	350,865
Aa1.....	208,104	-	-	208,104
Aa2.....	667,397	-	-	667,397
Aa3.....	105,739	-	-	105,739
BBB.....	648,924	-	-	648,924
BA1.....	187,827	-	256,631	444,458
BAA2.....	93,000	-	-	93,000
Baa1.....	74,375	-	-	74,375
Baa3.....	-	-	72,800	72,800
Ba1.....	56,438	-	-	56,438
WR.....	47,666	-	-	47,666
Fair Value.....	\$ <u>5,631,892</u>	\$ <u>19,673,048</u>	\$ <u>329,431</u>	\$ <u>25,634,371</u>

Additionally, the Town holds \$16,613,289 in money market mutual funds and \$324,820 in MMDT which are unrated.

Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer. More than 5 percent of the Town's investments are in the following securities:

Issuer	Percentage Of Total Investments
Federal Home Loan Bank.....	9%
Federal Home Loan Mortgage Company.....	15%
Federal National Mortgage Association.....	10%

**NOTE 4 – RECEIVABLES**

At June 30, 2009, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 4,841,261	\$ -	\$ 4,841,261
Tax liens.....	582,255	(58,226)	524,029
Motor vehicle and other excise taxes.....	1,325,469	(132,547)	1,192,922
Community Preservation surtaxes.....	124,957	-	124,957
Departmental and other.....	276,729	-	276,729
Special assessments.....	507,902	-	507,902
Intergovernmental.....	<u>37,012,734</u>	<u>-</u>	<u>37,012,734</u>
Total.....	<u>\$ 44,671,307</u>	<u>\$ (190,773)</u>	<u>\$ 44,480,534</u>

At June 30, 2009 receivables for fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ <u>266,438</u>	\$ <u>-</u>	\$ <u>266,438</u>

At June 30, 2009 receivables for the component units, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ <u>107,250</u>	\$ <u>-</u>	\$ <u>107,250</u>

At June 30, 2009, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Airport user fees.....	\$ 97,691	\$ -	\$ 97,691
Wastewater user fees.....	1,146,356	-	1,146,356
Water user fees.....	859,632	-	859,632
Special assessments.....	2,090,357	-	2,090,357
Intergovernmental.....	5,594,872	-	5,594,872
Total.....	<u>\$ 9,788,908</u>	<u>\$ -</u>	<u>\$ 9,788,908</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	Chapter 90 Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>					
Real estate and personal property taxes.....	\$ 3,567,444	\$ -	\$ -	\$ -	\$ 3,567,444
Tax liens.....	516,517	-	7,512	-	524,029
Tax foreclosures.....	1,185,252	-	-	-	1,185,252
Motor vehicle and other excise taxes.....	1,192,922	-	-	-	1,192,922
Community Preservation surtaxes.....	-	-	124,957	-	124,957
Departmental and other.....	9,387	-	-	-	9,387
Special assessments.....	-	-	-	507,902	507,902
Intergovernmental.....	28,470,950	5,708,396	949,652	-	35,128,998
Total.....	<u>\$ 34,942,472</u>	<u>\$ 5,708,396</u>	<u>\$ 1,082,121</u>	<u>\$ 507,902</u>	<u>\$ 42,240,891</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2009, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 78,889,924	\$ 1,257,268	\$ -	\$ 80,147,192
Construction in progress.....	<u>8,339,051</u>	<u>13,090,021</u>	<u>(757,178)</u>	<u>20,671,894</u>
Total capital assets not being depreciated.....	<u>87,228,975</u>	<u>14,347,289</u>	<u>(757,178)</u>	<u>100,819,086</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	2,425,996	497,360	-	2,923,356
Buildings and building improvements.....	157,314,299	2,184,266	-	159,498,565
Machinery and equipment.....	6,273,477	1,194,017	-	7,467,494
Vehicles.....	5,381,522	518,049	(43,006)	5,856,565
Infrastructure.....	<u>62,732,765</u>	<u>4,502,200</u>	<u>-</u>	<u>67,234,965</u>
Total capital assets being depreciated.....	<u>234,128,059</u>	<u>8,895,892</u>	<u>(43,006)</u>	<u>242,980,945</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(621,674)	(101,111)	-	(722,785)
Buildings and building improvements.....	(77,977,655)	(3,192,281)	-	(81,169,936)
Machinery and equipment.....	(3,901,402)	(521,677)	-	(4,423,079)
Vehicles.....	(4,516,248)	(421,258)	43,006	(4,894,500)
Infrastructure.....	<u>(13,561,507)</u>	<u>(2,181,685)</u>	<u>-</u>	<u>(15,743,192)</u>
Total accumulated depreciation.....	<u>(100,578,486)</u>	<u>(6,418,012)</u>	<u>43,006</u>	<u>(106,953,492)</u>
Total capital assets being depreciated, net.....	<u>133,549,573</u>	<u>2,477,880</u>	<u>-</u>	<u>136,027,453</u>
Total governmental activities capital assets, net.....	<u>\$ 220,778,548</u>	<u>\$ 16,825,169</u>	<u>\$ (757,178)</u>	<u>\$ 236,846,539</u>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 33,450,106	\$ 2,656,451	\$ -	\$ 36,106,557
Construction in progress.....	7,942,700	2,412,757	(6,134,694)	4,220,763
Total capital assets not being depreciated.....	41,392,806	5,069,208	(6,134,694)	40,327,320
<u>Capital assets being depreciated:</u>				
Land improvements.....	10,202,028	49,237	-	10,251,265
Buildings and building improvements.....	26,680,261	3,871,735	-	30,551,996
Machinery and equipment.....	6,325,853	532,003	-	6,857,856
Vehicles.....	1,151,956	81,422	(27,960)	1,205,418
Infrastructure.....	39,322,847	5,939,807	-	45,262,654
Total capital assets being depreciated.....	83,682,945	10,474,204	(27,960)	94,129,189
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(3,059,315)	(330,679)	-	(3,389,994)
Buildings and building improvements.....	(11,879,165)	(925,192)	-	(12,804,357)
Machinery and equipment.....	(4,129,013)	(321,515)	-	(4,450,528)
Vehicles.....	(837,080)	(80,551)	27,960	(889,671)
Infrastructure.....	(11,000,705)	(1,167,744)	-	(12,168,449)
Total accumulated depreciation.....	(30,905,278)	(2,825,681)	27,960	(33,702,999)
Total capital assets being depreciated, net.....	52,777,667	7,648,523	-	60,426,190
Total business-type activities capital assets, net.....	\$ 94,170,473	\$ 12,717,731	\$ (6,134,694)	\$ 100,753,510

**Component Units**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Discretely Presented Component Units:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 178,365	\$ -	\$ -	\$ 178,365
<u>Capital assets being depreciated:</u>				
Improvements.....	806,986	239,164	-	1,046,150
Buildings.....	2,612,755	102,300	-	2,715,055
Machinery and equipment.....	619,098	8,760	-	627,858
Fine arts.....	6,000	-	-	6,000
Furniture and fixtures.....	578,044	15,753	-	593,797
Books and periodicals.....	98,265	-	-	98,265
Technology.....	57,856	1,276	-	59,132
Total capital assets being depreciated.....	4,779,004	367,253	-	5,146,257
<u>Less accumulated depreciation:</u>	(2,834,504)	(113,036)	-	(2,947,540)
Total capital assets being depreciated, net.....	1,944,500	254,217	-	2,198,717
Total discretely presented component units capital assets, net.....	\$ 2,122,865	\$ 254,217	\$ -	\$ 2,377,082

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

**Governmental Activities:**

General government.....	\$ 153,082
Public safety.....	503,399
Education.....	2,713,529
Public works.....	2,657,680
Regulatory services.....	136,949
Community services.....	253,373
Total depreciation expense - governmental activities.....	\$ 6,418,012

**Business-Type Activities:**

Airport.....	\$ 1,123,995
Golf course.....	216,502
Solid waste.....	78,357
Wastewater.....	1,145,481
Water supply.....	134,750
Marina.....	112,882
Sandy neck.....	13,714
Total depreciation expense - business-type activities.....	\$ 2,825,681

**NOTE 6 – INTERFUND TRANSFERS**

An interfund receivable/payable of \$71,569 exists between the town capital project fund and the chapter 90 highway fund. Its purpose is to cover short-term cash needs that will be funded by future grant proceeds.

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

Transfers Out:	Transfers In:						Total
	General Fund	Municipal Purpose Stabilization Fund	Town Capital Projects	Nonmajor Governmental Funds	Golf Enterprise Fund	Water Enterprise Fund	
General Fund.....	\$ -	\$ 6,725,000	\$ -	\$ 367,695	\$ 70,000	\$ -	\$ 7,162,695 (1)
Municipal Purpose Stabilization Fund.....	5,648,353	-	3,460,620	60,000	-	-	9,168,973 (2)
Pension Stabilization Fund.....	381,500	-	-	-	-	-	381,500 (3)
Town Capital Projects.....	50,662	-	-	-	-	-	50,662 (4)
Nonmajor Governmental Funds.....	333,535	2,842,068	-	-	26,000	794,000	3,995,603 (5)
Airport Enterprise Fund.....	506,909	-	-	-	-	-	506,909 (6)
Golf Course Enterprise Fund.....	149,223	-	-	-	-	-	149,223 (6)
Solid Waste Enterprise Fund.....	198,960	-	-	-	-	-	198,960 (6)
Wastewater Enterprise Fund.....	387,367	-	-	-	-	-	387,367 (6)
Water Supply Enterprise Fund.....	103,502	-	-	-	-	-	103,502 (6)
Marina Enterprise Fund.....	30,505	-	-	-	-	-	30,505 (6)
Sandy Neck Enterprise Fund.....	25,637	-	-	-	-	-	25,637 (6)
	<u>\$ 7,816,153</u>	<u>\$ 9,567,068</u>	<u>\$ 3,460,620</u>	<u>\$ 427,695</u>	<u>\$ 96,000</u>	<u>\$ 794,000</u>	<u>\$ 22,161,536</u>

- (1) Represents annual General Fund appropriation to the Municipal Purpose Stabilization Fund (Capital Trust Fund), a supplemental appropriation to fund various capital items and a transfer to the Golf Enterprise Fund.
- (2) Represents Capital Trust Fund Debt Service and funding of capital appropriations.
- (3) Represents funding for the Town's operating budgets from the Pension Stabilization Fund.
- (4) Represents the transfer of closed Town Capital Projects Funds to the General Fund.
- (5) Represents funding of the Town's operating budgets from the parking meter fund, wetlands protection fund, waterways improvement fund and embarkment fees. Funding to the Municipal Purpose Stabilization fund from MTBE litigation settlement, embarkment fees and the road assessment fund. Funding to the Golf Enterprise Fund for golf equipment replacement. Funding to the Water Enterprise Fund for the MTBE litigation settlement.
- (6) Represents the transfer of Enterprise Fund costs budgeted in the General Fund.



**NOTE 7 – SHORT-TERM FINANCING**

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

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

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

The Town had the following short-term debt activity during fiscal year 2009.

<b>Governmental Funds</b>				Balance at			Balance at
Type	Purpose	Rate (%)	Due Date	June 30, 2008	Renewed/ Issued	Retired/ Redeemed	June 30, 2009
BAN	School Remodeling.....	1.50%	6/17/2010	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
BAN	Dredging.....	1.50%	6/17/2010	-	419,250	-	419,250
BAN	Town Building Remodeling.....	1.50%	6/17/2010	-	402,500	-	402,500
BAN	Park Improvements-Bismore Park.....	1.50%	6/17/2010	-	74,000	-	74,000
BAN	Land Acquisition.....	1.50%	6/17/2010	-	11,994	-	11,994
Total.....				\$ -	\$ 1,907,744	\$ -	\$ 1,907,744

<b>Enterprise Funds</b>				Balance at			Balance at
Type	Purpose	Rate (%)	Due Date	June 30, 2008	Renewed/ Issued	Retired/ Redeemed	June 30, 2009
BAN	Airport Land Acquisition.....	1.00%	1/29/2010	\$ -	\$ 2,704,862	\$ -	\$ 2,704,862

**NOTE 8 – LONG-TERM DEBT**

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

Details related to the outstanding indebtedness at June 30, 2009, and the debt service requirements are as follows:

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

Projects	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Land Acquisitions.....	3.51 - 5.00	\$ 3,275,200	\$ -	\$ (249,200)	\$ 3,026,000
Community Preservation Fund					
Land Acquisitions.....	3.25 - 5.00	25,890,000	-	(1,805,000)	24,085,000
Schools.....	0.00 - 5.00	51,027,651	-	(4,577,287)	46,450,364
Roads.....	2.74 - 5.00	5,594,000	-	(998,000)	4,596,000
Title V Loan Program.....	0.00	834,991	-	(50,420)	784,571
Public Buildings.....	3.39 - 5.00	22,057,890	-	(1,419,500)	20,638,390
Improvements.....	3.5-4.75	2,082,000	-	(181,000)	1,901,000
Dredging.....	4.20	1,184,800	-	(241,000)	943,800
Drainage.....	3.39 - 6.00	793,900	-	(182,600)	611,300
Sewer Planning.....	4.07	1,590,474	-	(72,832)	1,517,642
Aerial Mapping.....	3.61	305,000	-	(65,000)	240,000
<b>Total Bonds Payable.....</b>		<b>\$ 114,635,906</b>	<b>\$ -</b>	<b>\$ (9,841,839)</b>	<b>\$ 104,794,067</b>

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

Fiscal Year	Principal	Interest	Total
2010.....	\$ 9,777,613	\$ 4,297,498	\$ 14,075,111
2011.....	9,694,339	3,948,240	13,642,579
2012.....	9,424,247	3,573,745	12,997,992
2013.....	8,758,704	3,198,256	11,956,960
2014.....	8,483,774	2,843,279	11,327,053
2015.....	8,034,019	2,514,247	10,548,266
2016.....	7,791,093	2,197,749	9,988,842
2017.....	7,838,209	1,878,546	9,716,755
2018.....	7,825,367	1,560,580	9,385,947
2019.....	7,863,569	1,187,029	9,050,598
2020.....	4,455,815	816,066	5,271,881
2021.....	3,492,910	629,226	4,122,136
2022.....	3,267,204	483,227	3,750,431
2023.....	2,632,204	341,461	2,973,665
2024.....	1,467,000	228,226	1,695,226
2025.....	1,457,000	167,996	1,624,996
2026.....	1,147,000	107,730	1,254,730
2027.....	1,012,000	59,790	1,071,790
2028.....	372,000	16,742	388,742
<b>Total.....</b>	<b>\$ 104,794,067</b>	<b>\$ 30,049,633</b>	<b>\$ 134,843,700</b>

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

Projects	Interest Rate (%)	Outstanding at June 30, 2008	Issued	Redeemed	Outstanding at June 30, 2009
Golf Course.....	5.00	\$ 4,681,287	\$ -	\$ (414,825)	\$ 4,266,462
Wastewater.....	4.00 - 5.00	2,837,966	-	(471,954)	2,366,012
Wastewater.....	Various	14,588,219	770,754	(990,671)	14,368,302
Total Wastewater Bonds Payable.....		17,426,185	770,754	(1,462,625)	16,734,314
Water.....	4.00 - 5.00	9,670,000	-	(345,000)	9,325,000
Landfill Closure.....	Various	5,174,955	-	(416,128)	4,758,827
Sandy Neck.....	4.00	75,000	-	(25,000)	50,000
Marina.....	3.00 - 5.00	1,500,000	-	(150,000)	1,350,000
Total Bonds and Notes Payable.....		\$ 38,527,427	\$ 770,754	\$ (2,813,578)	\$ 36,484,603

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

Fiscal Year	Principal	Interest	Total
2010.....	\$ 2,871,711	\$ 1,374,074	\$ 4,245,785
2011.....	2,717,431	1,270,131	3,987,562
2012.....	2,647,511	1,149,896	3,797,407
2013.....	2,167,062	1,259,696	3,426,758
2014.....	2,366,903	984,124	3,351,027
2015.....	2,378,163	890,657	3,268,820
2016.....	2,248,240	793,754	3,041,994
2017.....	2,298,405	699,386	2,997,791
2018.....	2,037,181	595,399	2,632,580
2019.....	2,096,898	516,241	2,613,139
2020.....	1,705,975	434,695	2,140,670
2021.....	1,589,108	374,445	1,963,553
2022.....	1,627,514	317,415	1,944,929
2023.....	1,676,090	256,600	1,932,690
2024.....	1,579,839	194,263	1,774,102
2025.....	1,468,765	143,036	1,611,801
2026.....	1,207,872	90,664	1,298,536
2027.....	1,247,162	49,550	1,296,712
2028.....	506,640	6,969	513,609
2029.....	46,133	461	46,594
Total.....	\$ 36,484,603	\$ 11,401,456	\$ 47,886,059

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 \$2,841,071 and interest costs for \$2,263,767. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$7,731,648. 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 approximately \$320,485 and \$412,131, respectively.

The Commonwealth of Massachusetts has approved school construction assistance to the Town. The assistance program, which is administered by the Massachusetts School Building Authority, provides resources for construction costs and debt service interest of general obligation bonds outstanding. The Town is currently receiving annual payments for 64% of eligible costs in relation to the construction of the new Middle School and the renovation and addition to the High School. During fiscal year 2009, approximately \$3,509,000 of such assistance was received. Approximately \$33,989,000 will be received in future years. Of this amount, \$5,704,000 represents reimbursement of future long-term interest costs and \$28,285,000 represents reimbursement of approved construction cost and interest costs previously paid. Accordingly, an intergovernmental receivable and corresponding deferred revenue have been reported in these basic financial statements for \$28,285,000 which represents the Commonwealth's share of construction and interest costs paid for the Middle School and High School projects.

In prior years, the Town defeased certain general obligation bonds by placing the proceeds of new refunding bonds in an irrevocable escrow account to provide amounts sufficient for the future payment of principal and interest on those bonds. Accordingly, neither the assets in escrow nor the liability for the defeased bonds are included in the Town's financial statements. As of June 30, 2009, \$8,500,000 of bonds outstanding are considered defeased in relation to the governmental funds.

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 unissued debt:

Purpose	Amount
Sewer projects.....	\$ 11,497,567
WPCF wind generator.....	1,850,000
Highway Complex feasibility & design.....	900
Dredging projects.....	329,000
Road projects.....	18,821
Airport projects.....	17,050,000
Effluent mitigation.....	1,393,950
Security fencing.....	160,000
Improvements for Bismore Park.....	500,000
Police facility.....	508,000
Land acquisitions.....	655,000
Refunding bonds.....	21,899,000
Facilities Improvements.....	<u>1,678,275</u>
Total.....	<u>\$ 57,540,513</u>

Changes in Long-term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
<b>Governmental Activities:</b>					
Bonds Payable.....	\$ 114,635,906	\$ -	\$ (9,841,839)	\$ 104,794,067	\$ 9,777,613
Compensated Absences.....	1,938,946	2,343,455	(1,647,251)	2,635,150	2,145,798
Workers' Compensation.....	362,000	49,000	(217,000)	194,000	174,000
Capital Lease Obligations.....	793	-	(793)	-	-
Other Post-Employment Benefits.....	7,350,620	8,252,148	(2,784,616)	12,818,152	-
Total Governmental Funds.....	<u>124,288,265</u>	<u>10,644,603</u>	<u>(14,491,499)</u>	<u>120,441,369</u>	<u>12,097,411</u>
<b>Business Type Activities:</b>					
Bonds Payable.....	38,527,427	770,754	(2,813,578)	36,484,603	2,871,711
Compensated Absences.....	219,981	229,955	(194,115)	255,821	218,205
Landfill Closure.....	1,330,000	-	(70,000)	1,260,000	70,000
Other Post-Employment Benefits.....	901,000	1,015,000	(341,000)	1,575,000	-
Total Business Type Activities.....	<u>40,978,408</u>	<u>2,015,709</u>	<u>(3,418,693)</u>	<u>39,575,424</u>	<u>3,159,916</u>
Total.....	<u>\$ 165,266,673</u>	<u>\$ 12,660,312</u>	<u>\$ (17,910,192)</u>	<u>\$ 160,016,793</u>	<u>\$ 15,257,327</u>

Compensated absences and workers compensation liabilities related to both governmental and business-type activities are normally paid from the General Fund and the Enterprise Funds. Landfill closure costs are typically paid from the solid waste fund.

**NOTE 9 – STABILIZATION FUNDS***Municipal Purpose Stabilization Fund*

At June 30, 2009, \$13,530,478 has been set aside in a municipal purpose stabilization fund, which is classified as a major fund in the governmental funds financial statements. The municipal purpose stabilization fund balance can be used for general and/or capital purposes upon approval of the Council.

*Insurance Stabilization and Reserve Fund*

At June 30, 2009, \$645,944 has been set aside in an insurance stabilization and reserve fund, which is classified as a major fund in the governmental funds financial statements. The insurance stabilization and reserve fund balance may only be appropriated to meet the Town's future insurance costs upon approval of the Council.

*Pension Stabilization Fund*

At June 30, 2009, \$2,851,534 has been set aside in a pension stabilization fund, which is classified as a major fund in the governmental funds financial statements. The pension stabilization fund balance may only be appropriated to fund the unfunded pension liability that accrues to the Town through the county retirement system. The amount appropriated from the pension stabilization fund is subject to Council approval, although it is

not required by MGL or Town ordinance.

#### **NOTE 10 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS**

State and federal laws and regulations require the Town to construct a final capping system on its Flint Street Sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town stopped accepting waste in fiscal year 1991 and performed a final capping of the landfill site in fiscal year 1997. At June 30, 2009, the Town has accrued \$1,260,000 as the estimated cost of the landfill's postclosure care in the Solid Waste Enterprise Fund. This liability is based on estimates of what it would cost to perform all future postclosure care as of June 30, 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

#### **NOTE 11 – SOLID WASTE DISPOSAL**

In January, 1985, the Town entered into a twenty-seven year contract for the disposal of solid waste services, beginning in 1990, with SEMASS Partnership (SEMASS), a resource recovery facility located in Rochester, Massachusetts. The agreement requires the Town to deliver a minimum of 42,516 tons of solid waste on an annual basis. Anything above that, the Town can direct to other facilities if more cost effective. Tip fees for commercial hauling range from \$65 to \$80 per ton.

In order to deliver the solid waste to the facility, the waste needs to be consolidated at a transfer station. In March 1989, the Town signed an inter-municipal agreement with the Town of Yarmouth to participate in the design and construction of a transfer station located at the Yarmouth landfill. User fees will cover the Town's share of the construction cost over the life of the contract with SEMASS. The Town is obligated to the Town of Yarmouth for its share of the cost for design and construction of the Yarmouth transfer station. The Town is assessed 65% of the operating costs of the transfer station and the cost of related debt service. Additionally, the agreement includes a host fee of \$1.00 per ton based on the usage of the Town to cover administrative costs of operating the transfer station. The Town is committed to using the transfer station until such time as a new agreement is negotiated with the Town of Yarmouth.

#### **NOTE 12 – 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 Town participates in a premium-based health care plan for its active employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

The Town provides health insurance through the Cape Cod Municipal Health Group (the Group), a nonprofit shared risk health group comprised of 51 governmental units. The Town and its employees contribute to the Group based upon a 50% (Town) and 50% (employee) primary care premium formula. In the event the Group is terminated, the Town is obligated to pay its prorata share of a deficit, should one exist.

The Town is self-insured for unemployment claims which are funded on a pay-as-you-go basis from annual appropriations paid from the General Fund. The Incurred But Not Reported is immaterial to the financial statements and therefore is not reported.

The Town is self-insured for its workers' compensation activities incurred prior to fiscal year 2005 when the Town purchased commercial insurance. The self-insured program is administered by a third party administrator and

funded on a pay-as-you-go basis from annual appropriations paid from the General Fund. The Town estimates its future workers' compensation liability for occurrences under the self-insured program based on history and injury type and accounts for this liability on the full accrual basis of accounting on the Statement of Net Assets.

At June 30, 2009, the amount of the liability for self-insured workers' compensation claims was \$194,000.

Changes in the reported liability since July 1, 2007, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-End	Current Portion at Year-End
Fiscal Year 2008.....	\$ 390,000	\$ 522,325	\$ (550,325)	\$ 362,000	\$ 217,000
Fiscal Year 2009.....	362,000	544,432	(712,432)	194,000	174,000

### NOTE 13 – PENSION PLAN

*Plan Description* – The Town contributes to the Barnstable County Retirement Association (the Association), a cost-sharing multiple-employer defined benefit pension plan administered by the Barnstable County Retirement Board. Substantially all employees are members of the Association, 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 \$8,511,000 for the fiscal year ended June 30, 2009, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The Association 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 Association and are borne by the Association. The Association issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the Association located at 99 Willow Street, Yarmouthport, Massachusetts 02675.

*Funding Policy* – Plan members are required to contribute to the Association at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the Association 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. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town's contributions to the Association for the fiscal years ended June 30, 2009, 2008, and 2007 were \$5,302,912, \$4,888,198, and \$4,387,691, respectively, which equaled its required contribution for each fiscal year.

At June 30, 2009, the Town has \$2,851,534 in a pension reserve fund classified as a major fund in the governmental fund financial statements. The Town transferred \$381,500 from the pension reserve fund to the General Fund in fiscal year 2009. The pension reserve fund may only be used to provide funding for annual contributions to the Association upon approval of the Council.

**NOTE 14 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* – The Town of Barnstable administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on-behalf of its teacher retirees by the state. The state pays 90 percent of the total premium; the retiree’s co-payment is 10 percent of the total premium as well as full payment for catastrophic illness coverage. The Town’s assessment from the Commonwealth, for retired teachers, for fiscal year 2009, totaled \$2,303,791.

*Funding Policy* – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50 percent of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50 percent of their premium costs. For fiscal year 2009, the Town’s age-weighted contribution to the plan amounted to \$2,756,380, and total member actual cash contributions totaled approximately \$970,000.

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

Normal cost.....	\$	5,264,028
Interest on net OPEB obligation.....		412,581
Amortization of unfunded actuarial accrued liability.....		5,826,881
*Adjustment for timing.....		<u>(301,787)</u>
Annual OPEB cost (expense).....		11,201,703
Contributions made (including retired teachers).....		<u>(5,060,171)</u>
Increase in net OPEB obligation.....		6,141,532
Net OPEB obligation - beginning of year.....		<u>8,251,620</u>
Net OPEB obligation - end of year.....	\$	<u><u>14,393,152</u></u>



The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 11,201,703	45%	\$ 6,141,532
6/30/2008	11,377,236	27%	8,251,620

*Funded Status and Funding Progress.*

As of June 30, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$159 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$44,795,126, and the ratio of the UAAL to the covered payroll was 355.67%.

Actuarial 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 financial statements, presents multi-year 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.

In the June 30, 2008, actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 5.0 percent investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 10 percent initially, decreasing .75 percent for six years and by .50 percent for one year to an ultimate level of 5 percent per year. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized over a closed 30 year period, with amortization payments increasing at 4.5% per year. The remaining amortization period at June 30, 2008 is 30 years.

**NOTE 15 – COMMITMENTS**

The Town has entered into, or is planning to enter into, contracts totaling \$42.6 million in relation to various capital projects including improvements to the wastewater pollution control facility, sewer expansions, water supply wells and piping, public roads, dredging and restoration of various water bodies, municipal and school facilities improvements, technology upgrades and the replacement of the Barnstable Harbor Bulkhead.

A total of \$295,000 of sewer enterprise fund surplus is being used to fund a sludge reduction process study (\$115,000); the design and permitting solar system (\$100,000); and repairs and demolition of manhole covers

(\$80,000). Sewer enterprise fund borrowing authorizations total \$24.8 million for sewer expansions (\$7.2 million); sewer pump station construction (\$10 million); and photovoltaic and wind turbine installation at wastewater control plant (\$7.6 million). A total of (\$200,000) of water enterprise fund surplus is being used for the continuation of a well replacement and repair program. Water enterprise fund borrowing authorizations total \$3.9 million for pipe replacements (\$1.1 million); water main upgrades (\$1.7 million); and water system improvements (\$1.1 million).

The Town was awarded funds from a legal settlement totaling \$368,000 which will be used for water main upgrades (\$190,000); water storage tank repairs (\$33,000); and a water quality study (\$145,000). The Town was awarded a state grant in the amount of \$3.8 million for repairs to the Barnstable Harbor inner bulkhead and the Town borrowing authorization from the general fund in the amount of \$1.2 for a total project cost of \$5 million.

Community preservations funds in the amount of \$3.1 million will be used for the Town Hall exterior rehabilitation of which \$1.3 million will come from borrowing authorizations and \$1.8 million will be financed with reserve funds. Stabilization reserve funds in the amount of \$3.7 million will be used for public road repairs (\$3.3 million); dredging (\$220,000); and Stewart's Creek restoration (\$200,000). Other reserve funds in the amount of \$337,000 will be used for school technology upgrades.

General fund borrowing authorizations include the \$1.2 for the Barnstable Harbor inner bulkhead and \$937,000 for building improvements.

#### **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 #55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This standard did not impact the basic financial statements.
- The GASB issued Statement #56, *Codification of Accounting and Reporting Guidance Contained in the AICPA Statement on Auditing Standards*. The Standards in this statement incorporate certain accounting and financial reporting guidance included in the Statements on Auditing Standards of the AICPA into the state and local governmental accounting and financial reporting standards.
- The GASB issued Statement #57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The standards in this statement permits an agent employer that has an individual employer OPEB plan with fewer than 100 members to use an alternative measurement method to produce actuarially based information for purposes of financial reporting, regardless of the number of

total plan members in the agent multiple-employer OPEB plan in which it participates. Management elected to implement this standard early and this standard did not impact the basic financial statements.

- The GASB issued Statement #58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The standards in this statement provide guidance for bankrupt state and local governments by establishing requirements for recognizing and measuring the effects of the bankruptcy process on assets and liabilities and for classifying changes in those items and related costs. Management elected to implement this standard early and this standard did not impact the basic financial statements.

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.

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## ***Required Supplementary Information***

# ***Retirement System Schedules of Funding Progress and Employer Contributions***

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

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

**Barnstable County Retirement Association  
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)
1/1/2009	\$ 520,089,855	\$ 966,564,614	\$ 446,474,759	53.8%	\$ 255,533,761	174.7%
1/1/2007	517,396,087	825,863,068	308,466,981	62.6%	226,391,633	136.3%
1/2/2006	465,637,984	765,747,723	300,109,739	60.8%	215,474,180	139.3%
1/1/2004	378,317,300	647,655,411	269,338,111	58.4%	190,614,004	141.3%
1/1/2002	362,911,896	553,531,966	190,620,070	65.6%	173,610,557	109.8%
1/1/2000	300,396,700	462,462,500	162,065,800	65.0%	152,293,100	106.4%
1/1/1998	235,247,660	404,215,695	168,968,035	58.2%	121,161,677	139.5%
1/1/1996	157,044,089	276,107,221	119,063,132	56.9%	108,456,079	109.8%
1/1/1993	97,194,645	226,430,792	129,236,147	42.9%	97,074,725	133.1%

The Town's share of the UAAL, as of January 1, 2009, is approximately 12.25%.

**Barnstable County Retirement Association  
Schedule of Employer Contributions**

Plan Year Ended December 31	System Wide			Town of Barnstable	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2005	\$ 27,846,430	\$ 27,846,430	100%	\$ 3,836,723	13.78%
2006	31,044,132	31,044,132	100%	4,143,691	13.35%
2007	34,360,912	34,360,912	100%	4,387,691	12.77%
2008	39,899,322	39,899,322	100%	4,888,198	12.25%

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

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 presents multi-year trend information for required and actual contributions relating to the plan.

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

**Other Post-Employment Benefit Plan  
Schedule of Funding Progress and Employer Contributions**

**Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2008	\$ -	\$ 159,321,644	\$ 159,321,644	0%	\$ 44,795,126	355.67%
6/30/2006	-	150,545,412	150,545,412	0%	48,120,192	312.85%

**Schedule of Employer Contributions**

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/2009	\$ 11,201,703	\$ 5,060,171	45%
6/30/2008	11,377,236	3,125,616	27%

The Town implemented GASB Statement No. 45 for the fiscal year ended June 30, 2008. Information for prior years is not available.

See notes to required supplementary information.

**Other Post-Employment Benefit Plan  
Actuarial Methods and Assumptions**

---

Actuarial Methods:

Valuation date.....	June 30, 2008
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Amortization payments increasing at 4.5%
Remaining amortization period.....	30 years, closed
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	5.0%, pay-as-you-go scenario
Medical/drug cost trend rate.....	10.0% decreasing by 0.75% for 6 years and by 0.50% for 1 year to an ultimate level of 5.00% per year.

Plan Membership:

Current retirees, beneficiaries, and dependents.....	723
Current active members.....	<u>915</u>
Total.....	<u><u>1,638</u></u>

See notes to required supplementary information.

**NOTE A – PENSION PLAN**

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

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

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

Valuation Date.....	January 1, 2009
Actuarial Cost Method.....	Entry Age Normal Cost Method
Amortization Method.....	Increasing at 4.50% per year
Remaining Amortization Period.....	19 years from July 1, 2009 for 2002 and 2003 Early Retirement Incentives and remaining unfunded liability.
Asset Valuation Method.....	5-year smoothing of investment returns greater (less) than expected.
Actuarial Assumptions:	
Investment rate of return.....	8.25%
Projected salary increases.....	5.00%
Cost of living adjustments.....	3.0% for the first \$12,000 of retirement income
Plan Membership:	
Retired participants and beneficiaries receiving benefits.....	2,368
Terminated participants entitled to a return of their employee contributions.....	635
Terminated participants with a vested right to a deferred or immediate benefit.....	113
Active participants.....	<u>5,290</u>
Total.....	<u><u>8,406</u></u>

**NOTE B – OTHER POST-EMPLOYMENT BENEFITS**

The Town administers a single-employer defined benefit healthcare plan (“The Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town’s group health insurance plan, which covers both active and retired members. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on behalf of its teacher retirees by the state.

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

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets. Since this is the Town’s initial year of implementation of GASB Statement 45, information for prior years is not available.

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

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

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

# ***Combining Statements***

# ***Nonmajor Governmental Funds***

## ***Special Revenue Funds***

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

*Town Revolving Funds* – accounts for the non-school related activity of revolving funds established in accordance with MGL Chapter 44, Section 53E ½.

*School Revolving Funds* – accounts for the school department's revolving funds established in accordance with MGL Chapter 44, Section 53E ½ and Chapter 71.

*Town Grant Funds* – accounts for other non-school related funds designated for specific programs, this fund consists primarily of state and federal grants.

*School Grant Funds* – accounts for the school department's grant funds received from state and federal governments which are designated for specific programs.

## ***Capital Project Funds***

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

*School Capital Projects* – accounts for the proceeds of bonds sold, intergovernmental grants and operating transfers in to finance school related major capital acquisitions and construction projects.

## ***Permanent Funds***

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

*Cemetery* – accounts for cemetery contributions and bequests for which only earnings may be expended to benefit the Town's cemeteries.

*Conservation* – accounts for gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation conservation activities.

*Education* – accounts for gifts, bequests and contributions held for which only earnings may be expended for purposes specified by the donor in relation to the Town's public education system.

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

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**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2009

	<i>Special Revenue Funds</i>				Subtotal
	Town Revolving Funds	School Revolving Funds	Town Grant Funds	School Grant Funds	
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 4,171,622	\$ 1,524,695	\$ 5,541,846	\$ 1,807,758	\$ 13,045,921
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and other.....	-	1,448	-	27,523	28,971
Special assessments.....	79,214	-	428,688	-	507,902
Intergovernmental.....	-	-	27,517	-	27,517
<b>TOTAL ASSETS.....</b>	<b>\$ 4,250,836</b>	<b>\$ 1,526,143</b>	<b>\$ 5,998,051</b>	<b>\$ 1,835,281</b>	<b>\$ 13,610,311</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Warrants payable.....	\$ 37,234	\$ 1,418	\$ 33,270	\$ 34,066	\$ 105,988
Accrued payroll.....	36,525	112,385	9,464	241,953	400,327
Other liabilities.....	-	-	-	9,500	9,500
Deferred revenues.....	79,214	-	428,688	-	507,902
Notes payable.....	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>152,973</b>	<b>113,803</b>	<b>471,422</b>	<b>285,519</b>	<b>1,023,717</b>
<b>FUND BALANCES:</b>					
Reserved for:					
Perpetual permanent funds.....	-	-	-	-	-
Unreserved:					
Undesignated, reported in:					
Special revenue funds.....	4,097,863	1,412,340	5,526,629	1,549,762	12,586,594
Capital projects funds.....	-	-	-	-	-
Permanent funds.....	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>4,097,863</b>	<b>1,412,340</b>	<b>5,526,629</b>	<b>1,549,762</b>	<b>12,586,594</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 4,250,836</b>	<b>\$ 1,526,143</b>	<b>\$ 5,998,051</b>	<b>\$ 1,835,281</b>	<b>\$ 13,610,311</b>

<b>Capital Project Funds</b>		<b>Permanent Funds</b>					<b>Total Nonmajor Governmental Funds</b>	
School Capital Projects	Subtotal	Cemetery	Conservation	Education	Other	Subtotal		
\$ 1,149,221	\$ 1,149,221	\$ 747,515	\$ 12,093	\$ 653,350	\$ 185,538	\$ 1,598,496	\$ 15,793,638	
-	-	4,488,199	72,611	3,922,816	36,542	8,520,168	8,520,168	
-	-	-	-	-	-	-	28,971	
-	-	-	-	-	-	-	507,902	
-	-	-	-	-	-	-	27,517	
<u>\$ 1,149,221</u>	<u>\$ 1,149,221</u>	<u>\$ 5,235,714</u>	<u>\$ 84,704</u>	<u>\$ 4,576,166</u>	<u>\$ 222,080</u>	<u>\$ 10,118,664</u>	<u>\$ 24,878,196</u>	
\$ 7,275	\$ 7,275	\$ -	\$ -	\$ -	\$ -	\$ -	113,263	
-	-	-	-	-	1,432	1,432	401,759	
-	-	-	-	-	177,748	177,748	187,248	
-	-	-	-	-	-	-	507,902	
<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	
<u>1,007,275</u>	<u>1,007,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>179,180</u>	<u>179,180</u>	<u>2,210,172</u>	
-	-	4,496,910	38,917	4,301,031	10,594	8,847,452	8,847,452	
-	-	-	-	-	-	-	12,586,594	
141,946	141,946	-	-	-	-	-	141,946	
-	-	738,804	45,787	275,135	32,306	1,092,032	1,092,032	
<u>141,946</u>	<u>141,946</u>	<u>5,235,714</u>	<u>84,704</u>	<u>4,576,166</u>	<u>42,900</u>	<u>9,939,484</u>	<u>22,668,024</u>	
<u>\$ 1,149,221</u>	<u>\$ 1,149,221</u>	<u>\$ 5,235,714</u>	<u>\$ 84,704</u>	<u>\$ 4,576,166</u>	<u>\$ 222,080</u>	<u>\$ 10,118,664</u>	<u>\$ 24,878,196</u>	

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

FISCAL YEAR ENDED JUNE 30, 2009

	<i>Special Revenue Funds</i>				
	Town Revolving Funds	School Revolving Funds	Town Grant Funds	School Grant Funds	Sub-total
<b>REVENUES:</b>					
Charges for services.....	\$ 956,980	\$ 2,889,661	\$ -	\$ 105,972	\$ 3,952,613
Fees and rentals.....	-	-	121,076	-	121,076
Licenses and permits.....	530,280	-	-	-	530,280
Intergovernmental.....	3,777	712,913	1,779,095	6,664,371	9,160,156
Departmental and other.....	29,069	204,835	328,363	149,182	711,449
Special assessments.....	44,517	-	-	-	44,517
Contributions.....	11,324	-	9,264	93,398	113,986
Net increase (decrease) in fair value of investments.....	-	-	-	-	-
Investment income (loss).....	-	-	1,220	-	1,220
Legal settlements.....	-	-	3,492,881	-	3,492,881
<b>TOTAL REVENUES.....</b>	<b>1,575,947</b>	<b>3,807,409</b>	<b>5,731,899</b>	<b>7,012,923</b>	<b>18,128,178</b>
<b>EXPENDITURES:</b>					
Current:					
Administrative services.....	412,473	-	533,979	-	946,452
Public safety.....	29,069	-	370,513	-	399,582
Education.....	-	3,384,341	-	5,778,397	9,162,738
Public works.....	-	-	36,708	-	36,708
Community services.....	671,804	-	706,519	-	1,378,323
Regulatory services.....	226,042	-	197,074	-	423,116
Culture and recreation.....	-	-	4,258	-	4,258
Debt service:					
Principal.....	-	-	50,420	-	50,420
<b>TOTAL EXPENDITURES.....</b>	<b>1,339,388</b>	<b>3,384,341</b>	<b>1,899,471</b>	<b>5,778,397</b>	<b>12,401,597</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>236,559</b>	<b>423,068</b>	<b>3,832,428</b>	<b>1,234,526</b>	<b>5,726,581</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in.....	-	135,791	-	-	135,791
Transfers out.....	(90,052)	-	(3,905,551)	-	(3,995,603)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(90,052)</b>	<b>135,791</b>	<b>(3,905,551)</b>	<b>-</b>	<b>(3,859,812)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>146,507</b>	<b>558,859</b>	<b>(73,123)</b>	<b>1,234,526</b>	<b>1,866,769</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>3,951,356</b>	<b>853,481</b>	<b>5,599,752</b>	<b>315,236</b>	<b>10,719,825</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 4,097,863</b>	<b>\$ 1,412,340</b>	<b>\$ 5,526,629</b>	<b>\$ 1,549,762</b>	<b>\$ 12,586,594</b>

<b>Capital Project Funds</b>		<b>Permanent Funds</b>					Total Nonmajor Governmental Funds
School Capital Projects	Sub-total	Cemetery	Conservation	Education	Other	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,952,613
-	-	-	-	-	-	-	121,076
-	-	-	-	-	-	-	530,280
-	-	-	-	-	-	-	9,160,156
-	-	69,900	-	-	114,271	184,171	895,620
-	-	-	-	-	-	-	44,517
-	-	-	-	-	39,469	39,469	153,455
-	-	(852,775)	(10,976)	-	(16,751)	(880,502)	(880,502)
-	-	192,622	4,168	253,858	(48,111)	402,537	403,757
-	-	-	-	-	-	-	3,492,881
-	-	(590,253)	(6,808)	253,858	88,878	(254,325)	17,873,853
-	-	-	24,116	-	111	24,227	970,679
-	-	-	-	-	83,419	83,419	483,001
1,047,145	1,047,145	-	-	-	-	-	10,209,883
-	-	49,307	-	-	-	49,307	86,015
-	-	-	-	-	33,334	33,334	1,411,657
-	-	-	-	-	-	-	423,116
-	-	-	-	-	-	-	4,258
-	-	-	-	-	-	-	50,420
1,047,145	1,047,145	49,307	24,116	-	116,864	190,287	13,639,029
(1,047,145)	(1,047,145)	(639,560)	(30,924)	253,858	(27,986)	(444,612)	4,234,824
291,904	291,904	-	-	-	-	-	427,695
-	-	-	-	-	-	-	(3,995,603)
291,904	291,904	-	-	-	-	-	(3,567,908)
(755,241)	(755,241)	(639,560)	(30,924)	253,858	(27,986)	(444,612)	666,916
897,187	897,187	5,875,274	115,628	4,322,308	70,886	10,384,096	22,001,108
\$ 141,946	\$ 141,946	\$ 5,235,714	\$ 84,704	\$ 4,576,166	\$ 42,900	\$ 9,939,484	\$ 22,668,024

# ***Agency Fund***

## Fund Description

Agency Funds are used to account for the collection and payment of charges for police extra duty, student activities, performance bonds and other funds.

**AGENCY FUND**  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FISCAL YEAR ENDED JUNE 30, 2009

	<u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2009</u>
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 524,138	\$ 999,548	\$ (973,077)	\$ 550,609
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>239,386</u>	<u>873,532</u>	<u>(873,532)</u>	<u>239,386</u>
<b>TOTAL ASSETS.....</b>	<b><u>\$ 763,524</u></b>	<b><u>\$ 1,873,080</u></b>	<b><u>\$ (1,846,609)</u></b>	<b><u>\$ 789,995</u></b>
<b>LIABILITIES</b>				
Police Details.....	\$ 187,277	\$ 59,131	\$ (47,891)	\$ 198,517
Student Activity Accounts.....	249,619	900,082	(960,269)	189,432
Performance Bonds.....	292,477	134,088	(49,373)	377,192
Other.....	<u>34,151</u>	<u>779,779</u>	<u>(789,076)</u>	<u>24,854</u>
<b>TOTAL LIABILITIES.....</b>	<b><u>\$ 763,524</u></b>	<b><u>\$ 1,873,080</u></b>	<b><u>\$ (1,846,609)</u></b>	<b><u>\$ 789,995</u></b>

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# *Statistical Section*



A view of children in the HYCC gymnasium during open gym time. Picture by Samantha Garfield.





The concession area of the new HYCC. I heard the french fries are really good! Picture by Samantha Garfield.

# ***Statistical Section***

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

## ***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 comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**Net Assets By Component**

**Last Eight Fiscal Years**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Governmental activities</b>								
Invested in capital assets, net of related debt.....	\$ 136,917,832	\$ 130,084,213	\$ 138,116,458	\$ 146,813,704	\$ 149,076,904	\$ 164,369,948	\$ 172,052,048	\$ 170,657,049
Restricted.....	15,078,497	9,414,023	26,251,387	23,956,664	25,429,456	21,546,963	21,761,627	23,653,035
Unrestricted.....	44,598,004	45,917,006	42,632,593	43,820,157	54,582,327	59,319,794	49,706,955	44,174,519
<b>Total governmental activities net assets.....</b>	<b>\$ 196,594,333</b>	<b>\$ 185,415,242</b>	<b>\$ 207,000,438</b>	<b>\$ 214,590,525</b>	<b>\$ 229,088,687</b>	<b>\$ 245,236,705</b>	<b>\$ 243,520,630</b>	<b>\$ 238,484,603</b>
<b>Business-type activities</b>								
Invested in capital assets, net of related debt.....	43,340,351	48,539,226	50,232,948	57,745,786	62,727,486	63,605,089	69,038,883	70,569,512
Unrestricted.....	20,699,395	17,075,725	19,253,803	20,457,573	23,483,865	25,524,078	25,909,975	27,726,500
<b>Total business-type activities net assets.....</b>	<b>\$ 64,039,746</b>	<b>\$ 65,614,951</b>	<b>\$ 69,486,751</b>	<b>\$ 78,203,359</b>	<b>\$ 86,211,351</b>	<b>\$ 89,129,167</b>	<b>\$ 94,948,858</b>	<b>\$ 98,296,012</b>
<b>Primary government</b>								
Invested in capital assets, net of related debt.....	180,258,183	178,623,439	188,349,406	204,559,490	211,804,390	227,975,037	241,090,931	241,226,561
Restricted.....	15,078,497	9,414,023	26,251,387	23,956,664	25,429,456	21,546,963	21,761,627	23,653,035
Unrestricted.....	65,297,399	62,992,731	61,886,396	64,277,730	78,066,192	84,843,872	75,616,930	71,901,019
<b>Total primary government net assets.....</b>	<b>\$ 260,634,079</b>	<b>\$ 251,030,193</b>	<b>\$ 276,487,189</b>	<b>\$ 292,793,884</b>	<b>\$ 315,300,038</b>	<b>\$ 334,365,872</b>	<b>\$ 338,469,488</b>	<b>\$ 336,780,615</b>

**Changes in Net Assets**

**Last Eight Fiscal Years**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>Expenses</b>								
<b>Governmental activities:</b>								
Charter commission.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,065	\$ 46,380
Town council.....	244,639	227,642	262,361	285,172	301,790	256,468	346,498	356,983
Town manager.....	509,575	762,063	512,055	583,608	580,947	579,318	719,449	675,969
Administrative services.....	7,774,610	7,852,434	7,838,976	8,779,638	8,518,874	8,378,688	9,862,293	9,691,557
Growth management.....	-	-	-	-	937,785	2,049,147	3,507,729	3,321,356
Public safety.....	9,862,049	10,462,665	10,263,728	11,621,456	12,660,482	13,406,737	15,378,587	15,190,576
Education.....	66,797,457	74,546,270	72,837,749	74,647,049	81,384,483	87,534,482	92,444,424	93,940,477
Public works.....	10,147,754	10,417,699	12,743,329	11,306,904	9,942,512	9,871,846	13,806,146	16,910,307
Community services.....	3,247,913	4,168,394	4,141,597	4,078,291	3,549,968	3,755,054	4,152,881	4,762,643
Regulatory services.....	2,014,171	2,790,428	2,803,627	3,541,727	3,124,650	3,112,902	3,753,307	2,964,772
Culture and recreation.....	2,417,470	1,454,454	1,412,413	1,451,247	1,771,570	1,664,769	1,817,859	1,727,069
Interest.....	4,500,532	4,850,567	4,902,192	4,870,383	4,585,580	4,803,026	4,595,119	4,707,186
<b>Total government activities expenses.....</b>	<b>107,516,170</b>	<b>117,532,616</b>	<b>117,718,027</b>	<b>121,165,475</b>	<b>127,358,641</b>	<b>135,412,437</b>	<b>150,386,357</b>	<b>154,295,275</b>
<b>Business-type activities:</b>								
Airport activities.....	3,995,787	4,088,653	4,844,264	5,416,775	6,195,889	6,501,195	7,563,704	7,062,613
Golf course activities.....	1,629,009	1,552,786	1,580,918	1,496,534	1,549,796	2,245,796	2,949,522	2,712,412
Solid waste activities.....	1,290,194	1,323,504	1,431,546	1,367,651	2,015,005	1,940,896	2,263,740	2,140,520
Wastewater activities.....	3,338,062	3,043,778	3,468,037	3,715,192	2,931,331	3,559,805	3,439,444	4,211,888
Water company activities.....	-	-	-	241,701	2,320,786	2,392,945	2,322,025	2,222,892
Marina activities.....	-	-	-	-	433,577	523,997	559,857	493,447
Sandy neck recreation activities.....	-	-	-	-	358,068	395,516	467,692	474,332
<b>Total business-type activities expenses.....</b>	<b>10,253,052</b>	<b>10,008,721</b>	<b>11,324,765</b>	<b>12,237,853</b>	<b>15,804,452</b>	<b>17,560,150</b>	<b>19,565,984</b>	<b>19,318,104</b>
<b>Total primary government expenses.....</b>	<b>\$ 117,769,222</b>	<b>\$ 127,541,337</b>	<b>\$ 129,042,792</b>	<b>\$ 133,403,328</b>	<b>\$ 143,163,093</b>	<b>\$ 152,972,587</b>	<b>\$ 169,952,341</b>	<b>\$ 173,613,379</b>
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Administrative services charges for services.....	\$ 1,085,211	\$ 810,171	\$ 876,128	\$ 1,154,593	\$ 807,012	\$ 576,201	\$ 804,576	\$ 730,873
Education charges for services.....	2,920,351	3,708,643	3,573,560	3,629,238	2,919,006	3,166,525	4,241,309	4,372,469
Community services charges for services.....	1,871,895	2,129,746	2,497,006	2,503,371	1,539,633	1,618,139	1,599,885	1,717,789
Regulatory services charges for services.....	1,675,887	1,697,816	1,740,014	2,221,754	2,451,852	2,244,531	2,312,451	2,116,776
Other charges for services.....	1,298,547	1,240,800	1,133,394	1,221,860	1,502,313	1,401,151	1,732,923	2,219,533
Operating grants and contributions.....	20,789,021	20,359,125	20,587,459	23,299,779	24,670,911	28,058,414	27,133,578	27,264,953
Capital grant and contributions.....	700,739	2,457,096	4,703,314	4,008,692	7,578,724	8,209,397	6,778,249	3,334,070
<b>Total government activities program revenues.....</b>	<b>30,341,651</b>	<b>32,403,397</b>	<b>35,110,875</b>	<b>38,039,287</b>	<b>41,469,451</b>	<b>45,274,358</b>	<b>44,602,971</b>	<b>41,756,463</b>
<b>Business-type activities:</b>								
Charges for services - Airport.....	4,626,213	4,500,057	4,286,121	4,935,184	5,945,718	6,434,413	7,160,730	6,810,056
Charges for services - Golf Course.....	1,908,245	1,792,439	1,816,543	1,798,858	1,761,676	2,516,328	2,993,201	3,027,102
Charges for services - Solid Waste.....	1,925,492	1,321,800	1,523,245	1,633,455	1,842,879	2,045,585	2,151,196	2,006,111
Charges for services - Wastewater.....	3,683,146	3,255,153	3,827,039	3,858,633	3,865,308	3,437,641	3,650,336	3,187,621
Charges for services - Water Supply.....	-	-	-	-	2,648,165	2,816,039	3,235,835	3,123,598
Charges for services - Marina.....	-	-	-	-	706,138	666,312	653,480	651,019
Charges for services - Sandy neck recreation.....	-	-	-	-	489,144	512,590	583,545	569,561
Operating grants and contributions.....	1,445,505	737,440	1,330,865	1,017,413	476,700	555,116	500,061	436,056
Capital grants and contributions.....	-	1,047,301	3,414,401	2,294,113	3,732,082	1,280,816	4,498,513	2,881,380
<b>Total business-type activities program revenues.....</b>	<b>13,588,601</b>	<b>12,654,190</b>	<b>16,198,214</b>	<b>15,537,656</b>	<b>21,467,810</b>	<b>20,264,840</b>	<b>25,426,897</b>	<b>22,692,504</b>
<b>Total primary government program revenues.....</b>	<b>\$ 43,930,252</b>	<b>\$ 45,057,587</b>	<b>\$ 51,309,089</b>	<b>\$ 53,576,943</b>	<b>\$ 62,937,261</b>	<b>\$ 65,539,198</b>	<b>\$ 70,029,868</b>	<b>\$ 64,448,967</b>
<b>Net (Expense)/Revenue</b>								
Governmental activities.....	\$ (77,174,519)	\$ (85,129,219)	\$ (82,607,152)	\$ (83,126,188)	\$ (85,889,190)	\$ (90,138,079)	\$ (105,783,386)	\$ (112,538,812)
Business-type activities.....	3,335,549	2,645,469	4,873,449	3,299,803	5,663,358	2,704,690	5,860,913	3,374,400
<b>Total primary government net expense.....</b>	<b>\$ (73,838,970)</b>	<b>\$ (82,483,750)</b>	<b>\$ (77,733,703)</b>	<b>\$ (79,826,385)</b>	<b>\$ (80,225,832)</b>	<b>\$ (87,433,389)</b>	<b>\$ (99,922,473)</b>	<b>\$ (109,164,412)</b>

(Continued)

**Changes in Net Assets**

Last Eight Fiscal Years

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Revenues and other Changes in Net Assets</b>								
Governmental activities:								
Real estate and personal property taxes, net of tax refunds payable.....	\$ 67,552,018	\$ 69,697,450	\$ 73,674,105	\$ 77,051,302	\$ 80,072,721	\$ 82,597,461	\$ 84,936,744	\$ 88,253,725
Motor vehicle and other excise taxes.....	5,669,491	6,203,157	6,165,945	7,037,163	6,286,515	6,756,143	6,350,453	5,625,147
Hotel/motel tax.....	1,592,857	1,639,620	1,613,228	1,688,423	1,649,084	1,612,004	1,665,130	1,604,723
Penalties and interest on taxes.....	794,795	723,473	752,812	799,569	741,586	795,696	852,148	905,602
Community preservation surtax.....	2,009,795	2,052,512	2,195,096	2,277,056	2,335,045	2,453,874	2,474,265	2,619,643
Grants and contributions not restricted to specific programs.....	4,105,815	4,772,070	2,769,094	3,974,443	6,225,836	4,203,225	4,055,268	3,742,347
Unrestricted investment income.....	1,381,133	2,082,442	1,027,266	1,927,041	2,526,549	6,461,005	2,555,986	746,614
Gain on sale of capital assets.....	-	-	-	283,500	1,722,672	25,000	-	-
Miscellaneous.....	351,686	2,176	249,434	535,151	-	110,367	-	-
Legal settlements.....	-	-	-	-	-	-	-	3,492,881
Transfers.....	933,085	1,347,745	1,174,851	(4,857,372)	(1,172,656)	1,271,322	1,177,317	512,103
Total governmental activities.....	<u>84,390,675</u>	<u>88,520,645</u>	<u>89,621,831</u>	<u>90,716,276</u>	<u>100,387,352</u>	<u>106,286,097</u>	<u>104,067,311</u>	<u>107,502,785</u>
Business-type activities:								
Unrestricted investment income.....	-	277,481	173,202	559,433	1,119,622	1,480,924	1,136,095	484,857
Gain on sale of capital assets.....	-	-	-	-	52,356	3,524	-	-
Transfers.....	(933,085)	(1,347,745)	(1,174,851)	4,857,372	1,172,656	(1,271,322)	(1,177,317)	(512,103)
Total business-type activities.....	<u>(933,085)</u>	<u>(1,070,264)</u>	<u>(1,001,649)</u>	<u>5,416,805</u>	<u>2,344,634</u>	<u>213,126</u>	<u>(41,222)</u>	<u>(27,246)</u>
Total primary government.....	<u>\$ 83,457,590</u>	<u>\$ 87,450,381</u>	<u>\$ 88,620,182</u>	<u>\$ 96,133,081</u>	<u>\$ 102,731,986</u>	<u>\$ 106,499,223</u>	<u>\$ 104,026,089</u>	<u>\$ 107,475,539</u>
<b>Changes in Net Assets</b>								
Governmental activities.....	\$ 7,216,156	\$ 3,391,426	\$ 7,014,679	\$ 7,590,088	\$ 14,498,162	\$ 16,148,018	\$ (1,716,075)	\$ (5,036,027)
Business-type activities.....	<u>2,402,464</u>	<u>1,575,205</u>	<u>3,871,800</u>	<u>8,716,608</u>	<u>8,007,992</u>	<u>2,917,816</u>	<u>5,819,691</u>	<u>3,347,154</u>
Total primary government.....	<u>\$ 9,618,620</u>	<u>\$ 4,966,631</u>	<u>\$ 10,886,479</u>	<u>\$ 16,306,696</u>	<u>\$ 22,506,154</u>	<u>\$ 19,065,834</u>	<u>\$ 4,103,616</u>	<u>\$ (1,688,873)</u>

(Concluded)

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>										
Reserved.....	\$ 2,673,735	\$ 5,269,086	\$ 5,715,417	\$ 4,474,557	\$ 5,001,609	\$ 1,726,344	\$ 2,009,316	\$ 1,512,248	\$ 1,888,999	\$ 1,241,639
Unreserved.....	<u>13,569,286</u>	<u>12,211,036</u>	<u>11,526,019</u>	<u>12,450,524</u>	<u>12,496,127</u>	<u>21,963,775</u>	<u>26,988,088</u>	<u>28,200,523</u>	<u>19,740,194</u>	<u>15,179,667</u>
<b>Total general fund.....</b>	<b><u>\$ 16,243,021</u></b>	<b><u>\$ 17,480,122</u></b>	<b><u>\$ 17,241,436</u></b>	<b><u>\$ 16,925,081</u></b>	<b><u>\$ 17,497,736</u></b>	<b><u>\$ 23,690,119</u></b>	<b><u>\$ 28,997,404</u></b>	<b><u>\$ 29,712,771</u></b>	<b><u>\$ 21,629,193</u></b>	<b><u>\$ 16,421,306</u></b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ -	\$ -	\$ 9,164,048	\$ 9,325,101	\$ 9,480,537	\$ 9,634,502	\$ 9,625,989	\$ 10,228,805	\$ 10,287,552	\$ 8,847,452
Unreserved, reported in:										
Special revenue funds.....	769,216	1,851,774	23,888,131	24,611,675	24,939,370	24,320,865	28,427,537	30,311,236	36,842,393	38,643,071
Capital projects funds.....	9,054,036	4,240,384	10,568,338	10,598,513	9,971,416	9,158,632	8,724,569	28,615,260	34,643,214	15,845,729
Permanent funds.....	-	-	869,015	859,776	866,039	441,646	565,998	903,589	96,544	1,092,032
<b>Total all other governmental funds.....</b>	<b><u>\$ 9,823,252</u></b>	<b><u>\$ 6,092,158</u></b>	<b><u>\$ 44,489,532</u></b>	<b><u>\$ 45,395,065</u></b>	<b><u>\$ 45,257,362</u></b>	<b><u>\$ 43,555,645</u></b>	<b><u>\$ 47,344,093</u></b>	<b><u>\$ 70,058,890</u></b>	<b><u>\$ 81,869,703</u></b>	<b><u>\$ 64,428,284</u></b>

Fiscal years 2000 and 2001 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

**Changes in Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 64,871,220	\$ 65,592,708	\$ 67,692,985	\$ 69,727,770	\$ 73,526,645	\$ 77,391,784	\$ 79,020,367	\$ 82,783,866	\$ 84,855,790	\$ 88,165,857
Motor vehicle and other excise taxes.....	5,119,964	5,702,940	5,544,329	5,944,110	6,297,172	6,537,273	6,316,691	6,704,665	6,617,601	5,646,089
Hotel/motel tax.....	1,518,743	1,446,487	1,640,225	1,667,205	1,613,228	1,667,469	1,644,352	1,612,004	1,670,130	1,624,723
Charges for services.....	2,450,629	4,043,790	4,799,520	5,631,162	5,721,290	5,984,915	6,093,501	5,296,145	6,710,275	6,792,198
Penalties and interest on taxes.....	840,314	798,298	794,795	723,473	752,812	799,569	741,661	1,335,052	1,210,709	1,206,383
Fees and rentals.....	1,104,049	1,108,567	1,344,752	1,597,200	1,712,699	1,622,252	898,311	1,003,400	1,210,892	1,107,126
Licenses and permits.....	1,670,584	1,612,864	1,753,550	1,735,932	1,746,132	2,047,639	2,139,204	2,088,864	2,170,128	2,092,985
Intergovernmental.....	24,414,097	30,271,123	27,047,730	29,562,367	28,922,799	34,186,154	37,930,900	36,751,218	35,426,249	35,349,630
Departmental and other.....	2,572,049	938,848	758,886	794,716	1,099,676	1,832,449	1,410,779	1,956,268	1,603,490	1,929,525
Special assessments.....	369,769	329,110	222,480	208,658	171,815	132,650	98,262	191,884	151,983	143,209
Community preservation surtax.....	1,776,637	1,933,455	2,009,795	2,052,512	2,195,096	2,277,056	2,335,045	2,453,874	2,474,265	2,619,643
Contributions.....	574,027	234,210	545,410	125,257	145,980	93,250	100,871	196,313	99,882	153,455
Net increase (decrease) in the fair value of investments.....	-	-	-	-	-	-	-	-	-	(964,824)
Investment income.....	1,370,745	1,324,992	1,381,133	2,084,846	1,027,613	1,928,006	2,528,861	6,464,023	2,558,229	1,712,494
Miscellaneous.....	-	-	38,263	-	1,855	184,065	-	-	-	-
Legal settlements.....	-	-	-	-	-	-	-	-	-	3,492,881
<b>Total Revenues.....</b>	<b>108,652,827</b>	<b>115,337,392</b>	<b>115,573,853</b>	<b>121,855,208</b>	<b>124,934,812</b>	<b>136,684,531</b>	<b>141,258,805</b>	<b>148,837,576</b>	<b>146,759,623</b>	<b>151,071,374</b>
<b>Expenditures:</b>										
Charter commission.....	-	-	-	-	-	-	-	-	2,065	46,380
Town council.....	-	-	-	220,882	246,071	267,243	278,559	231,825	289,995	296,316
Town manager.....	-	-	-	730,239	464,983	531,329	521,535	518,618	574,215	541,963
Administrative services.....	9,020,050	7,598,880	5,948,987	5,437,536	5,553,635	5,826,143	5,566,097	5,223,523	5,816,199	5,721,376
Growth management.....	-	-	-	-	-	-	864,871	1,908,052	3,162,311	3,023,167
Public safety.....	7,960,299	9,039,316	9,495,188	10,136,517	10,148,280	10,385,370	10,974,924	11,372,831	11,423,726	11,562,679
Education.....	52,237,856	56,217,227	58,041,221	60,751,278	62,561,166	63,111,637	68,092,203	71,994,705	73,768,453	74,154,718
Public works.....	6,143,936	6,747,953	6,627,647	7,894,484	7,374,652	9,043,063	8,071,026	7,067,157	8,766,085	12,507,268
Community services.....	2,222,397	2,910,873	2,374,838	3,285,347	3,219,318	3,352,642	3,012,255	3,026,874	3,031,730	3,731,611
Regulatory services.....	2,431,718	1,950,971	1,754,478	2,170,109	2,121,573	2,170,733	2,844,921	2,354,396	2,537,742	1,498,642
Culture and recreation.....	1,715,319	1,514,149	1,348,073	1,454,454	1,412,413	1,451,247	1,687,360	1,621,122	1,715,718	1,727,069
Pension and employee benefits.....	7,926,233	8,285,579	7,993,094	8,449,434	9,501,689	10,534,400	11,202,820	12,363,057	13,793,046	15,287,773
Property and liability insurance.....	556,160	609,576	726,945	827,975	866,088	1,133,249	1,066,222	1,175,345	1,202,223	1,151,284
Claims and judgments.....	-	-	-	-	-	-	-	-	450,972	-
Other assessments.....	-	-	187,651	77,211	246,942	218,886	271,886	270,401	325,747	424,848
State and county charges.....	2,182,317	2,280,022	2,446,868	2,662,802	2,789,438	2,981,154	4,619,631	5,179,582	5,283,974	5,500,040
Capital outlay.....	23,501,872	9,433,270	18,104,172	11,852,515	19,903,863	9,631,980	6,363,859	9,828,269	12,063,864	22,486,003
Debt service										
Principal.....	7,303,293	8,781,293	8,575,643	8,932,552	8,322,609	8,438,821	7,978,726	8,074,177	9,007,988	9,841,839
Interest.....	4,279,124	4,975,431	4,304,855	4,744,440	4,778,832	4,828,154	4,643,055	4,689,917	4,619,652	4,729,807
<b>Total Expenditures.....</b>	<b>127,480,574</b>	<b>120,344,540</b>	<b>127,929,660</b>	<b>129,627,775</b>	<b>139,511,552</b>	<b>133,905,803</b>	<b>138,059,950</b>	<b>146,899,851</b>	<b>157,835,705</b>	<b>174,232,783</b>
Excess of revenues over (under) expenditures.....	(18,827,747)	(5,007,148)	(12,355,807)	(7,772,567)	(14,576,740)	2,778,728	3,198,855	1,937,725	(11,076,082)	(23,161,409)
<b>Other Financing Sources (Uses)</b>										
Issuance of bonds and notes.....	20,722,000	9,967,360	24,822,769	7,014,000	13,633,000	6,280,000	2,550,000	19,893,000	13,626,000	-
Issuance of refunding bonds.....	-	-	-	-	-	-	-	38,101,000	-	-
Premium from issuance of bonds.....	-	255,428	351,686	-	203,841	5,810	-	240,059	-	-
Premium from issuance of refunding bonds.....	-	-	-	-	-	-	-	1,076,268	-	-
Sale of capital assets.....	-	-	-	-	-	283,500	3,000,000	25,000	-	-
Payment to bond escrow agent.....	-	(10,013,598)	-	-	-	-	-	(39,114,210)	-	-
Transfers in.....	5,088,512	8,493,623	16,236,094	14,208,776	13,813,434	14,063,605	15,971,349	18,461,664	23,252,992	21,271,536
Transfers out.....	(2,857,502)	(6,189,658)	(15,303,009)	(12,861,031)	(12,638,583)	(18,920,977)	(15,624,471)	(17,190,342)	(22,075,675)	(20,759,433)
<b>Total other financing sources (uses).....</b>	<b>22,953,010</b>	<b>2,513,155</b>	<b>26,107,540</b>	<b>8,361,745</b>	<b>15,011,692</b>	<b>1,711,938</b>	<b>5,896,878</b>	<b>21,492,439</b>	<b>14,803,317</b>	<b>512,103</b>
Net change in fund balance.....	\$ 4,125,263	\$ (2,493,993)	\$ 13,751,733	\$ 589,178	\$ 434,952	\$ 4,490,666	\$ 9,095,733	\$ 23,430,164	\$ 3,727,235	\$ (22,649,306)
Debt service as a percentage of noncapital expenditures.....	11.14%	12.40%	11.28%	11.64%	11.43%	10.85%	9.58%	9.31%	9.35%	9.60%

**Notes:**

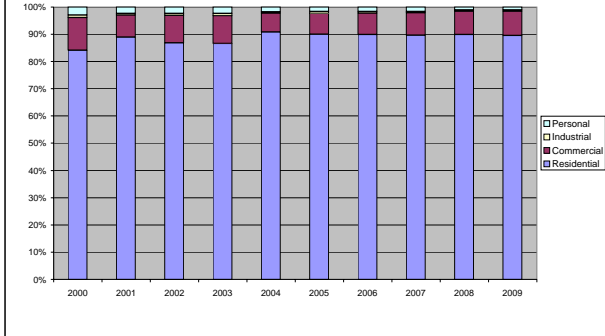
Fiscal years 2000 and 2001 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format. Some functional expenses are reported in different lines in older years.

Assessed Value of Taxable Property by Classification and Tax Rates

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate	Total Town Value
2000	\$4,175,979,952	\$12.80	\$577,964,328	\$45,719,420	\$623,683,748	\$12.80	\$168,311,920	\$12.80	\$12.80	\$4,967,975,620
2001 (1)	\$6,415,713,652	\$8.99	\$750,723,478	\$57,410,970	\$808,134,448	\$8.99	\$174,792,970	\$8.99	\$8.99	\$7,398,641,070
2002	\$6,485,786,487	\$9.26	\$765,752,143	\$59,963,170	\$825,715,313	\$9.26	\$177,638,825	\$9.26	\$9.26	\$7,489,139,625
2003	\$6,496,915,232	\$9.40	\$767,960,498	\$56,678,770	\$824,639,268	\$9.40	\$168,114,795	\$9.40	\$9.40	\$7,559,669,295
2004 (1)	\$10,023,257,151	\$6.61	\$967,131,329	\$75,686,020	\$1,042,817,349	\$6.61	\$214,717,352	\$6.61	\$6.61	\$11,280,791,852
2005	\$11,381,231,761	\$6.05	\$1,129,516,623	\$80,250,820	\$1,209,767,443	\$6.05	\$228,014,240	\$6.05	\$6.05	\$12,819,013,444
2006 (2)	\$12,715,161,443	\$6.31	\$1,230,557,567	\$77,084,090	\$1,307,641,657	\$6.54	\$345,409,010	\$6.49	\$6.31	\$14,263,212,110
2007 (1),(3)	\$13,443,704,362	\$6.32	\$1,275,048,264	\$77,011,100	\$1,352,059,364	\$5.57	\$149,981,380	\$5.57	\$6.32	\$14,945,745,106
2008 (3)	\$13,323,872,172	\$6.58	\$1,286,489,328	\$73,265,400	\$1,359,754,728	\$5.80	\$151,079,850	\$5.80	\$6.58	\$14,834,706,750
2009	\$12,983,016,619	\$6.90	\$1,303,893,716	\$78,598,400	\$1,382,492,116	\$6.12	\$179,274,450	\$6.12	\$6.90	\$14,544,783,195

Percentage of Total Assessed Value By Classification



(1) Revaluation year.  
 (2) In FY2006 the Town adopted a split tax rate (factor of 1.15), a residential exemption (20%), and a small business exemption (10%) resulting in different tax rates between classes.  
 (3) In FY2007 and FY2008 the Town adopted a 20% residential exemption and no split tax rate factor resulting in a higher residential rate.  
 Source: Assessor's Department, Town of Barnstable  
 All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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



Town of Barnstable, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2009			2000		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Mayflower Cape Cod, LLC	Cape Cod Mall	\$ 115,959,000	1	0.80%	\$ -	-	-
Individual	Residential Properties	64,187,110	2	0.44%	-	-	-
NSTAR/Commonwealth Electric	Public Utility	44,606,560	3	0.31%	2,918,100	2	0.06%
Verizon/Bell Atlantic	Public Utility	32,410,900	4	0.22%	19,732,400	4	0.40%
Wianno Club	Recreation	31,338,000	5	0.22%	-	-	-
Festival of Hyannis	Shopping Mall	30,408,300	6	0.21%	-	-	-
Cape Harbor Associates	Cape Town Plaza	26,248,200	7	0.18%	15,142,700	6	0.30%
OCW Retail Associates	Retail	25,962,600	8	0.18%	-	-	-
Individual	Residential Properties	25,797,940	9	0.18%	-	-	-
Colonial Gas	Public Utility	25,042,830	10	0.17%	13,638,600	8	0.27%
John K. Davenport	Cape Cod Mall	-	-	-	42,558,300	1	0.86%
Paul Mellon	Residential Homes	-	-	-	24,263,400	3	0.49%
SLT Realty Limited Partnership	Hotels	-	-	-	19,433,700	5	0.39%
Campbell/Mass Trust	Shopping Center	-	-	-	14,936,300	7	0.30%
Oyster Harbors Inc.	Social Club & Residential Properties	-	-	-	12,166,000	9	0.24%
Thomas Flatley et al	Shopping Center	-	-	-	9,048,200	10	0.18%
<b>Totals</b>		<b>\$ 421,961,440</b>		<b>2.90%</b>	<b>\$ 173,837,700</b>		<b>3.50%</b>

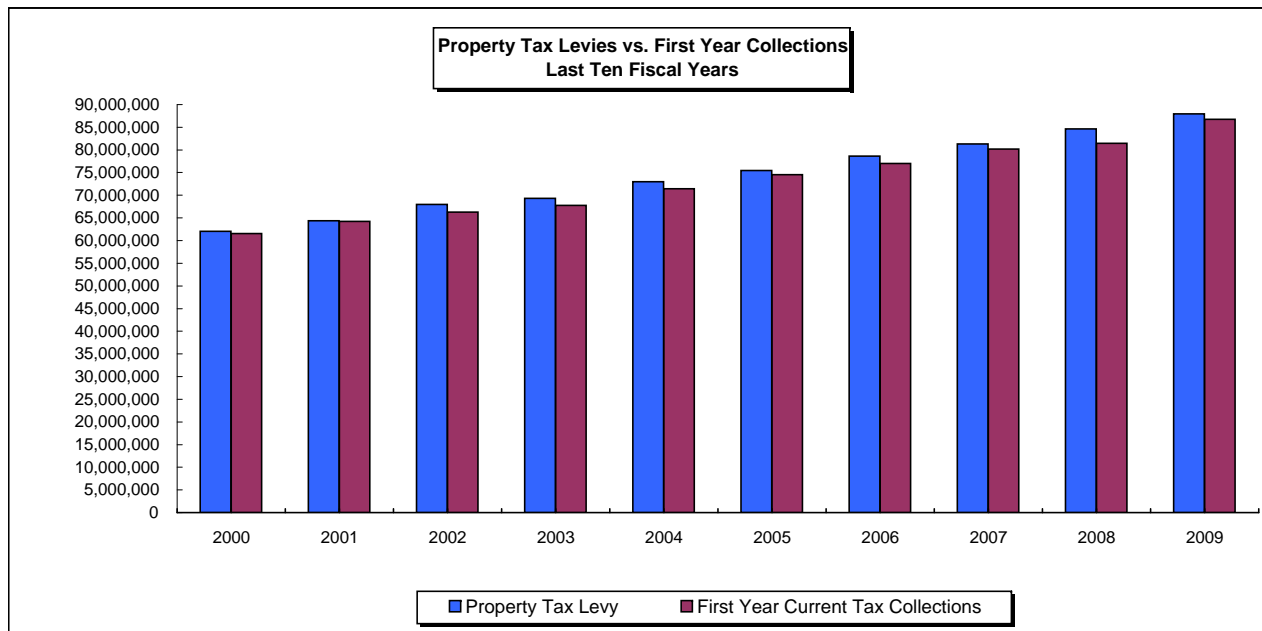
Source: Assessor's Department, Town of Barnstable

Town of Barnstable, Massachusetts

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year		Total Tax Levy	Less Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Subsequent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy
2000		\$63,590,088	\$1,544,984	\$62,045,104	97.57%	\$61,553,344	99.21%	\$1,010,968	\$62,564,312	100.84%
2001	(1)	\$66,513,784	\$2,142,464	\$64,371,320	96.78%	\$64,220,277	99.77%	\$550,667	\$64,770,944	100.62%
2002		\$69,349,433	\$1,344,204	\$68,005,229	98.06%	\$66,300,923	97.49%	\$1,751,165	\$68,052,088	100.07%
2003		\$70,590,891	\$1,308,255	\$69,282,636	98.15%	\$67,755,698	97.80%	\$1,922,369	\$69,678,067	100.57%
2004	(1)	\$74,566,035	\$1,581,758	\$72,984,277	97.88%	\$71,457,482	97.91%	\$1,835,327	\$73,292,809	100.42%
2005		\$77,555,031	\$2,126,902	\$75,428,129	97.26%	\$74,559,345	98.85%	\$2,010,911	\$76,570,256	101.51%
2006		\$80,475,762	\$1,830,406	\$78,645,356	97.73%	\$77,045,176	97.97%	\$2,072,295	\$79,117,471	100.60%
2007	(1)	\$83,218,734	\$1,872,849	\$81,345,885	97.75%	\$80,162,980	98.55%	\$1,861,844	\$82,024,824	100.83%
2008		\$86,040,891	\$1,428,590	\$84,612,301	98.34%	\$81,481,702	96.30%	\$3,230,279	\$84,711,981	100.12%
2009		\$89,064,457	\$1,139,801	\$87,924,656	98.72%	\$86,723,428	98.63%	\$0	\$86,723,428	98.63%



(1) Revaluation year.

Source: Official Statements, Town of Barnstable

**Town of Barnstable, Massachusetts**  
**Ratios of Outstanding Debt and General Bonded Debt**  
**Last Ten Fiscal Years**

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2000	47,821	\$1,222,017,834	\$4,967,975,620	\$95,960,586	\$0	\$2,007	7.85%	1.93%
2001	48,300	\$1,258,939,500	\$7,398,641,070	\$87,179,294	\$0	\$1,805	6.92%	1.18%
2002	48,701	\$1,294,764,786	\$7,489,139,625	\$103,818,770	\$0	\$2,132	8.02%	1.39%
2003	48,907	\$1,326,260,026	\$7,509,669,295	\$101,918,971	\$0	\$2,084	7.68%	1.36%
2004	48,535	\$1,342,478,100	\$11,280,791,852	\$107,548,113	\$0	\$2,216	8.01%	0.95%
2005	47,826	\$1,349,314,938	\$12,819,013,444	\$105,426,797	\$0	\$2,204	7.81%	0.82%
2006	47,800	\$1,375,540,600	\$14,263,212,110	\$97,283,071	\$3,875	\$2,035	7.07%	0.68%
2007	47,500	\$1,380,576,575	\$14,945,745,106	\$110,017,892	\$3,053	\$2,316	7.97%	0.74%
2008	47,000	\$1,379,704,632	\$14,834,706,750	\$114,635,906	\$793	\$2,439	8.31%	0.77%
2009	49,858	\$1,478,238,440	\$14,544,783,185	\$104,794,067	\$0	\$2,102	7.09%	0.72%

Fiscal Year	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	\$24,439,195	\$0	\$120,399,781	\$2,518	9.85%	2.42%
2001	\$22,846,196	\$0	\$110,025,490	\$2,278	8.74%	1.49%
2002	\$20,004,226	\$0	\$123,822,996	\$2,543	9.56%	1.65%
2003	\$19,144,445	\$0	\$121,063,416	\$2,475	9.13%	1.61%
2004	\$20,568,453	\$0	\$128,116,566	\$2,640	9.54%	1.14%
2005	\$18,963,224	\$0	\$124,390,021	\$2,601	9.22%	0.97%
2006	\$19,170,509	\$0	\$116,457,455	\$2,436	8.47%	0.82%
2007	\$33,214,444	\$0	\$143,235,389	\$3,015	10.38%	0.96%
2008	\$38,527,427	\$0	\$153,164,126	\$3,259	11.10%	1.03%
2009	\$36,484,603	\$0	\$141,278,670	\$2,834	9.56%	0.97%

(1) Airport, Golf Course, Solid Waste, Sewer, Water, Marinas and Sandy Neck Park  
Source: Audited Financial Statements, U. S. Census

Town of Barnstable, Massachusetts

Computation of Legal Debt Margin

Last Ten Fiscal Years

Fiscal Year

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Equalized Valuation.....	\$ 6,118,649,700	\$ 6,118,649,700	\$ 9,187,485,800	\$ 9,187,485,800	\$ 11,747,239,700	\$ 11,747,239,700	\$ 14,974,792,700	\$ 14,974,792,700	\$ 16,142,285,200	\$ 16,142,285,200
Debt Limit -5% of Equalized Valuation.....	\$ 305,932,485	\$ 305,932,485	\$ 459,374,290	\$ 459,374,290	\$ 587,361,985	\$ 587,361,985	\$ 748,739,635	\$ 748,739,635	\$ 807,114,260	\$ 807,114,260
Less:										
Outstanding debt applicable to limit.....	\$ 43,922,781	\$ 38,095,239	\$ 36,670,638	\$ 36,444,704	\$ 39,061,056	\$ 36,675,159	\$ 54,947,745	\$ 75,630,971	\$ 82,388,673	\$ 76,565,997
Authorized and unissued debt.....	\$ 19,616,740	\$ 42,080,715	\$ 45,241,555	\$ 48,929,455	\$ 61,504,455	\$ 83,635,855	\$ 62,055,743	\$ 67,601,365	\$ 57,540,513	\$ 57,540,513
Legal debt margin.....	\$ 242,392,964	\$ 225,756,531	\$ 377,462,097	\$ 374,000,131	\$ 486,796,474	\$ 467,050,971	\$ 631,736,147	\$ 605,507,299	\$ 667,185,074	\$ 673,007,750
Total debt applicable to the limit as a percentage of debt limit	20.77%	26.21%	17.83%	18.58%	17.12%	20.48%	15.63%	19.13%	17.34%	16.62%

Source: Official Statements, Town of Barnstable

**Town of Barnstable, Massachusetts**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population Estimates</b>	<b>Personal Income</b>	<b>Per Capita Personal Income</b>	<b>Median Age</b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2000	47,821	\$1,222,017,834	\$25,554	42	6,896	3.0%
2001	48,300	\$1,258,939,500	\$26,065	42	6,946	3.3%
2002	48,701	\$1,294,764,786	\$26,586	42	7,042	4.1%
2003	48,907	\$1,326,260,026	\$27,118	42	6,886	4.8%
2004	48,535	\$1,342,478,100	\$27,660	42	6,609	4.3%
2005	47,826	\$1,349,314,938	\$28,213	42	6,333	4.1%
2006	47,800	\$1,375,540,600	\$28,777	42	6,247	4.0%
2007	47,500	\$1,380,576,575	\$29,065	42	6,135	3.7%
2008	47,000	\$1,379,704,632	\$29,355	42	5,851	4.6%
2009	49,858	\$1,478,238,440	\$29,649	42	5,799	5.1%

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

Town of Barnstable, Massachusetts

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2009			2000		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cape Cod Health Care, Inc.	Hospital	2,425	1	9.67%	1,492	1	6.51%
Town of Barnstable	Municipal Government	1,414	2	5.64%	1,382	2	6.03%
Barnstable County	County Government	662	3	2.64%	365	3	1.59%
Cape Cod Times	Newspaper	328	4	1.31%	300	5	1.31%
Cape Codder Resort	Hotel	308	5	1.23%	-	-	-
Macy's (2 stores)	Retail Sales-General	240	6	0.96%	-	-	-
Star Market (2 Stores)	Grocers-Retail	212	7	0.85%	285	7	0
Sears Roebuck & Co.	Retail Store	210	8	0.84%	-	-	-
SSA Global	Marketing & Training	176	9	0.70%	-	-	-
Super Stop & Shop	Retail Sales-General	123	10	0.49%	200	10	0.87%
Infinium Software, Inc.	Marketing & Training	-	-	-	325	4	1.42%
Sheraton Hyannis Resort	Hotel	-	-	-	300	6	1.31%
Sencorp Inc.	Manufacturing	-	-	-	206	8	0.90%
Cape Cod Potato Chips	Food Processor	-	-	-	200	9	0.87%

Source: Massachusetts Department of Labor and Workforce Development

**Town of Barnstable, Massachusetts**

**Full-time Equivalent Town Employees by Function**

**Last Nine Fiscal Years**

	Fiscal Year								
	2001	2002	2003	2004	2005	2006	2007	2008	2009
Function:									
Charter commission.....	-	-	-	-	-	-	-	-	-
Town council.....	1	2	2	2	2	2	2	2	2
Town manager.....	6	5	6	6	5	5	5	5	5
Growth management.....	-	-	-	-	-	14	16	14	14
Administrative services.....	77	77	71	83	79	65	65	65	63
Public safety.....	129	129	134	134	134	139	139	139	137
Education.....	814	821	831	944	912	912	911	904	891
Public works.....	126	127	123	119	117	116	120	120	120
Community services.....	53	53	53	44	43	43	50	51	53
Regulatory services.....	32	34	31	31	30	32	32	32	35
Airport.....	24	25	25	26	26	26	26	26	26
<b>Total .....</b>	<b><u>1,262</u></b>	<b><u>1,273</u></b>	<b><u>1,276</u></b>	<b><u>1,389</u></b>	<b><u>1,348</u></b>	<b><u>1,354</u></b>	<b><u>1,366</u></b>	<b><u>1,358</u></b>	<b><u>1,346</u></b>

Source: Annual town reports

Note: A reorganization in 2006 created the growth management department; transferring personnel from other departments.

Information prior to fiscal year 2001 is not available.

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

Function/Program	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Administrative services</b>										
Open legal cases.....	1,319	1,562	1,765	1,805	1,729	1,740	1,392	1,633	1,258	1,392
Registered voters.....	31,459	32,331	32,905	32,270	33,738	32,918	31,325	30,999	30,885	32,381
Employment applications processed.....	927	1,136	1,441	1,368	1,234	1,255	1,658	1,191	2,050	1,600
Work related injuries processed.....	126	132	141	169	173	129	152	125	157	160
Unemployment claims.....	52	81	108	122	n/a	n/a	58	56	100	85
Tax bills processed.....	n/a	130,418	114,004	128,755	143,281	144,369	179,267	222,049	194,796	195,182
<b>Police</b>										
Call for service.....	39,912	40,977	40,699	49,890	42,779	41,026	41,015	45,009	45,347	42,758
Physical arrests.....	2,506	3,006	2,407	1,912	n/a	n/a	1,670	3,315	3,126	n/a
<b>Education</b>										
Cobb Trust Fund awards.....	\$166,700	\$181,650	\$121,750	\$104,815	n/a	\$144,550	\$114,000	\$109,390	\$158,500	\$65,078
<b>Zoning</b>										
Zoning Board appeals filed.....	120	138	121	144	n/a	113	81	126	142	107
<b>Building Inspections</b>										
New dwellings constructed.....	220	207	128	125	125	98	73	67	50	40
<b>Health</b>										
Routine health inspections.....	4,209	2,427	2,231	2,503	2,836	2,669	2,780	2,948	3,909	5,988
Complaint investigations.....	1,039	861	561	661	655	607	683	784	615	541
<b>Consumer Affairs</b>										
Parking violations.....	n/a	2,090	4,193	2,659	4,839	5,294	5,990	5,249	4,307	4,534
Weights & measure devices tested.....	n/a	1,437	4,409	2,748	3,161	5,017	5,879	4,807	3,572	3,593
Ordinance citations.....	n/a	153	1,202	707	1,076	1,657	1,603	972	816	1,034
<b>Community Services</b>										
Mooring permits issued.....	2,225	2,413	2,437	2,401	n/a	2,383	2,393	2,416	2,483	2,429
Shellfish permits issued.....	2,183	2,081	2,068	1,859	n/a	1,528	1,715	1,990	2,234	2,363
Animal control service calls.....	5,599	4,426	3,482	3,641	n/a	5,327	3,436	2,956	2,244	3,080
Veterans served.....	n/a	n/a	n/a	4,504	n/a	4,256	6,336	7,201	492 (1)	7,661
<b>Roads</b>										
Catch basins cleaned.....	4,031	n/a	4,700	3,800	4,500	4,500	4,100	3,246	3,456	3,142
Miles of crack seal applied.....	n/a	n/a	11.7	17.0	17.0	18.0	n/a	10.5	10	15
Miles of roadside mowed.....	160	n/a	143	n/a	n/a	n/a	150	186	290	580
Miles of road swept.....	405	n/a	405	390	390	405	405	430	314	335
<b>Sewer</b>										
Gallons of septage treated.....	9,205,120	9,010,400	9,050,000	9,957,400	9,795,700	9,933,600	11,695,000	10,716,500	10,852,200	11,523,000
Daily average collection.....	1,717,868	1,830,468	1,835,616	1,681,710	1,793,795	1,689,965	1,730,730	1,711,100	1,347,400 (2)	1,495,300 (2)
<b>Solid Waste</b>										
Tons shipped to SEMASS.....	47,178	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tons received at Flint St station.....	n/a	8,707	8,349	8,715	8,190	n/a	9,539	9,505	9,985	9,437
Tons of C&D material received.....	2,312	2,718	4,205	3,982	3,742	n/a	4,399	3,730	3,658	2,771
<b>Libraries</b>										
Total volumes borrowed.....	n/a	n/a	n/a	534,515	534,515	n/a	617,182	567,731	546,556	570,947
Library holdings.....	n/a	n/a	n/a	266,406	266,406	n/a	n/a	n/a	n/a	n/a

Source: Various Town Departments

n/a: Information not available

(1) 2008 represents the number of cases managed, all other years reflect all inquiries.

(2) The Town experience a flow meter malfunction in 2008 and 2009, the flow is actually higher than reported.



**Town of Barnstable, Massachusetts**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Administrative services										
Number of Buildings.....	142	142	144	144	144	148	148	148	148	149
Police										
Number of Stations.....	1	1	1	2	2	2	2	2	2	2
Police personnel and officers.....	-	129	129	134	134	134	139	139	139	139
Education										
Number of elementary schools.....	9	9	9	9	10	10	10	10	10	10
Number of middle schools.....	2	2	2	2	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of teachers.....	525	535	467	463	539	553	527	774	763	751
Number of students.....	6,896	6,946	7,049	6,827	6,742	6,501	6,310	5,980	5,814	5,714
Public Works										
Number of town roads.....	-	-	571	571	633	633	633	633	633	633
Number of private roads.....	-	-	1,200	1,150	1,088	1,088	1,088	1,088	1,088	1,088
Number of state roads.....	-	-	6	6	6	6	6	6	6	6
Center lane miles of roads.....	-	-	497	490	490	490	490	490	490	490
Cemeteries.....	16	16	16	16	16	16	16	16	16	16
Culture and Recreation										
Libraries.....	7	7	7	7	7	7	7	7	7	7
Boat launches.....	13	13	13	13	18	17	17	17	17	17
Parks and playgrounds.....	70	70	70	70	70	71	71	71	71	71
Park and playground (acreage).....	218	218	218	218	218	222	222	222	222	222
Golf courses.....	1	1	1	1	1	2	2	2	2	2
Public beaches.....	18	18	18	18	18	18	18	18	18	18
Ball fields.....	6	6	6	6	6	6	6	6	6	6
Tennis courts.....	5	5	5	5	5	5	5	5	5	5

Source: Various Town Departments



**A picture of the crowd gathered inside the gymnasium at the grand opening celebration of the new Hyannis Youth and Community Center. The gymnasium includes an elevated walking track above the courts where people gather to watch the celebration. Picture by Sarah Beal.**



**A view of the HYCC main lobby at the opening ceremonies. Picture by Sarah Beal.**