

## OFFICIAL STATEMENT DATED JUNE 9, 2009

### BOOK ENTRY ONLY

**Rating:** See "Ratings" herein

*In the opinion of Edwards Angell Palmer & Dodge LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, and is not included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Exemption" herein.*

### TOWN OF HINGHAM, MASSACHUSETTS

**\$12,100,000**

**General Obligation Bond Anticipation Notes, 2009**  
(the "Notes")

**Dated:** June 17, 2009

**Due:** December 23, 2009

**Rate:** 1.25%

**Yield:** 0.34%

The Notes will be dated June 17, 2009 and will bear interest from that date until December 23, 2009, their maturity date, at an annual rate as specified by the successful bidder for the Notes. The Notes will be issued in fully registered form without coupons, and, when issued, will be registered in the name of Cede & Co., nominee of The Depository Trust Company ("DTC") in New York, New York (See "Book-Entry-Only System" herein). U.S. Bank National Association, Boston, Massachusetts, will act as Paying Agent for the Notes. In the opinion of Bond Counsel, the Notes are valid general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due (See "Security and Remedies" herein). The Notes are not subject to redemption prior to maturity.

The Notes are offered for delivery when, as and if issued by the Town and received by the winning bidder(s), subject to the approving opinion of Edwards Angell Palmer & Dodge LLP, Boston, Massachusetts, Bond Counsel, and to certain other conditions referred to herein and in the Official Notice of Sale. Each original purchaser will be furnished a copy of the legal opinion of the firm of Edwards Angell Palmer & Dodge LLP, of Boston, Massachusetts, approving the legality of the Notes. The opinion will be to the effect that the Notes are valid general obligations of the Town, and, to the extent not paid from other sources, the Notes are payable from taxes which may be levied upon all taxable property within the territorial limits of the Town, without limitation as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws, with respect to the principal and interest payments on that portion of the Notes that the Town has voted to exempt from the limit imposed by Chapter 59, Section 21C of the General Laws, and subject to the limit imposed by Chapter 59, Section 21C of the General Laws with respect to the principal and interest payments on the portion of the Notes that the Town has not voted to exempt from that limit. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the successful bidder(s). Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy of any statements made in this Official Statement other than matters expressly set forth as their opinion and they make no representation that they have independently verified the same. It is expected that the Notes in definitive form will be delivered to DTC in New York, New York on or about June 17, 2009, against payment in Federal Reserve Funds.

**JPMORGAN SECURITIES, INC.**

This Official Statement is not to be construed as a contract or agreement between the Town of Hingham, Massachusetts and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale of the Notes described herein shall, under any circumstances, create any implication that there has been no change in the affairs of the Town of Hingham, Massachusetts since the date hereof.

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Appendix B – Summary Financial Statements

## **NOTE ISSUE SUMMARY**

### **TOWN OF HINGHAM, MASSACHUSETTS**

**\$12,100,000**

### **General Obligation Bond Anticipation Notes, 2009**

The information in this Note Issue Summary is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

**DATE OF SALE:** Tuesday, June 9, 2009

**LOCATION OF SALE:** The offices of Capital Markets Advisors, LLC, One Great Neck Road, Suite 1, Great Neck, New York 11021, fax (516) 487-2575 and telephone (516) 487-9817.

**ISSUER:** Town of Hingham, Massachusetts (the "Town")

**ISSUE:** \$12,100,000 General Obligation Bond Anticipation Notes, 2009 (the "Notes")

**DATED DATE:** June 17, 2009

**MATURITY DATE:** The Notes will mature on December 23, 2009.

**AUTHORIZATION AND PURPOSE:** The Notes will be issued to finance the acquisition of the Lincoln School Apartments located in the Town under the provisions of Chapter 44, Section 7(3) of the Massachusetts General Laws. See 'Authorization and Purpose' herein.

**REDEMPTION:** The Notes are not subject to redemption prior to maturity.

**SECURITY:** The Notes are valid general obligations of the Town, and, to the extent not paid from other sources, the Notes are payable from taxes which may be levied upon all taxable property within the territorial limits of the Town, without limitation as to rate or amount, except as provided under Chapter 44, Section 20 of the General Laws, with respect to the principal and interest payments on that portion of the Notes that the Town has voted to exempt from the limit imposed by Chapter 59, Section 21C of the General Laws, and subject to the limit imposed by Chapter 59, Section 21C of the General Laws with respect to the principal and interest payments on the portion of the Notes that the Town has not voted to exempt from that limit.

**RATING:** On June 9, 2009, Moody's Investors Service assigned its rating of "MIG-1" to the Notes. The Town's underlying long-term credit ratings are "Aaa" with Moody's Investors Service, "AAA" with Standard & Poor's Corporation and "AAA" with Fitch Ratings. See "Ratings" herein.

**BASIS OF AWARD:** Lowest Net Interest Cost ("NIC") as of the dated date.

**TAX EXEMPTION:** In the opinion of Bond Counsel, the Notes, including the interest thereon, are exempt from taxation imposed by existing Massachusetts law, although the Notes or such interest are included in the measure of Massachusetts estate and inheritance taxes and of applicable Massachusetts corporation excise and franchise taxes. Under existing law the interest on the Notes is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of computing the alternative minimum tax; however such interest may be included in the measure of certain taxes imposed upon corporations.

**MATERIAL EVENTS DISCLOSURE:** In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of certain material events with respect to the Notes pursuant to a Material Events Disclosure Certificate to be executed by the Town in connection with the delivery of the Notes.

**BANK QUALIFICATION:** The Notes will be designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**PAYING AGENT:** U.S. Bank National Association, Boston, Massachusetts, will act as Paying Agent.

**LEGAL OPINION:** Edwards Angell Palmer & Dodge LLP, Boston, Massachusetts will act as Bond Counsel to the Town.

**DELIVERY AND PAYMENT:** It is expected that delivery of the Notes in book-entry form will be made to The Depository Trust Company in New York, New York, or its custodial agent on or about June 17, 2009. Delivery of the Notes will be made against payment in Federal Reserve Funds.

**TOWN OFFICIAL:** For more information concerning the Town and the Official Statement contact Jean M. Montgomery, Town Treasurer/Collector, (781) 741-1408 or Ted C. Alexiades, Finance Director/Town Accountant, Town of Hingham, Massachusetts, (781) 741-1470.

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**TOWN OF HINGHAM  
MASSACHUSETTS**

**\$12,100,000  
General Obligation Bond Anticipation Notes, 2009**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Hingham, Massachusetts (the "Town") in connection with the issuance and sale of \$12,100,000 General Obligation Bond Anticipation Notes, 2009 (the "Notes"). The information contained herein has been furnished by the Town, except information specifically attributed to another government agency or official.

The Notes are being offered for sale at public bidding on Tuesday, June 9, 2009. A Notice of Sale dated June 2, 2009 has been furnished to prospective bidders. Reference is hereby made to the Notice of Sale for the terms and conditions of the bidding. See "Appendix C – Official Notice of Sale and Bid Form" herein.

**THE NOTES**

***Description of the Notes***

The Notes will be dated June 17, 2009 and principal of and interest on the Notes will be paid on December 23, 2009. The Notes will be issued in book entry form in denominations of \$5,000, or whole multiples thereof. Interest on the Notes will be computed based on a 30-day month and a 360-day year. The Notes are not subject to redemption prior to maturity.

***Authorization and Purpose***

The Notes are being issued pursuant to Chapter 44 of the Massachusetts General Laws and a vote of the Town to provide financing for the following projects:

<u>Authorization Date</u>	<u>Amount Authorized</u>	<u>Purpose</u>	<u>Law Cite</u>	<u>Amount Outstanding</u>	<u>Principal Paydown</u>	<u>New Money</u>	<u>Amount to Notes</u>
4/24/06	\$ 1,700,000 <sup>(1)</sup>	Schools	Ch. 44, Sec.7 (21)	\$ 1,700,000	\$ 0	\$ 0	\$ 1,700,000
4/24/06	6,787,467	DPW Public Works Facility	Ch. 44, Sec.7 (3A)	2,000,000	0	0	2,000,000
n/a	1,000,000	Public Works Grant	Ch. 44, Sec.6A	1,000,000	1,000,000	0	0
3/3/08	25,160,000 <sup>(2)</sup>	New Elementary School	Ch. 44 and Ch. 70B	1,400,000	0	0	1,400,000
3/3/08	7,700,000 <sup>(2)</sup>	School Renovations	Ch. 44, Sec.7(3A)	<u>0</u>	<u>0</u>	<u>7,000,000</u>	<u>7,000,000</u>
<b>Total:</b>				<u>\$6,100,000</u>	<u>\$1,000,000</u>	<u>\$7,000,000</u>	<u>\$12,100,000</u>

(1) A portion of the project in the amount of \$1,342,524 is excluded from the limitations of Chapter 59, Section 21C of the General Laws (Proposition 2 ½).

(2) Excluded from the limitations of Chapter 59, Section 21C of the General Laws (Proposition 2 ½).

## ***Book-Entry Only System***

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued in fully-registered form, registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each interest rate of the Notes and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the securities under the DTC system must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of a security held by DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the securities held by DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the securities held by DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities held by it; DTC’s records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities held by it unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on securities held by DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’

accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

Source: The Depository Trust Company

### ***Redemption***

The Notes are not subject to redemption prior to maturity.

### ***Tax Exemption***

In the opinion of Edwards Angell Palmer & Dodge LLP, Bond Counsel to the Town ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Bond Counsel is of the further opinion that interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes and is not included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the ownership or disposition of, or the accrual or receipt of interest on, the Notes.

The Code imposes various requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. Failure to comply with these requirements may result in interest on the Notes being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Notes. The Town has covenanted to comply with such requirements to ensure that interest on the Notes will not be included in federal gross income. The opinion of Bond Counsel assumes compliance with these requirements.

Bond Counsel is also of the opinion that, under existing law, interest on the Notes is exempt from Massachusetts personal income taxes, and the Notes are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the Notes. Prospective Noteholders should be aware, however, that the Notes are included in the measure of Massachusetts estate and inheritance taxes, and the Notes and the interest thereon are included in the measure of certain Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the Notes or the income therefrom under the laws of any state other than Massachusetts.

To the extent the issue price of the Notes is less than the amount to be paid at maturity of such Notes (excluding amounts stated to be interest and payable at least annually over the term of such Notes), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each owner thereof, is treated as interest on the Notes which is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes. For this purpose, the issue price of the Notes is the first price at which a substantial amount of such Notes is sold to the public (excluding note houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to the Notes accrues daily over the term to maturity of such Notes on the basis of a constant interest rate compounded semiannually (with straight-line interpolations

between compounding dates). The accruing original issue discount is added to the adjusted basis of such Notes to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Notes. Noteholders should consult their own tax advisors with respect to the tax consequences of ownership of Notes with original issue discount, including the treatment of purchasers who do not purchase such Notes in the original offering to the public at the first price at which a substantial amount of such Notes is sold to the public.

Notes purchased, whether at original issuance or otherwise, for an amount greater than the stated principal amount to be paid at maturity of such Notes, or, in some cases, at the earlier redemption date of such Notes ("Premium Notes"), will be treated as having amortizable note premium for federal income tax purposes and Massachusetts personal income tax purposes. No deduction is allowable for the amortizable note premium in the case of obligations, such as the Premium Notes, the interest on which is excluded from gross income for federal income tax purposes. However, a Noteholder's basis in a Premium Note will be reduced by the amount of amortizable note premium properly allocable to such Noteholder. Holders of Premium Notes should consult their own tax advisors with respect to the proper treatment of amortizable note premium in their particular circumstances.

Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may adversely affect the value of, or the tax status of interest on, the Notes. Further, no assurance can be given that pending or future legislation, including amendments to the Code, if enacted into law, or any proposed legislation, including amendments to the Code, or any future judicial, regulatory or administrative interpretation or development with respect to existing law, will not adversely affect the value of, or the tax status of interest on, the Notes. Prospective Noteholders are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel is of the opinion that interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from Massachusetts personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the federal or state tax liability of a Noteholder. Among other possible consequences of ownership or disposition of, or the accrual or receipt of interest on, the Notes, the Code requires recipients of certain social security and certain railroad retirement benefits to take into account receipts or accruals of interest on the Notes in determining the portion of such benefits that are included in gross income. The nature and extent of all such other tax consequences will depend upon the particular tax status of the Noteholder or the Noteholder's other items of income or deduction. Except as indicated in the following paragraph, Bond Counsel expresses no opinion regarding any such other tax consequences, and Noteholders should consult with their own tax advisors with respect to such consequences.

The Notes will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

## ***Security and Remedies***

*Full Faith and Credit.* General obligation bonds and notes of a Massachusetts city or town constitute a pledge of its full faith and credit. Payment is not limited to a particular fund or revenue source. Except for "qualified bonds" (see Serial Bonds and Notes below) and setoffs of state distributions (see State Distributions below), no provision is made by the Massachusetts statutes for priorities among bonds and notes and other general obligations, although the use of certain moneys may be restricted.

*Tax Levy.* The Massachusetts statutes direct the municipal assessors to include annually in the tax levy for the next fiscal year "all debt and interest charges matured and maturing during the next fiscal year and not otherwise provided for (and) all amounts necessary to satisfy final judgments". Specific provision is also made for including in the next tax levy payments of rebate amounts not otherwise provided for and payment of notes in anticipation of federal or state aid if the aid is no longer forthcoming.

The total amount of a tax levy is limited by statute. However, the voters in each municipality may vote to exclude from the limitation any amounts required to pay debt service on indebtedness incurred before November 4, 1980. Local voters may also vote to exempt specific subsequent bond issues from the limitation. (See "Tax Limitations" under Tax Levies below). In addition, obligations incurred before November 4, 1980 may be constitutionally entitled to payment from taxes in excess of the statutory limit.

No provision is made for a lien on any portion of the tax levy to secure particular bonds or notes to bonds and notes generally (or judgments on bonds or notes) in priority to other claims. Provision is made, however, for borrowing to pay judgments, subject to the General Debt Limit (see Debt Limits below). Subject to the approval of the State Director of

Accounts for judgments above \$10,000, judgments may also be paid from available funds without appropriation and included in the next tax levy unless other provision is made.

*Court Proceedings.* Massachusetts cities and towns are subject to suit on their general obligation bonds and notes and courts of competent jurisdiction have power in appropriate proceedings to order payment of a judgment on bonds or notes from lawfully available funds or, if necessary, to order the city or town to take lawful action to obtain the required money, including the raising of it in the next annual tax levy, within the limits prescribed by law (see Tax Limitations, below). In exercising their discretion as to whether to enter such an order, the courts could take into account all relevant factors including the current operating needs of the city or town and the availability and adequacy of other remedies. The Massachusetts Supreme Judicial Court has stated in the past that a judgment against a municipality can be enforced by the taking and sale of the property of any inhabitant. However, there has been no judicial determination as to whether this remedy is constitutional under current due process and equal protection standards.

*Utility and Enterprise Receipts, Revolving Funds.* Massachusetts statutes also provide that certain water, gas and electric, sewer and parking meter receipts may be used only for water, gas and electric, sewer and parking and related purposes, respectively and accordingly, moneys derived from these sources may be unavailable to pay general obligation bonds and notes issued for other purposes. A city or town that accepts certain other statutory provisions may establish an enterprise fund for a utility, health care, recreational or transportation facility; under those provisions any surplus in the fund is restricted to use for capital expenditures or reduction of user charges. In addition, subject to certain limits, a city or town may annually authorize the establishment of one or more revolving funds in connection with use of certain revenues for programs that produce those revenues; interest earned on a revolving fund is treated as general fund revenue. Also, the annual allowance for depreciation of a gas and electric plant is restricted to use for plant renewals and improvements, for nuclear decommissioning costs, and costs of contractual commitments, or, with the approval of the State Department of Telecommunications and Energy, to pay debt incurred for plant reconstruction or renewals. Revenue bonds and notes issued in anticipation of them may be secured by a prior lien on specific revenues. Receipts from industrial users in connection with industrial revenue financings are also not available for general municipal purposes.

*State Distributions.* State grants and distributions may in some circumstances be unavailable to pay general obligations bonds and notes of a city or town in that the State Treasurer is empowered to deduct from such grants and distributions the amount of any debt service paid on “qualified bonds” (see Serial Bonds and Notes, under “Types of Obligations” below) and any other sums due and payable by the city or town to the Commonwealth, or certain other public entities including any unpaid assessments for costs of any public transportation authority (such as the Massachusetts Bay Transportation Authority (the “MBTA”) or a regional transit authority) of which it is a member or for costs of the Massachusetts Water Resources Authority (the “MWRA”) or the Metropolitan District Commission (the “MDC”) if the city or town is within the territory served by either of those entities, or for charges necessary to meet obligations under the Commonwealth’s Water Pollution Abatement and Drinking Water Loan Programs, including such charges imposed by another governmental unit that provides wastewater or collection treatment services or drinking water treatment and distribution services to the city or town.

If a city or town is (or is likely to be) unable to pay principal or interest on its bonds or notes when due, it is required to notify the State Commissioner of Revenue. The Commissioner shall in turn, after verifying the inability, certify the inability to the State Treasurer. The State Treasurer shall pay the due or overdue amount to the paying agent for the bonds or notes, in trust, within three days after the certification or one business day prior to the due date (whichever is later). This payment is limited, however, to the estimated amount otherwise distributable by the Commonwealth to the city or town during the remainder of the fiscal year (after the deductions mentioned in the foregoing paragraph). If for any reason any portion of the certified sum has not been paid at the end of the fiscal year, the State Treasurer shall pay it as soon as practicable in the next fiscal year to the extent of the estimated distributions for that fiscal year. The sums so paid shall be charged (with interest and administrative costs) against the distributions to the city or town.

The foregoing does not constitute a pledge of the faith and credit of the Commonwealth. The Commonwealth has not agreed to maintain existing levels of state distributions, and the direction to use estimated distributions to pay debt service may be subject to repeal by future legislation. Moreover, adoption of the annual appropriation act is often delayed beyond the beginning of the fiscal year and estimated distributions which are subject to appropriation may be unavailable to pay local debt service until they are appropriated.

*Bankruptcy.* Enforcement of a claim for payment of principal or interest on general obligation bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of other statutes, if any, hereafter enacted by the Congress or the Massachusetts legislature extending the time for payment or imposing other constraints upon

enforcement insofar as the same may be constitutionally applied. Massachusetts statutes do not presently authorize the filing of bankruptcy proceedings by its cities and towns.

### ***Ratings***

On June 9, 2009, Moody's Investors Service assigned its rating of "MIG-1" to the Notes. The Town's current uninsured long-term bond rating is "Aaa" from Moody's, "AAA" from Fitch Ratings and "AAA" from Standard & Poor's. Any explanation of the significance of any rating should be obtained from the respective rating agencies at the following addresses: Moody's Investors Service, 7 World Trade Center, 250 Greenwich Street, New York, New York 10004; Fitch Ratings, One State Street Plaza, New York, New York 10004; Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on information and materials furnished to it and on investigations, studies, and assumptions of its own. There is no assurance such a rating will continue for any given period of time or that a rating will not be revised downward or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. A downward revision or withdrawal of such a rating could have an adverse effect on the market price of the Notes, as well as any outstanding bonds.

### ***Financial Advisor***

The Town has retained Capital Markets Advisors, LLC, New York and Great Neck, New York, as Financial Advisor (the "Financial Advisor") in connection with the issuance of the Notes. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the Town to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other securities and therefore will not participate in the underwriting of the Notes.

Requests for information concerning the Town should be addressed to the Town Treasurer, Jean M. Montgomery, c/o Capital Markets Advisors, LLC, One Great Neck Road, Suite 1, Great Neck, New York 11021 (516) 487-9817.

### ***Disclosure of Material Events***

In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of certain material events with respect to the Notes pursuant to a Material Events Disclosure Certificate to be executed in connection with the delivery of the Notes.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and material events notices pursuant to Rule 15c2-12(b)(5). To date the Town has not failed, in any material respect, to meet any of its undertakings under such agreements.

**APPENDIX A**

**THE TOWN**

## THE TOWN

### *General*

The Town of Hingham, Massachusetts (the “Town”), was incorporated in 1635. It is located in Plymouth County, about 15 miles south of Boston. The Town is bordered on the north mostly by the Atlantic Ocean, but also by the Town of Hull. It is bordered on the south by the Towns of Norwell and Rockland, to the east by the Towns of Cohasset and Scituate, and on the west by the City of Weymouth. Hingham has a population of 21,978 (2008 Town estimate) and occupies a land area of 22.5 square miles. The Town is governed by an open Town Meeting, and Town affairs are administered by a three-person Board of Selectmen, and an appointed Town Administrator.

The Town’s history is reflected in its many antique houses, including “Old Ordinary” on Lincoln Street, which now houses the Hingham Historical Society Museum. Derby Academy, founded in 1784, is the oldest co-educational school in the country and Hingham’s Old Ship Church is the oldest church structure in the country in continuous use as a place of worship. Hingham has created six historic districts which will help the Town maintain its unique character in the future.

The following is a list of principal Town officials. The terms of each official will expire the first Saturday in May of their respective expiration year.

**Table 1**  
**Principal Town Officials**

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term Expires</u>
Selectman, Chairman	Laura Burns	Elected	2010
Selectman	Lawrence Bruce Rabuffo	Elected	2011
Selectman	John A. Riley	Elected	2012
Town Administrator	Kevin Paicos	Appointed	Indefinite
Treasurer/Collector	Jean M. Montgomery	Elected	2010
Finance Director/Town Accountant	Theodore C. Alexiades	Appointed	Indefinite
Town Clerk	Eileen A. McCracken	Elected	2012
Town Assessor/Appraiser	R. Lane Partridge	Appointed	Indefinite

Source: Office of the Town Administrator.

### *Municipal Services*

The Town provides general governmental services within its boundaries including police and fire protection, public education, street maintenance, recreation and a municipal golf course (the South Shore Country Club). The Massachusetts Water Resources Authority (“MWRA”) and the Town of Hull through their wastewater treatment facilities provide wastewater treatment services to approximately 30% of the households in the Town. The Hingham Municipal Light Plant, a self-supporting enterprise, provides electric power to the Town, while Aquarion Water Company, a private firm, provides water service to the Town. The Hingham Housing Authority maintains housing for elderly and handicapped residents. The Town owns and manages through its Affordable Housing Trust the Lincoln School Apartments, a sixty unit affordable housing complex. The principal services provided by Plymouth County are court facilities, a jail and house of corrections, and registry of deeds.

## ***Education***

The Town's public school facilities include three elementary schools (grades K-5), one junior high school (grades 6-8), and one senior high school (grades 9-12). The Town is in the process of expanding its school capacity through the construction of a fourth elementary school to address the anticipated capacity shortfall indicated in Table 2.

The table below shows the trend in public school enrollments for the following school years, and enrollment projections for the 2010 school year.

**Table 2**  
**Public School Enrollments**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Capacity</u>
Elementary (K-5)	1,808	1,868	1,891	1,955	1,987	1,590 <sup>(1)</sup>
Junior High (6-8)	860	877	885	898	905	880
Senior High (9-12)	<u>1,056</u>	<u>1,038</u>	<u>1,068</u>	<u>1,037</u>	<u>1,074</u>	<u>1,150</u>
Total	<u>3,724</u>	<u>3,783</u>	<u>3,844</u>	<u>3,890</u>	<u>3,966</u>	<u>3,510</u>

(1) In September 2009, the K-5 school capacity will increase to 2,140 with the opening of a fourth elementary school.

Source: Office of the Superintendent of Schools.

## ***Industry and Commerce***

Hingham is a suburb of Boston, and primarily is a residential community. The wholesale/retail trade sector employs the greatest percentage of people, followed by the service sector. The following table sets forth the Town's largest employers, exclusive of the Town itself.

**Table 3**  
**Largest Employers - 2008**

<u>Company</u>	<u>Nature of Business</u>	<u>Approximate Number of Current Employees</u>
Talbot's	Retail Clothing	1,200
Town of Hingham	Government	1,020
Blue Cross/Blue Shield	Health Care	990
Serono Laboratories	Bio-Technology	601
Linden Ponds	Health Care	450
Russ Electric	Manufacturing	300
Stop & Shop	Retail	200
Harbor House	Health Care	200
Whole Foods	Retail	185
Eat Well	Restaurant	170

Source: Town Accountant for calendar year ended December 31, 2008.

## *Unemployment*

According to data furnished by the Massachusetts Department of Employment and Training for the month ending March 31, 2009, the Town had an average labor force of 11,231, of which 6.1% were unemployed as compared to 7.8% for the State and 8.5% for the United States. The following table sets forth the Town's average labor force and unemployment rates for calendar years 2004 through 2008, and the unemployment rates for the Commonwealth of Massachusetts and the United States for the same periods.

**Table 4**  
**Unemployment Rates**

<u>Year</u>	<u>Town of Hingham</u>		<u>Massachusetts*</u>	<u>United States*</u>
	<u>Labor Force</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>	<u>Unemployment Rate</u>
2008	11,231	6.1%	7.8%	8.5%
2007	11,039	3.3	4.5	5.0
2006	10,954	3.7	5.0	4.6
2005	10,546	3.2	4.8	5.1
2004	10,149	3.9	5.2	5.5

\* Seasonally adjusted.

Source: Massachusetts Department of Employment and Training average annual rates for the month ending March 31, 2009. Hingham data is not seasonally adjusted.

## *Building Permits*

The following table sets forth the number of building permits issued and the estimated dollar value of new construction and alterations for fiscal years 2004 through 2008. The estimated dollar values are builders' estimates and are generally considered to be conservative. Permits are filed and estimated valuations are shown for both private construction and Town projects.

**Table 5**  
**Building Permits**

<u>Fiscal Year</u>	<u>Residential</u>		<u>Non-Residential</u>		<u>Totals</u>	
	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>
2008	752	\$64,635,923	307	\$65,018,772	1059	\$129,654,695
2007	682	75,809,759	263	20,778,531	945	96,588,290
2006	687	85,518,014	292	30,130,645	979	115,648,659
2005	760	74,780,951	302	116,596,153	1062	191,377,104
2004	626	50,729,984	311	20,509,704	937	71,239,688

Source: Office of the Building Commissioner.

## *Transportation and Utilities*

The principal highways serving the Town are State Routes 3, 3A and 228. Bus service within the Town and to neighboring communities is provided by the MBTA. Plymouth and Brockton Bus Lines provide direct bus service regularly to Boston. The MBTA provides commuter rail service regularly to Boston via the recently completed Greenbush line, with two stations for parking and boarding in Hingham.

The Hingham-Boston Commuter Boat, operated by private concerns, under contract with the MBTA, provides daily ferry service to Boston.

The Town is within a 40-minute driving distance of Boston’s Logan International Airport as well as to the municipal airport facilities in Norwood, Marshfield and Middleborough.

***Income Levels and Population***

The following table shows the population trends from the past four federal census reports.

**Table 6**  
**Population Trends**

<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>
18,845	20,339	19,821	19,882

Source: Federal Bureau of the Census.

The following table compares federal census figures for the Town, the Commonwealth and the United States.

**Table 7**

	<u>Hingham</u>	<u>Massachusetts</u>	<u>United States</u>
Median Age:			
2000	39.7	36.5	35.3
1990	37.6	33.6	32.9
1980	32.6	31.2	30.0
1970	27.5	29.0	28.1
Median Family Income:			
2000	\$98,598	\$61,664	\$50,046
1990	66,386	44,367	35,225
1980	30,157	21,166	19,908
1970	12,729	10,835	9,867
Per Capita Income:			
2000	\$41,703	\$25,952	\$21,587
1990	25,726	17,224	14,420
1980	9,949	7,459	7,313
1970	4,251	3,425	3,139

Source: Town Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2008.

## **PROPERTY TAXATION**

### ***Tax Levy Computation***

The principal revenue source of the Town is the tax on real and personal property. The amount to be levied in each year is the amount appropriated or required by law to be raised for municipal expenditures less estimated receipts from other sources and less appropriations voted from available funds. The total amount levied is subject to certain limits prescribed by law; for a description of those limits, see "Property Tax Limitation" below. As to the inclusion of debt service and final judgments, see "Security and Remedies" above. The estimated receipts for a fiscal year from other sources may not exceed the actual receipts during the preceding fiscal year from the same sources unless approved by the State Commissioner of Revenue. Except for special funds the use of which is otherwise provided for by law, the deduction for appropriations voted from available funds for a fiscal year cannot exceed the "free cash" as of the beginning of the prior fiscal year as certified by the State Director of Accounts plus up to nine months' collections and receipts on account of earlier years' taxes after that date. Subject to certain adjustments, free cash is surplus revenue less uncollected overdue property taxes from earlier years. Although an allowance is made in the tax levy for abatements (see "Overlay" below) no reserve is generally provided for uncollectible real property taxes. Since some of the levy is inevitably not collected, this creates a cash deficiency which may or may not be offset by other items (see "Taxation to Meet Deficits").

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The following table illustrates the details of the calculation of the tax levies for the last five fiscal years:

**Table 8**  
**Tax Levy Computation**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Total Appropriations <sup>(1)</sup>	\$62,131,259	\$65,817,382	\$70,151,695	\$73,220,523	\$78,974,730
Additions:					
State and County Assessments	1,926,836	2,211,130	2,624,281	2,735,165	2,739,980
Overlay Reserve	343,442	376,634	320,781	344,197	335,068
Other Additions	<u>672,280</u>	<u>1,282,207</u>	<u>128,412</u>	<u>90,843</u>	<u>293,581</u>
Total Additions	<u>2,942,558</u>	<u>3,869,971</u>	<u>3,073,474</u>	<u>3,170,205</u>	<u>3,368,629</u>
Gross Amount to be Raised	<u>\$65,073,817</u>	<u>\$69,687,353</u>	<u>\$73,225,169</u>	<u>\$76,390,728</u>	<u>82,343,359</u>
Deductions:					
Local Estimated Receipts:					
Local	7,816,704	7,197,355	9,144,205	10,049,742	10,352,388
Enterprise	1,764,000	1,834,111	1,845,282	1,796,758	1,802,510
Community Preservation Fund	480,000	1,060,396	1,740,200	784,500	3,153,620
State Aid <sup>(2)</sup> :					
Current Year	7,685,913	7,980,125	8,670,748	9,228,471	9,295,544
Prior Year's Overestimate	0	0	0	0	0
Available Funds <sup>(3)</sup> :					
Free Cash	1,422,916	2,716,334	1,078,400	973,771	1,936,037
Other	<u>1,716,233</u>	<u>1,128,366</u>	<u>592,960</u>	<u>884,236</u>	<u>678,704</u>
Total Deductions	<u>20,885,766</u>	<u>21,916,687</u>	<u>23,071,795</u>	<u>23,717,478</u>	<u>27,218,803</u>
Net Amount to be Raised	<u>\$44,188,051</u>	<u>\$47,770,666</u>	<u>\$50,153,374</u>	<u>\$52,673,250</u>	<u>55,124,556</u>

(1) Includes annual appropriations from taxation voted subsequent to adoption of the annual budget but prior to setting the tax rate.

(2) Estimated by the State Department of Revenue and required by law to be used in setting of the tax rate. Actual state aid payments may vary upward or downward from said estimates, and the State may withhold (generally quarterly) payments pending receipt of State and County assessments.

(3) Transfers from available funds, including "Free Cash" (see "Free Cash" herein), generally made as an offset to a particular appropriation item.

Source: Tax Rate Recapitulation – Fiscal Year 2009.

### ***Assessed Valuations and Tax Levies***

*Tax Rate and Valuation – General* Property is classified for the purpose of taxation according to its use. The legislature has in substance created three classes of taxable property: (1) residential real property, (2) open space land, and (3) all other (commercial, industrial and personal property). Within limits, cities and towns are given the option of determining the share of the annual levy to be borne by each of the three categories. Until fiscal year 2004, the share required to be borne by residential real property was at least 50 per cent of its share of the total taxable valuation; under legislation enacted in the beginning of 2004, however, cities and towns were authorized to reduce the required share to be borne by residential real property to at least 45 per cent of its share of the total taxable valuation in fiscal year 2004, 47 per cent in fiscal year 2005, 49 per cent in fiscal year 2006 and 50 per cent thereafter. The effective rate for open space must be at least 75 per cent of the effective rate for residential real property. Until fiscal year 2004, the share of commercial, industrial and personal property was limited to not more than 175 per cent of their

share of the total valuation; under legislation enacted in the beginning of 2004, however, cities and towns were authorized to increase the limit on the share of the total taxable valuation of such property to not more than 200 per cent in fiscal year 2004, 197 per cent in fiscal year 2005, 290 per cent in fiscal year 2006, 183 per cent in fiscal 2007, 175 per cent in fiscal year 2008, and, if the share of such property in a particular city or town exceeded 175 per cent in any of the fiscal years 2004 through 2007, 170 per cent in fiscal years 2009 and thereafter. A city or town may also exempt up to 20 per cent of the valuation of residential real property (where used as the taxpayer's principal residence) and up to 10 percent of the valuation of commercial real property (where occupied by certain small businesses). Property may not be classified in a city or town until the State Commissioner of Revenue certifies that all property in the city or town has been assessed at its fair cash value. Such certification must take place every three years.

Related statutes provide that certain forest land, agricultural or horticultural land (assessed at the value it has for these purposes) and recreational land (assessed on the basis of its use at a maximum of 25 percent of its fair cash value) are all to be taxed at the rate applicable to commercial property. Land classified as forest land is valued for this purpose at five percent of fair cash value but not less than ten dollars per acre.

**Table 9**  
**Trends in Assessed Valuation, Tax Rates and Levies**

<u>Fiscal Year</u>	<u>Real Estate Valuation</u>	<u>Personal Property Valuation</u>	<u>Total Assessed Valuation</u>	<u>Tax Rate Per \$1,000 Assessed Valuation</u>	<u>Gross Tax Levy</u>	<u>Tax Levy Per Capita</u>
2009	\$5,563,583,600	\$90,217,060	\$5,653,800,660	\$9.75	\$55,124,556	\$2,508
2008	5,656,112,300	69,240,920	5,725,353,220	9.20	52,673,250	2,476
2007	5,498,122,000	74,475,140	5,572,597,140	9.00	50,153,374	2,378
2006	5,127,098,600	65,365,130	5,192,463,730	9.20	47,770,666	2,289
2005	4,374,573,440	61,977,830	4,436,551,270	9.96	44,188,051	2,133
2004	3,827,885,300	69,735,540	3,897,620,840	10.68	41,626,591	2,009

Source: Tax Rate Recapitulation – Fiscal Year 2009.

The following is a breakdown of the Town's fiscal 2008 and 2009 real estate valuation by type of property.

**Table 10**  
**Real Estate Valuation**

	<u>2008</u>		<u>2009</u>	
	<u>Assessed Valuation</u>	<u>% of Total</u>	<u>Assessed Valuation</u>	<u>% of Total</u>
Residential	\$5,001,557,821	88.43%	\$4,902,896,684	88.12%
Commercial	463,240,322	8.19	473,771,299	8.52
Industrial	<u>191,314,157</u>	<u>3.38</u>	<u>186,915,617</u>	<u>3.36</u>
Total Real Estate	<u>\$5,656,112,300</u>	<u>100.00%</u>	<u>\$5,563,583,600</u>	<u>100.00%</u>

Source: Tax Rate Recapitulation – Fiscal Year 2009.

***Largest Taxpayers***

The following table is a list of the largest taxpayers in the Town based upon taxes assessed for fiscal year 2008.

**Table 11**  
**Largest Taxpayers**

<u>Name</u>	<u>Nature of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Valuation</u> <sup>(1)</sup>
CNL Retirement	Housing	\$238,482,400	4.2%
Hingham Retail Properties LLC	Mall	104,319,900	1.8
Aquarion Water Co of Mass	Utility	66,247,840	1.2
J. Jill Group	Retail	27,891,400	0.5
Perry Rockland LLC	Office Building	22,428,300	0.4
Black Rock Golf Club	Golf	21,101,200	0.4
South Shore Industrial Park	Land & Building	19,190,000	0.3
Samuel Associates Hingham LLC	Land	17,476,000	0.3
Curtio LLC	Mall	14,638,200	0.3
Avalon Shipyard LLC	Land	10,240,800	<u>0.2</u>
			9.6%

(1) Total 2008 Assessed Valuation of \$5,725,353,220

Source: Town Comprehensive Financial Report for the fiscal year ended June 30, 2008.

***State Equalized Valuation***

In order to determine appropriate relative values for the purposes of certain distributions to and assessments upon cities and towns, the Commissioner of Revenue biennially makes a determination of the fair cash value of the taxable property in each municipality as of January 1 of even-numbered years. This is known as the “equalized value”.

The following table sets forth the trend in state equalized valuations of the Town.

**Table 12**  
**State Equalized Valuation**

<u>January 1</u>	<u>State Equalized Valuation</u>
2008	\$6,190,427,500
2006	5,479,432,500
2004	4,273,602,000
2002	3,449,887,600
2000	2,588,869,000
1998	2,191,461,700

Source: Massachusetts Department of Revenue.

Local assessed valuations are determined annually as of January 1 and used for the fiscal year beginning on the next July 1. The Town’s most recent professional revaluation was completed for use in setting the 2009 fiscal year’s tax rate and levy.

## ***Overlay***

The Town is authorized by law to increase each tax levy by an amount approved as reasonable by the Commissioner of Revenue for an “overlay” to provide for tax abatements. If abatements are granted in excess of the applicable overlay reserve, the resultant “overlay deficit” is required to be added to the next tax levy. Abatements are granted where exempt real or personal property has been assessed or where taxable real or personal property has been overvalued or disproportionately valued. The assessors may also abate uncollectible personal property taxes. They may abate real and personal property taxes on broad grounds (including inability to pay) with the approval of the State Commissioner of Revenue.

The following table sets forth the amount of the overlay reserve for the last five fiscal years and actual abatements and exemptions granted during the fiscal year against each levy.

**Table 13**  
**Overlay Reserve and Abatements**

<u>Fiscal Year</u>	<u>Net Levy</u> <sup>(1)</sup>	<u>Overlay Reserve</u>		<u>Abatements Granted</u>
		<u>Dollar Amount</u>	<u>As a % of Net Levy</u>	
2008	\$54,788,488	\$335,068	0.61%	\$174,249 <sup>(2)</sup>
2008	52,329,053	344,197	0.66	283,832
2007	49,832,593	320,781	0.64	306,613
2006	47,394,032	376,634	0.79	252,062
2005	43,844,609	343,442	0.78	192,676

(1) Net of overlay.

(2) Fiscal year 2009 as of 3/31/09.

Source: Office of the Assessor/Appraiser.

## ***Tax Collections***

Property tax bills are payable quarterly on August 1, November 1, February 1, and May 1 of each fiscal year. Interest accrues on delinquent taxes currently at the rate of 14% per annum retroactive to the due date. Real property (land and buildings) is subject to a lien for the taxes assessed upon it (subject to any paramount federal lien and subject to bankruptcy and insolvency laws). If the property has not been transferred, an unenforced lien expires on the fourth December 31 after the end of the fiscal year to which the tax relates. If the property has not been transferred by the fourth December 31, an unenforced lien expires upon a later transfer of the property. Provision is made, however, for continuation of the lien where it could not be enforced because of a legal impediment. The persons against whom real or personal property taxes are assessed are personally liable for the tax (subject to bankruptcy and insolvency laws). In the case of real property, this personal liability is effectively extinguished by sale or taking of the property as described below.

The table below compares the Town's net tax collections with its net (gross tax levy less overlay reserve for abatement) tax levies for the most recent fiscal years.

**Table 14**  
**Tax Levy and Collections**

<u>Fiscal Year</u>	<u>Gross Tax Levy</u> <sup>(1)</sup>	<u>Overlay Reserve for Abatements</u>	<u>Net Tax Levy</u> <sup>(2)</sup>	<u>Collections During Fiscal Year Payable</u> <sup>(3)</sup>		<u>Collections Through March 31, 2009</u> <sup>(4)</sup>	
				<u>Dollar Amount</u>	<u>% of Net Levy</u>	<u>Dollar Amount</u>	<u>% of Net Levy</u>
2009	\$55,124,556	\$335,068	\$54,789,488	N/A	N/A	\$40,439,679	73.81%
2008	52,673,250	344,197	52,329,053	51,693,551	98.79	52,114,991	99.59
2007	50,153,374	320,781	49,832,593	49,069,892	98.47	49,593,243	99.52
2006	47,664,933	376,634	47,288,299	46,894,133	99.17	47,238,561	99.89
2005	44,188,051	343,442	43,844,609	43,442,955	99.08	43,844,609	100.00

(1) Includes Real Estate and Personal Property tax.

(2) Net after deduction of overlay reserve for abatements.

(3,4) Actual collections net of refunds. Does not include proceeds of tax titles or tax possessions attributable to each levy or other non-cash credits.

Source: Office of the Treasurer/Collector.

***Tax Titles and Possessions***

Massachusetts law permits a municipality either to sell by public sale (at which the municipality may become the purchaser) or to take real property for non-payment of taxes. In either case the property owner can redeem the property by paying the unpaid taxes, with interest and other charges, but if the right of redemption is not exercised within six months (which may be extended an additional year in the case of certain installment payments) it can be foreclosed by petition to the Land Court.

Upon such foreclosure, a tax title purchased or taken by the municipality becomes a "tax possession" and may be held and disposed of in the same manner as other land held for municipal tax titles by purchase at the public sale or by taking, at which time the tax is written off in full by reserving the amount of tax and charging surplus.

The table below sets forth the amount of tax titles and possessions outstanding at the end of the flowing years.

<u>Fiscal Year</u>	<u>Total Tax Titles and Possessions</u>
2008	\$722,746
2007	634,568
2006	649,731
2005	649,731
2004	618,368

Source: Office of Town Treasurer/Collector.

### ***Taxation to Meet Deficits***

Overlay deficits (tax abatements in excess of the overlay included in the tax levy to cover abatements) are required to be added to the next tax levy. It is generally understood that revenue deficits (those resulting from non-property tax revenues being less than anticipated) are also required to be added to the next tax levy, at least to the extent not covered by surplus revenues. Amounts lawfully expended since the prior tax levy and not included therein are also required to be included in the annual tax levy. The circumstances under which this can arise are limited since municipal departments are generally prohibited from incurring liabilities in excess of appropriations except for emergencies, mandated items, contracts in aid of housing and renewal projects and other long-term contracts. In addition, certain established salaries such as civil service must legally be paid for work actually performed, whether or not covered by appropriations.

All revenue and overlay deficits in existence at the time tax rates have been set have been provided for as required by Massachusetts law during the relevant period.

Cities and towns are authorized to appropriate sums, and thus to levy taxes, subject to any overall limits on tax levies, to cover deficits arising from other causes such as “free cash” deficits arising from a failure to collect taxes. This is not generally understood, however, and it has not been the practice to levy taxes to cover free cash deficits. Except to the extent that free cash deficits have been reduced or eliminated by subsequent collections of uncollected taxes (including sales of tax titles and tax possessions), lapsed appropriations, non-property tax revenues in excess of estimates, other miscellaneous items or funding loans authorized by special act, they remain in existence.

### ***Property Tax Limitations***

Chapter 59, Section 21C of the General Laws, commonly known as “Proposition 2 ½”, imposes two separate limits on the annual tax levy of a city or town.

The primary limitation is that the tax levy cannot exceed 2½ percent of the full and fair cash value. If a city or town exceeds the primary limitation, it must reduce its tax levy by at least 15 percent annually until it is in compliance, provided that the reduction can be reduced in any year to not less than 7½ percent by majority vote of the voter, or to less than 7½ percent by majority vote of the voters, or to less than 7½ percent by two-thirds vote of the voters.

For cities and towns at or below the primary limit, a 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 2½ percent, subject to exceptions for property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year’s valuation.

This “growth” limit on the tax levy may be exceeded in any year by a majority vote of the voters, but an increase in the secondary or growth limit under this procedure does not permit a tax levy in excess of the primary limitation, since the two limitations apply independently.

The applicable tax limits may also be reduced in any year by a majority vote of the voters.

The State Commissioner of Revenue may adjust any tax limit “to counterbalance the effects of extraordinary, non-recurring events which occurred during the base year”.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy (a) the amount required to pay debt service on bonds and notes issued before November 4, 1980, if the exclusion is approved by a majority vote of the voter, and (b) the amount required to pay debt service on any specific subsequent issue for which similar approval is obtained. Even with voter approval, the holders of the obligations for which unlimited taxes may be

assessed do not have a statutory priority or security interest in the portion of the tax levy attributable to such obligations.

Voters may also exclude from the Proposition 2½ limits the amount required to pay specified capital outlay expenditures. In addition, the city council of a city, with the approval of the mayor if required, or the board of selectmen of the town council of a town may vote to exclude from Proposition 2½ limits taxes raised in lieu of sewer or water charges to pay debt service on bonds or notes issued by the municipality (or by an independent authority, commission or district) for water sewer purposes, provided that the municipality’s sewer or water charges are reduced accordingly.

In addition, the statute limits the annual increase in the total assessments on cities and towns by any county, district, authority, the Commonwealth or any other governmental entity (except regional school districts, the MWRA and certain districts for which special legislation provides otherwise) to the sum of (a) 2½ percent of the prior year’s assessments and (b) “any increases in costs, charges or fees for services customarily provided locally or for services subscribed to at local option”. Regional water districts, regional sewerage districts and regional veteran districts may exceed these limitations under statutory procedures requiring a two-thirds vote of the district’s governing body and either approval of the local appropriating authorities (by two-thirds vote in districts with more than two members or by majority vote in two-member districts) or approval of the registered voters in a local election (in the case of two-member districts). Under the statute any State law to take effect on or after January 1, 1981 imposing a direct service or cost obligation on a city or town will become effective only if accepted or voluntarily funded by the city or town or if State funding is provided. Similarly, State rules or regulations imposing additional costs on a city or town or laws granting or increasing local tax exemptions are to take effect only if adequate State appropriations are provided. These statutory provisions do not apply to costs resulting from judicial decisions.

The following table sets forth the Town’s tax levies and levy limits under Proposition 2 ½ for the last five fiscal years:

**Table 15**  
**Levy Limits and Tax Levies**

<u>Fiscal Year</u>	<u>Local Assessed Valuation</u>	<u>Primary Levy limit</u>	<u>Secondary Levy Limit</u>	<u>Actual Tax Levy</u>	<u>Excess Secondary Limit</u>
2009	\$5,653,800,660	\$141,345,017	\$55,227,926	\$55,124,556	\$103,370
2008	5,725,353,220	143,133,831	52,756,237	52,673,249	82,988
2007	5,572,597,140	139,314,929	50,254,813	50,153,374	101,439
2006	5,192,463,730	129,811,593	47,909,524	47,770,666	138,858
2005	4,436,551,270	110,913,782	44,416,176	44,188,051	228,125

Source: Office of the Town Assessor/Appraiser.

***Initiative Petitions***

The Massachusetts Constitution provides a procedure for the filing of petitions, signed by the requisite number of registered voters, to place on the ballot for State elections questions for the enactment of statutes by the voters. Legislation enacted by the voters may subsequently be amended or repealed by the legislative process.

## ***Education Reform***

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulae affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and other factors. For fiscal years 2006, 2007, 2008 and 2009 the Town met, and for fiscal 2010 expects to meet, the minimum required local contribution.

## **TOWN FINANCES**

### ***Budget and Appropriations Process***

The annual appropriations of the Town are ordinarily made at the Annual Town Meeting which takes place in April. Appropriations may also be voted at special meetings. The Town has an Advisory Committee which submits reports and recommendations on proposed expenditures at town meetings.

The school budget is limited to the total amount appropriated by the Town Meeting, but the school committee retains full power to allocate the funds appropriated, subject to the requirements of the Education Reform Act.

The Town Meeting does not vote general operating appropriations for the Hingham Municipal Lighting Plant, but rather authorizes this self-supporting enterprise to make expenditures from receipts. The expenditures are made under the direction of the Hingham Municipal Light Board. (See "Hingham Municipal Light Plant" herein)

State and county assessments, abatements in excess of overlays, principal and interest not otherwise provided for and final judgments are included in the tax levy whether or not included in the budget. Revenues are not required to be set forth in the budget but estimated non-tax revenues are taken into account by the assessors in fixing the tax levy. (See Property Tax above.)

The following table sets forth the trend in operating budgets for fiscal years 2006 through 2010, as voted at Town Meeting. The budgets reflect neither revenues nor state and county assessments and other mandatory items. Also not reflected are expenditures authorized for non-recurring (generally capital) purposes under special warrant articles or transfers occurring subsequent to the Annual Town Meeting.

**Table 16**  
**Budget Comparison**

<u>Appropriations by Department/Category</u>	<u>Fiscal 2006</u>	<u>Fiscal 2007</u>	<u>Fiscal 2008</u>	<u>Fiscal 2009</u>	<u>Fiscal 2010</u>
General Government	\$3,044,481	\$3,626,281	\$3,696,855	\$3,597,544	\$3,858,971
Public Safety	9,339,059	9,832,079	9,921,981	10,709,409	10,132,515
Health and Human Services	673,795	699,825	712,241	779,956	786,469
Public Works	5,559,732	6,121,648	7,187,798	6,655,758	6,404,455
Schools	30,683,851	31,964,897	34,033,844	35,686,037	35,519,391
Culture and Recreation	1,448,454	1,625,817	1,652,570	1,637,859	1,473,238
Unclassified	425,297	583,226	449,899	414,899	370,750
Country Club (Enterprise Fund)	1,434,111	1,445,282	1,796,758	1,802,510	1,811,001
Debt Service	<u>5,235,783</u>	<u>5,112,727</u>	<u>5,045,697</u>	<u>5,165,320</u>	<u>7,956,755</u>
Total	<u>\$57,844,563</u>	<u>\$61,011,782</u>	<u>\$64,497,643</u>	<u>\$66,449,292</u>	<u>\$68,313,545</u>

Source: Adopted Budgets of the Town.

## ***Revenues***

Property Taxes: Property taxes are the major source of revenue for the Town. The total amount levied is subject to certain limits prescribed by law, for a description of those limits see “PROPERTY TAXATION – Property Tax Limitation” herein. In fiscal 2008, property taxes totaled \$53,420,711 or 69% percent of General Fund Revenues.

State Aid: The Town’s state aid entitlement is based upon a number of different formulas, and while said formulas might indicate that a particular amount of state aid is owed, the amount of state aid actually paid is limited to the amount appropriated by the state legislature. The state annually estimates state aid but actual payments may vary from the estimate. In fiscal 2008, distributions from the state to the Town’s general fund totaled \$9,234,260 or 12.91% percent of General Fund Revenues. The Town anticipates distributions from the state of \$9,055,788 in fiscal 2009.

State legislation known as the Education Reform Act of 1993, as amended, imposes certain minimum expenditure requirements on municipalities with respect to funding for education and related programs, and may affect the level of state aid to be received for education. The requirements are determined on the basis of formulas affected by various measures of wealth and income, enrollments, prior levels of local spending and state aid, and for other factors. The Town has appropriated at least the minimum expenditure requirement imposed by the Act.

Motor Vehicle and Boat Excise: An excise is imposed on the registration of motor vehicles (subject to exemptions) at a rate of \$25 per \$1,000 of valuation and \$10 per \$1000 of valuation for boats. Valuations are determined by a statutory formula based on manufacture’s list price and year of manufacture. Bills not paid when due bear interest at 12 per cent per annum. Provisions are also made for non-renewal of license and registration by the registrar of motor vehicles for delinquent motor vehicle bills. In fiscal 2008, motor vehicle and boat excise totaled \$3,893,514 or 5.00% of General Fund Revenues.

Sewer Rates and Service: The MWRA provides wholesale sewer services to the Town. Sewer users are charged a base \$150.00 per year or an amount based on actual water consumption, whichever is greater. In fiscal year 2008 the sewer use fee was \$7.60 per 100 cubic feet of water used in the North Sewer District and \$7.50 per 100 cubic feet of water used in the Weir River Sewer District. Activities of the Sewer Department are accounted for in a Special Revenue Fund. Sewer user charges were \$1,903,296 in fiscal year 2008 and expenditures were \$1,907,047.

Electric Rates and Service: The Town operates the Hingham Municipal Lighting Plant which is accounted for in an enterprise fund. The Light Plan is completely self-supporting, including payments for pensions and depreciation. (See “Hingham Municipal Light Plant”). During calendar year 2008, the Light Plant paid \$647,750 to the Town in lieu of real estate taxes, an amount determined by a formula designed to measure the payment the Light Plant would owe to the Town in real and personal property taxes if it were a taxable entity. (See “Hingham Municipal Light Plant”).

Country Club: The Town owns and operates the South Shore Country Club which is accounted for as an enterprise or proprietary fund. The Club is entirely self-supporting. The amount of the debt service payment in 2008 was \$203,650. The Club also paid interest on short term debt of \$31,700 for a newly installed irrigation system. In fiscal year 2008, Club revenues were \$1,673,522 and Club expenditures were \$1,635,455.

## ***Investments***

Investments of funds of cities and towns, except for trust funds, are generally restricted by Massachusetts General Laws Chapter 44, Section 55. The statute permits the investment of available revenue funds and bond and note proceeds in term deposits and certificates of deposits of banks and trust companies, in obligations issued or unconditionally guaranteed by the federal government or an agency thereof with a maturity of not more than one year, in repurchase agreements with a maturity of not more than 90 days secured by federal or federal agency securities, in participation units in the Massachusetts Municipal Depository Trust (“MMDT”) or in shares in SEC-registered money market funds with the highest possible rating from at least one nationally recognized rating organization.

MMDT is an investment pool created by the Commonwealth under the supervision of the State Treasurer’s office. According to the State Treasurer the Trust’s Cash Portfolio investment policy is designated to maintain an average weighted maturity of 90 days or less and is limited to high-quality, readily marketable fixed income instruments, including U.S. Government obligations and highly-rated corporate securities with maturities of one year or less. The Trust’s Short Term Bond Fund provides for the management of longer term operating cash and provides an investment option that includes investment-grade fixed income securities.

Trust funds, unless otherwise provided by the donor, may be invested in accordance with Section 54 of Chapter 44, which permits a broader range of investments than Section 55, including any bonds or notes that are legal investments for savings banks in the Commonwealth. The restrictions imposed by Sections 54 and 55 do not apply to city and town retirement systems.

## ***Summary of Significant Accounting Policies***

A copy of the Town’s most recent audited financial statement is available upon request from the Town. The Town’s Audited Financial Statement for the fiscal year ending June 30, 2008 reflected that the Town is in compliance with GASB 34.

## ***Annual Audits***

The Town’s accounts are independently audited by the firm of O’Connor & Drew, P.C., Certified Public Accountants. Copies of prior audits are available upon request from the Town.

## ***Financial Statements***

Copies of the Town’s Combined Balance Sheets for fiscal years 2004-2008 are attached hereto as Appendix B. A Comparative Statement of Revenues, Expenditures and Changes in Fund Balance for fiscal years 2004-2008 is also attached hereto in Appendix B. This information has been extracted from the Town’s prior annual audits.

## ***Undesignated Fund Balance and Free Cash***

Under Massachusetts law an amount known as “free cash” is certified at of the beginning of each fiscal year by the State Bureau of Accounts and this, together with certain subsequent tax receipts, is used as the basis for subsequent appropriations from available funds, which are not required to be included in the annual tax levy. Subject to certain adjustments, free cash is surplus revenue less uncollected and overdue property taxes from prior years.

The following table sets forth the certified free cash for the most recent fiscal years:

**Table 17**  
**Free Cash**

<u>July 1,</u>	<u>Free Cash</u>
2008	\$4,072,214
2007	5,002,112
2006	5,918,645
2005	3,144,281
2004	3,983,192

Source: Office of the Town Accountant.

### ***Teachers' Salary Deferral***

Legislation enacted in 1991 authorizes cities, towns and school districts to defer the recognition of expenditures made for teachers' salaries for the months of July and August from the fiscal year ending the previous June 30 into the next fiscal year. Generally Accepted Accounting Principles (GAAP) as well as the Uniform Municipal Accounting System (UMAS) employed in most Massachusetts municipalities recognize such expenditures when services are rendered. Thus, salaries paid for July and August are recognized when services are rendered during the prior fiscal year. By deferring recognition of salaries in this way, a municipality creates in its financial statements available revenue which may be appropriated for general operating purposes. The law requires that municipalities which elect the deferral must repay the deferral beginning no later than fiscal 1997 and over a period of no more than fifteen years.

The Town has elected not to utilize the deferral.

## **HINGHAM MUNICIPAL LIGHT PLANT**

The Hingham Municipal Light Plant ("Light Plant") has provided continuous electric service to the Town since 1894. It is authorized to operate under provisions of Chapter 164 of the Massachusetts General Laws and certain rules and regulations set forth by the Massachusetts Department of Telecommunications and Energy. An independent elected Board consisting of three Hingham citizens has the responsibility and authority to maintain and operate the Light Plant. The Board appoints a manager who, under the direct control of the Board, and subject to Massachusetts General Laws, Chapter 164, has full charge of the operation and management of the Light Plant. Bonds issued for electric system improvements are to be paid from operating revenues of the Light Plant.

The Light Plant is completely self-supporting, including accounts for depreciation and pensions. According to Chapter 164, Section 58 of the Massachusetts General Laws, electric rates charged by the Light Plant must be set such that the resulting net earnings, less certain other provisions, do not exceed 8% of the cost of the Light Plant. Excess revenues are required to be refunded to customers.

The Light Plant has transmission and distribution facilities only. The following table sets forth the Light Plant's revenues, expenses, net income, and changes in net assets for calendar years 2004, 2005, 2006 and 2007 and are reported according to the provisions of Governmental Accounting Standards Board Statements No. 34. The 2008 Light Plant audit is not yet available. Copies of the Light Plant's most recent audit are available from the town accountant's office or the on the light company's website: [www.hmlp.com](http://www.hmlp.com).

**Table 18**  
**Hingham Municipal Light Plant**  
**Unappropriated Surplus/Net Assets**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Beginning Net Assets	<u>\$22,342,155</u>	<u>\$23,311,952</u>	<u>\$28,460,712</u>	<u>\$28,885,761</u>
Operating Revenues	18,636,458	21,461,267	23,699,133	26,367,251
Operating Expenses	<u>17,382,648</u>	<u>20,936,769</u>	<u>22,997,288</u>	<u>25,789,796</u>
Operating Income	1,253,810	524,498	701,845	577,455
Non-Operating Revenues (Expenses)	<u>(9,414)</u>	<u>183,576</u>	<u>264,020</u>	<u>330,966</u>
Income Before Contributions	1,244,396	708,074	965,865	908,421
Transfers	245,376	4,892,160	(66,768)	(986,441)
Cash Received for Claims and Judgments	0	0	0	0
In Lieu of Taxes	<u>(519,975)</u>	<u>(451,474)</u>	<u>(474,048)</u>	<u>(647,750)</u>
Prior Period Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Net Assets	<u>\$23,311,952</u>	<u>\$28,460,712</u>	<u>\$28,885,761</u>	<u>\$28,159,991</u>

Source: Hingham Municipal Light Plant.

## **INDEBTEDNESS**

### ***Authorization Procedure and Limitations***

Serial bonds and notes are authorized on behalf of the Town by a two-thirds vote at a Town Meeting. Borrowings for certain purposes require state emergency finance board administrative approval. Temporary loans in anticipation of current revenues and certain state and county reimbursements generally may be incurred by the Treasurer with the approval of the Selectmen.

The general debt limit of the Town consists of a normal debt limit and a double debt limit. The normal debt limit is 5% of the valuation of taxable property as last equalized by the State Department of Revenue. The Town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the double debt limit) with the approval of the State's Municipal Finance Oversight Board.

There are many categories of general obligation debt which are exempt from and do not count against the general debt limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds and sewer bonds, and subject to special debt limits, bonds for water (limited to 10% of equalized valuation), housing, urban renewal and economic development (limited to 5½%), and electric and gas (subject to a separate limit equal to the general debt limit, including the same doubling provision). Industrial revenue bonds, electric revenue bonds, and water pollution abatement revenue bonds are not subject to these debt limits. The general debt limit and water debt limit apply at the time the debt is authorized.

## ***Types of Obligations***

**General Obligations.** Massachusetts cities and towns are authorized to issue general obligation indebtedness of these types:

**Serial Bonds and Notes.** Serial bonds and notes are generally required to be payable in equal or diminishing annual principal amounts beginning no later than the end of the fiscal year following the date of issue and ending within the terms permitted by law. Level debt service is permitted for bonds or notes issued for certain purposes, including self-supporting enterprise purposes and certain State-aided school projects, and for those projects for which debt service has been exempted from property tax limitations.

Bonds may be made callable and redeemed prior to their maturity, and a redemption premium may be paid. Refunding bonds or notes may be issued subject to the maximum term measured from the date of the original bonds or notes. Serial bonds may be issued as “qualified bonds” with the approval of the State’s Municipal Finance Oversight Board, subject to such conditions and limitations (including restrictions on future indebtedness) as may be required by the Board. The State Treasurer is required to pay the debt service on qualified bonds and thereafter to withhold the amount of the debt service from state aid or other state payments. Administrative costs and any loss of interest income to the State are to be assessed upon the city or town.

**Bond Anticipation Notes.** Bond anticipation notes must mature within two years, but may be refunded from time to time up to five years from their original date of issuance, provided that (except for notes issued for certain school projects) for each year that the notes are refunded beyond the second year they must be paid in part from revenue funds in an amount at least equal to the minimum annual payment that would have been required if the notes had been issued at the end of the second year. The maximum term of a like amount of the anticipated bonds is measured from the date of original issue of the notes.

**Revenue Anticipation Notes.** Revenue anticipation notes are issued in anticipation of taxes and other revenues. They must mature within one year but, if payable in less than one year, may, under the statute be refunded from time to time up to one year from the original date of issue. The Town has not issued revenue anticipation notes during the past seven fiscal years and does not anticipate any issuance during the current fiscal year.

**Grant Anticipation Notes.** These are issued for temporary financing in anticipation of federal, state and county reimbursements. Generally they must mature within two years but may be refunded from time to time as long as the municipality remains entitled to the grant or reimbursement.

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## ***Long-Term Debt***

The following table summarizes the Town's long-term debt outstanding as of June 2, 2009.

**Table 19**  
**Direct Debt Summary**

General Obligation Bonds:	
Sewer <sup>(1)</sup>	\$4,372,172
Golf Course <sup>(2)</sup>	1,465,000
Civic Center (Town Hall)	2,220,000
School <sup>(3)</sup>	25,350,000
Library	1,600,000
General	<u>3,450,000</u>
<b>Total Direct Debt</b>	<b><u>\$38,457,172</u></b>

- (1) Only a portion of this is subject to the debt limit. Includes loans from the Massachusetts Water Pollution Abatement Trust.
- (2) Subject to the debt limit. Paid from Golf Revenue.
- (3) Not subject to the debt limit. Principal and interest will be reimbursed by the State at the rate of 61% over the life of outstanding school bonds. Grant payments are subject to annual appropriation by the State legislature. The debt service on the school bonds outstanding has been exempted from the limits of Proposition 2 ½.

## ***Short-Term Debt***

The Town currently has the following bond anticipation notes outstanding:

<u>Title</u>	<u>Issue Date</u>	<u>Maturity Date</u>
\$6,100,000 General Obligation Bond Anticipation Notes, 2008	6/18/08	6/18/09
\$22,937,467 General Obligation Bond Anticipation Notes, 2008 Series B	11/25/08	11/25/09
\$6,700,000 General Obligation Bond Anticipation Notes, 2008 Series C	12/23/08	12/23/09

## ***Debt Ratios***

The following table sets forth the ratio of debt to assessed valuation and per capita debt ratios at the end of the five most recent fiscal years. The table considers the principal amount of general obligation bonds of the Town only. The table does not deduct anticipated state grant payments applicable to the principal amount of outstanding bonds or debt that may be supported in whole, or part, by non-tax revenues. (See "Direct Debt Summary".)

**Table 20**  
**Debt Ratios**

<u>June 30</u>	<u>Population</u>	<u>General Obligation Bonds Outstanding (000's)</u>	<u>Assessed Valuation (000's)</u>	<u>Per Capita Debt</u>	<u>Debt as a % of Assessed Valuation</u>
2008	21,978	\$38,457	\$5,563,801	\$1,750	0.68%
2008	21,275	40,744	5,725,353	1,962	0.72
2007	21,095	38,726	5,572,597	1,836	0.69
2006	21,095	42,282	5,192,464	2,004	0.81
2005	20,872	45,339	4,436,551	2,172	1.02

### *Debt Service Requirements*

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the Town.

**Table 21**  
**Long-Term Debt Service Requirements**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2010	\$ 3,292,601	\$ 1,761,745	\$ 5,054,346
2011	3,298,829	1,610,624	4,909,453
2012	3,279,462	1,473,525	4,752,987
2013	3,035,183	1,374,470	4,409,653
2014	3,136,370	1,191,005	4,327,374
2015	3,135,065	1,037,796	4,172,861
2016	3,151,447	884,086	4,035,533
2017	3,167,937	728,073	3,896,010
2018	3,179,436	575,786	3,755,222
2019	3,001,142	433,680	3,434,822
2020	2,405,922	308,766	2,714,688
2021	2,406,345	189,093	2,595,438
2022	436,776	71,962	508,738
2023	297,216	53,191	350,407
2024	302,664	41,642	344,306
2025	308,122	29,884	338,006
2026	308,589	18,017	326,606
2027	<u>314,066</u>	<u>6,041</u>	<u>320,107</u>
	\$38,457,172	\$11,789,387	\$50,246,558

(1) As of June 2, 2009.

Source: Town Treasurer

*(The balance of this page was intentionally left blank.)*

***Principal Payments by Purpose***

The following table sets forth the principal payments by purpose for the Town's outstanding debt.

**Table 22**  
**Projected Principal Payments by Purpose**  
**(as of June 2, 2009)**

	<u>Sewer<sup>(1)</sup></u>	<u>Civic Center</u>	<u>School<sup>(2)</sup></u>	<u>Golf Course<sup>(3)</sup></u>	<u>Library</u>	<u>General</u>	<u>Total Principal</u>
2010	\$362,601	\$250,000	\$2,150,000	\$125,000	\$150,000	\$255,000	\$3,292,601
2011	373,829	250,000	2,150,000	125,000	150,000	250,000	3,298,829
2012	359,462	250,000	2,145,000	130,000	150,000	245,000	3,279,462
2013	230,183	230,000	2,145,000	135,000	115,000	180,000	3,035,183
2014	321,370	230,000	2,145,000	145,000	115,000	180,000	3,136,370
2015	315,065	230,000	2,145,000	150,000	115,000	180,000	3,135,065
2016	326,447	230,000	2,145,000	155,000	115,000	180,000	3,151,447
2017	337,937	230,000	2,145,000	160,000	115,000	180,000	3,167,937
2018	344,436	230,000	2,145,000	165,000	115,000	180,000	3,179,436
2019	356,142	30,000	2,145,000	175,000	115,000	180,000	3,001,142
2020	135,922	30,000	1,945,000		115,000	180,000	2,405,922
2021	136,345	30,000	1,945,000		115,000	180,000	2,406,345
2022	141,776				115,000	180,000	436,776
2023	117,216					180,000	297,216
2024	122,664					180,000	302,664
2025	128,122					180,000	308,122
2026	128,589					180,000	308,589
2027	134,066					180,000	314,066
<b>Total</b>	<b>\$4,372,172</b>	<b>\$2,220,000</b>	<b>\$25,350,000</b>	<b>\$1,465,000</b>	<b>\$1,600,000</b>	<b>\$3,450,000</b>	<b>\$38,457,172</b>

- (1) The Town anticipates that \$4,004,738 of the total sewer debt service will be paid from departmental revenues.
- (2) Principal and interest will be reimbursed by the State at the rate of 61% over the life of outstanding school bonds. Grant payments are subject to annual appropriation of the State Legislature.
- (3) Golf course debt service will be paid from golf club revenues.

Source: Treasurer

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## ***Overlapping Debt***

The Town of Hingham is located in Plymouth County and is a member of the Massachusetts Water Resources Authority and the Massachusetts Bay Transportation Authority.

The following table sets forth the outstanding bonded debt, exclusive of temporary loans in anticipation of bonds or current revenue, of each of the overlapping entities, the Town's estimated gross share of such debt, and the fiscal 2008 assessment payable by the Town.

**Table 23**  
**Overlapping Debt**

<u>Overlapping Entity</u>	<u>Outstanding Debt</u>	<u>Hingham's Estimated Share</u> <sup>(1)</sup>	<u>Fiscal 2008 Assessment</u> <sup>(2)</sup>
Plymouth County <sup>(3)</sup>	\$ 0	n/a	\$ 86,756
Massachusetts Water Resource Authority <sup>(4)</sup>	3,718,957,000	0.361%	1,323,016
Massachusetts Bay Transportation Authority <sup>(5)</sup>	n/a	n/a	433,009

(1) Estimated share based upon operating expenses.

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

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

(4) Source: Massachusetts Water Resources Authority ("MWRA"). Sewer debt only as of June 30, 2008. The MWRA provides water and sewer services to its member towns. Hingham is not a member of the MWRA water division as Hingham receives water from a private company.

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

*(The remainder of this page has been left blank intentionally.)*

***Authorized Unissued Debt***

The following table sets forth the authorized unissued debt of the Town:

**Table 24**  
**Authorized Unissued Debt**  
**(As of June 2, 2009)**

<u>Authorization</u>	<u>Amount</u>	<u>Purpose</u>	<u>Amount Issued</u>	<u>Amount</u>
<u>Date</u>	<u>Authorized</u>		<u>to Date</u>	<u>Authorized</u>
				<u>but Unissued</u>
4/25/95	\$5,320,000	Junior High School Building Renovations	\$5,318,927	\$1,073
4/27/98	750,000	Sewer Construction	710,000	40,000
4/27/98	113,100	Sewer- MWRA	30,000	83,100
4/25/00	124,100	Sewer- MWRA	0	124,100
4/22/02	980,000	Sewer Repair- Route 3A	180,000	800,000
4/28/03	500,000	Sewer I & I Removal	281,150	218,850
4/29/03	2,300,000	Sewer Construction – Weir River	1,680,200	619,800
4/26/04	75,000	Sewer Construction	0	75,000
4/23/07	255,000	School Buildings	0	255,000
3/03/08	25,160,000	New Elementary School	17,400,000	7,760,000
3/03/08	7,700,000	Foster PRS; Modulars	700,000	7,000,000 <sup>(1)</sup>
10/27/08	7,000,000	Lincoln School Apartments Acquisition	6,700,000	300,000
4/27/09	125,000	Sewer Construction – Lower Central	0	125,000
4/27/09	<u>150,000</u>	Sewer Construction – Thaxter/Kents	<u>0</u>	<u>150,000</u>
<b>Total</b>	<b><u>\$50,552,200</u></b>		<b><u>\$33,000,277</u></b>	<b><u>\$17,551,923</u></b>

(1) A portion of the Notes in the amount of \$7,000,000 is being issued pursuant to this purpose.

Source: Treasurer

***Contractual Obligations***

Municipal contracts are generally limited to currently available appropriations. A city or town generally has authority to enter into contracts for the exercise of any of its corporate powers for any period of time deemed to serve its best interest, but generally only when funds are available for the first fiscal year; obligations for succeeding fiscal years generally are expressly subject to availability and appropriation of funds. Specific authority remains in relatively few cases for long-term contractual obligations that are not subject to annual appropriation, including contracts for refuse disposal and sewage treatment and disposal. Municipalities may also enter into long-term contracts in aid of housing and renewal projects. There is implied authority to make other long-term contracts required to carry out authorized municipal functions, such as contracts to purchase water from private water companies. Municipal contracts relating to solid waste disposal facilities may contain provisions requiring the delivery of minimum amounts of waste and payments based thereon and requiring payments in certain circumstances without regard to the operational status of the facilities.

Municipal electric departments have statutory power to enter into long-term contracts for joint ownership and operation of generating and transmission facilities and for the purchase or sale of capacity, including contracts requiring payments without regard to the operational status of the facilities.

Pursuant to the Home Rule Amendment to the Massachusetts Constitution, cities and towns may also be empowered to make other contracts and leases.

The Town of Hingham has a limited number of contractual obligations, other than those of the Light Plant as described herein, all of which are subject to annual appropriation.

## **RETIREMENT PLAN**

The Massachusetts General Laws (Chapter 32, Sections 1-28) provide for the establishment of contributory retirement systems for state employees, for teachers and for county, city and town employees other than teachers. Teachers are assigned to the separate statewide teachers' system and not to the city and town systems. For all employees other than teachers, this law is subject to acceptance in each city and town. Substantially all employees of an accepting city or town are covered. If a town has a population of less than 10,000 when it accepts the statute, its non-teacher employees participate through the county system and its share of the county cost is proportionate to the aggregate annual rate of regular compensation of its covered employees. In addition to the contributory systems, cities and towns provide non-contributory pensions to a limited number of employees, primarily persons who entered service prior to July 1, 1937 and their dependents. Under the contributory pension law, the obligations of a city or town, whether direct or through a county system, are contractual legal obligations and are required to be included in the annual tax levy.

The Town has established the Hingham Contributory Retirement System. The funding status of the Town's Retirement System is reflected in the Town's Annual Audited Financial Statement.

The amount required to pay the pensions over and above employee contributions and investment income was originally provided on an essentially pay-as-you-go basis but legislation enacted since 1981 has provided for substantial changes in the funding of both State and local retirement systems.

In 1983 legislation was enacted establishing the Pension Reserves Investment Trust ("PRIT") Fund to receive and manage funds to offset future pension costs of state and certain local systems to the extent of their participation in the assets of the PRIT Fund. The law now provides that annual appropriations by the Commonwealth for unfunded pension liabilities will be deposited in the PRIT Fund as of December 31. The law calls for annual State appropriations amounting to at least 1.3 percent of State payroll.

"Excess earnings," or earnings on individual employees' retirement accounts in excess of a predetermined rate are set aside for future, not current, pension liabilities. (Under prior law, local systems had been allowed to use excess earnings to reduce their annual appropriations for benefits paid to retirees.) Each system not joining PRIT is required to establish a pension reserve fund to receive excess earnings. Cities and towns may voluntarily appropriate to the pension reserve fund in any given year up to five percent of the preceding year's tax levy. The aggregate amount in the fund may not exceed ten percent of the equalized valuation of the city or town.

In addition to pension benefits, cities and towns may provide retired employees with payments for a portion of their health care and life insurance benefits. These benefit payments are generally provided on a pay-as-you-go basis.

The Town’s annual contributions to the retirement system as of June 30 for the most recent fiscal years are as follows:

**Table 25**  
**Retirement System Contributions**

<u>Fiscal Year</u>	<u>Contributing</u> <sup>(1)</sup>	<u>Non-Contributing</u> <sup>(2)</sup>
2008	\$3,006,358	\$14,603
2007	2,936,570	31,250
2006	2,829,948	36,000
2005	2,554,985	36,000
2004	2,458,299	36,000

The foregoing data does not include the retirement system costs or liability attributable to employees of the county or the retirement system costs or liabilities of any other entity of which the Town is a constituent part.

- (1) Includes Municipal Light Department which is paid from electric revenues.  
Does not include the Hingham Housing Authority.
- (2) Fiscal Year appropriation

Source: Hingham Contributory Retirement Board

***Other Post-Employment Benefits***

In addition to pension benefits, cities and towns may provide retired employees with health care and life insurance benefits. The portion of the cost of such benefits paid by cities and towns is generally provided on a pay-as-you-go basis.

The Governmental Accounting Standards Board (“GASB”) recently promulgated its Statement Nos. 43 and 45, which will for the first time require public sector entities to report the future costs of these non-pension, post-employment benefits in their financial statements. These new accounting standards do not require pre-funding such benefits, but the basis applied by the standards for measurement of costs and liabilities for these benefits is conservative if they continue to be funded on a pay-as-you-go basis and will result in larger yearly cost and liability accruals than if such benefits were pre-funded in a trust fund in the same manner as traditional pension benefits

The Town was required to implement the new GASB reporting requirements for other post-employment benefits beginning in fiscal year 2008. The Town hired Buck Consultants, An ACS Company (“Buck”) to prepare a Post Retirement Benefits Analysis for the Town in connection with GASB 45. In February 2007, Buck provided the Town with an actuarial valuation of the Town’s post retirement benefits program as of July 1, 2006 in compliance with GASB 45. According to the report, the Town’s unfunded actuarial liability as of July 1, 2006 was \$67,942,681.

The Town of Hingham sought and has been authorized by the Massachusetts Senate and House of Representatives to establish a fund for the purpose of pre-funding this benefit liability per Chapter 126 of the 2002 Legislative Acts. In fiscal year 2009 the Town has approved funding \$300,000 of its annual required contribution with the balance reflected as a current liability on the financial statement.

## **EMPLOYEE RELATIONS**

The Town of Hingham employs approximately 1,400 full-time and part-time workers, 895 of whom are employed by the school department, 58 by the police department, 55 by the fire department and the remainder by various other town departments. Town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. Approximately 520 Town employees are represented by unions, including 311 teachers and school administrators, 107 police and fire department employees, and 40 school bus drivers and custodians, 29 highway and DPW employees and 26 librarians.

**Table 26**  
**Employees**

<u>Organization</u>	<u>Contract Expiration Date</u>
Library- Service Employees International Union, Local 888	6/30/10
Fire- International Association of Fire Fighters, Local 2398	6/30/10
DPW- International Brotherhood of Teamsters, Local 25	6/30/10
Police- New England Police Benevolent Association, Local 70	6/30/10
Superior- Hingham Superior Officers Union	6/30/10
Dispatch- International Brotherhood of Teamsters, Local 25	6/30/10
Hingham Public School Janitors' and Bus Drivers' Association	6/30/10
Hingham Administrators Association Affiliated with Massachusetts Association of Professional School Administrators	6/30/10
Hingham Education Association (Teachers)	7/31/10
Hingham Education Association Paraprofessional Unit	6/30/10
Massachusetts Laborers' District Council in Behalf of Local 1139 of the Laborers' International Union, AFL-CIO covering Cafeteria Managers, Assistant Managers and Food Service Technicians	6/30/10

Source: Town Human Resources Department

## **LITIGATION**

At present there are several cases pending in various courts throughout the Commonwealth where the Town is a defendant. In the opinion of Town Counsel, none of the pending litigation is likely to result, either individually or in the aggregate, in final judgments against the Town that would materially affect its financial position.

## **ADDITIONAL INFORMATION**

Additional information may be obtained from the Town's Financial Advisor, Capital Markets Advisors, LLC, One Great Neck Road, Suite 1, Great Neck, New York 11021, (516) 487-9817.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Town and the original purchasers or holders of any of the Notes.

This Official Statement has been prepared only in connection with the sale of the Notes by the Town and may not be reproduced or used in whole or in part for any other purpose.

**TOWN OF HINGHAM,  
MASSACHUSETTS**

By: /s/ Jean M. Montgomery  
Treasurer/Collector

Dated: June 9, 2009

**APPENDIX B**

**SUMMARY FINANCIAL STATEMENTS**

**TOWN OF HINGHAM, MASSACHUSETTS  
COMPARATIVE BALANCE SHEET - GENERAL FUND**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>ASSETS:</b>					
Cash and Equivalents	\$ 2,660,211	\$ 1,186,931	\$ 7,597,951	\$ 11,193,484	\$ 10,954,608
Investments	9,422,938	10,275,935	4,499,561	-	-
Receivables:					
Property Taxes	1,604,864	1,447,398	1,317,001	1,329,048	1,136,950
Allowance for Abatements	-	-	-	-	-
Tax Liens	567,506	490,565	588,441	486,105	454,742
Excise Taxes	168,138	146,752	320,958	184,364	221,050
Departmental Revenues	225,108	375,703	193,394	134,963	148,790
Intergovernmental	20,629,587	21,710,259	22,727,339	23,687,409	24,493,676
User Charges and Liens	2,365,896	2,562,870	2,840,692	1,420,593	1,593,689
Deposit	-	-	-	-	-
Total Assets	<u>\$ 37,644,248</u>	<u>\$ 38,196,413</u>	<u>\$ 40,085,337</u>	<u>\$ 38,435,966</u>	<u>\$ 39,003,505</u>
<b>Liabilities and Fund Balance:</b>					
<b>LIABILITIES:</b>					
Warrants Payable	\$ 864,241	\$ 1,115,554	\$ 1,105,591	\$ 738,909	\$ 880,542
Accrued Payroll and Taxes	1,992,888	1,658,134	1,350,580	1,704,468	1,357,648
BAN Payable	43,740	16,543	20,438	9,902	46,306
Deferred Revenue	25,310,678	26,480,517	27,623,951	26,851,107	27,579,844
Tax Refunds Payable	<u>547,990</u>	<u>593,615</u>	<u>401,647</u>	<u>122,129</u>	<u>126,928</u>
Total Liabilities	<u>\$ 28,759,537</u>	<u>\$ 29,864,363</u>	<u>\$ 30,502,207</u>	<u>\$ 29,426,515</u>	<u>\$ 29,991,268</u>
<b>FUND EQUITY AND OTHER CREDITS:</b>					
Reserved for Encumbrances	\$ 1,303,249	\$ 761,376	\$ 604,116	\$ 632,787	\$ 1,001,956
Designated for Future Expenditures	1,936,037	1,154,055	1,078,400	3,713,774	2,249,415
Undesignated	<u>5,645,425</u>	<u>6,416,619</u>	<u>7,900,614</u>	<u>4,662,890</u>	<u>5,760,866</u>
Total Fund Equity and Other Credits	<u>\$ 8,884,711</u>	<u>\$ 8,332,050</u>	<u>\$ 9,583,130</u>	<u>\$ 9,009,451</u>	<u>\$ 9,012,237</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$ 37,644,248</u>	<u>\$ 38,196,413</u>	<u>\$ 40,085,337</u>	<u>\$ 38,435,966</u>	<u>\$ 39,003,505</u>

Sources: Town's Audited Financial Statements

**TOWN OF HINGHAM, MASSACHUSETTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - GENERAL FUND**

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
<b>REVENUES:</b>					
Local:					
Taxes	\$ 57,314,221	\$ 53,645,306	\$ 51,523,864	\$ 48,094,223	\$ 45,732,781
Licenses and Fees	1,606,900	1,629,756	2,306,958	2,443,941	1,841,699
Intergovernmental	15,979,640	14,730,339	13,337,331	12,940,552	11,723,698
Departmental and Other	2,007,181	2,219,128	2,182,854	1,507,370	1,292,655
Investment Income	946,060	1,225,227	933,102	543,407	238,943
Total Local:	<u>77,854,002</u>	<u>73,449,756</u>	<u>70,284,109</u>	<u>65,529,493</u>	<u>60,829,776</u>
 Total Revenues	 <u>\$ 77,854,002</u>	 <u>\$ 73,449,756</u>	 <u>\$ 70,284,109</u>	 <u>\$ 65,529,493</u>	 <u>\$ 60,829,776</u>
<b>EXPENDITURES</b>					
Current:					
General Government	\$ 3,255,015	\$ 3,521,135	\$ 2,600,021	\$ 2,547,618	\$ 2,381,834
Public Safety	10,060,721	9,662,428	9,400,346	8,560,138	7,995,868
Education	40,751,018	37,899,202	36,272,451	33,944,751	31,203,516
Public Works	4,946,946	3,999,885	4,096,925	4,642,881	4,050,395
Human Services	753,920	722,736	641,208	591,437	594,119
Culture and Recreation	1,684,623	1,561,513	1,436,809	1,417,464	1,343,649
Pension	2,725,478	2,667,706	2,587,077	2,290,770	2,206,705
Group Health Insurance	3,430,971	3,317,028	3,289,713	2,752,529	2,502,730
Miscellaneous	1,287,119	1,275,834	1,163,035	1,111,094	938,651
Debt Service:					
Debt Principal	2,880,669	2,914,348	2,910,503	2,879,176	2,872,200
Debt Interest	1,928,331	1,889,866	2,023,128	2,154,430	2,268,305
Intergovernmental:					
State and County Assessments	<u>2,677,907</u>	<u>2,611,818</u>	<u>2,193,591</u>	<u>1,926,044</u>	<u>1,656,636</u>
 Total Expenditures	 <u>\$ 76,382,718</u>	 <u>\$ 72,043,499</u>	 <u>\$ 68,614,807</u>	 <u>\$ 64,818,332</u>	 <u>\$ 60,014,608</u>
 Excess of Revenues Over (Under) Expenditures	 \$ 1,471,284	 \$ 1,406,257	 \$ 1,669,302	 \$ 711,161	 \$ 815,168
<b>Other Financing Sources (Uses)</b>					
Bond Proceeds	79,112	-	-	-	-
Operating Transfers In	465,882	798,578	613,891	720,212	521,730
Operating Transfers Out	(1,463,617)	(3,455,915)	(1,709,514)	(1,434,159)	(2,086,449)
Transfers to Component Unit	-	-	-	-	-
Sale of Assets	-	-	-	-	-
Total Net Other Financing Sources (Uses)	(918,623)	(2,657,337)	(1,095,623)	(713,947)	(1,564,719)
 Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	 552,661	 (1,251,080)	 573,679	 (2,786)	 (749,551)
 FUND BALANCE, Beginning of Year	 <u>8,332,050</u>	 <u>9,583,130</u>	 <u>9,009,451</u>	 <u>9,012,237</u>	 <u>9,761,788</u>
 FUND BALANCE (DEFICIT), End of Year	 <u>\$ 8,884,711</u>	 <u>\$ 8,332,050</u>	 <u>\$ 9,583,130</u>	 <u>\$ 9,009,451</u>	 <u>\$ 9,012,237</u>

\* As restated

Sources: Town's Audited Financial Statements