

TOWN OF BARNSTABLE, MASSACHUSETTS

Comprehensive Annual Financial Report



For the fiscal year ended June 30, 2012



Prepared By:
Finance Department

On the cover, an aerial view of the new airport terminal and new air traffic control tower looking Northeast.

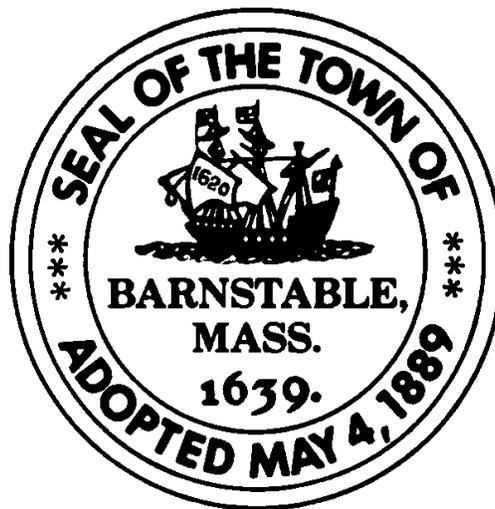


Airfield side view of the new terminal and air traffic control tower looking Northwest with the Cape Cod Mall in the background.

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

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June 30, 2012



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2012

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Introductory Section



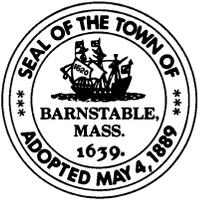
Federal, State and Town officials at the airport terminal groundbreaking ceremony.



Joseph P. Kennedy III and Town Manager, Thomas K. Lynch at the dedication ceremony for the new airport terminal and air traffic control tower.

Introductory Section

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Town of Barnstable

Finance Division

School Administration Building

230 South Street

Hyannis MA 02601

www.town.barnstable.ma.us



Letter of Transmittal

December 18, 2012

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

State law requires the Town of Barnstable to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Barnstable, Massachusetts, for the fiscal year ending June 30, 2012 for your review. This report was prepared by the Town's Finance Division.

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

The Town's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town's financial statements for the fiscal year ended June 30, 2012, and that they are fairly presented in conformity with GAAP. The independent auditor's report is presented on page 17 of this report.

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

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Barnstable was incorporated in 1639 and is located in the center of Cape Cod. The land area covers over 62 square miles including 100 miles of shoreline and 55 freshwater ponds. The Town is composed of the seven villages of Barnstable, Centerville, Cotuit, Hyannis, Marstons Mills, Osterville, and West Barnstable with a year round population of close to 48,000 that grows to over 125,000 during the summer months. The Town spans the width of Cape Cod from the north to south and is bordered by the Towns of Mashpee and Sandwich to the west and Yarmouth to the east. The Town serves as the seat of County government and the Village of Hyannis serves as the seat of Town government.

Municipal Services

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

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

The Cape Cod Regional Technical High School District provides education in grades nine through twelve. Approximately 185 Barnstable students attended this school in 2012. The Sturgis Charter Public School is a Commonwealth Charter School and provides an alternative choice for public education for grades 9 to 12. Approximately 115 Barnstable students attended this school in 2012. In addition, the Town operated two Horace Mann Charter Schools; the Grades 4 and 5 building located in Marstons Mills and the K to 3 elementary school located on Bearses Way in Hyannis. The Horace Mann Charter Schools are managed independently by an appointed Board of Trustees and not by the School Committee and Superintendent. Funding for the schools' operations are provided by the Town based upon a negotiated amount between the School Committee and Board of Trustees within the guidelines established by the authorizing legislation of the Commonwealth of Massachusetts. The funding is treated as an assessment and is included in the Town's education expenses. The Grade 4 and 5 Horace Mann Charter School was absorbed back into the district for fiscal year 2013.

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

Governing Bodies and Officers

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

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

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

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

Organization

The Town is organized in accordance with its Home Rule Charter, which was adopted in the spring of 1989. The Charter outlines provisions for incorporation, the legislative branch, elected town offices, the Town Manager, administrative organization, financial procedures, nominations and elections and citizen relief mechanisms.

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

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

Financial and Management Systems

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

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

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

The annual operating budget submitted in the spring of each year, follows a programmatic format which details the source and use of funds for all programs, program descriptions, departmental missions, goals, accomplishments, performance measures, workload indicators and financial management criteria for each budget cycle. The budget maintains consistency with the Town Council's strategic plan, financial management standards and policies. The budget funding sources include the general fund, comprised of revenues from the property tax, auto, boat, meals and hotel excise tax, user fee receipts, grants in aid, trust income and miscellaneous program income; and eight enterprise funds for the municipal airport, two golf courses, the water pollution control facility, the solid waste facility, water supply, town marinas, Sandy Neck Park and the Hyannis Youth and Community Center (HYCC). For the most part these enterprise funds are self-supporting through user-based charges except for the marinas and HYCC which receive a general fund subsidy to assist in the repayment of bonds issued to construct and repair their respective facilities.

Principal Executive Officers

<u>Office</u>	<u>Name</u>	<u>Term</u>	<u>Term Exp.</u>
Town Manager	Thomas K. Lynch	Appointed	2014
Superintendent of Schools	Mary Czajkowski	Appointed	2014
Assistant Town Manager	Mark E. Ells	Appointed	Indefinite
Town Attorney	Ruth J. Weil	Appointed	Indefinite
Chief of Police	Paul B. MacDonald	Appointed	2015
Director of Finance	Mark A. Milne	Appointed	2015
Director of Public Works	Vacant	Appointed	Indefinite
Director of Regulatory Services	Thomas F. Geiler	Appointed	Indefinite
Director of Community Services	Lynne M. Poyant	Appointed	Indefinite
Director of Human Resources	William E. Cole	Appointed	Indefinite
Director of Information Technology	Daniel J. Wood	Appointed	Indefinite
Director of Growth Management	JoAnne Miller-Buntich	Appointed	Indefinite
Tax Collector	Maureen E. Niemi	Elected/4 yrs.	Nov. 2015
Town Clerk	Linda E. Hutchenrider	Elected/4 yrs.	Nov. 2013
Airport Manager	Roland Breault	Appointed	Indefinite

Factors Affecting Financial Condition

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

Local economy. While tourism will always remain an important component of the Town's economy, improved transportation networks, a heightened popularity among retirees, and the Town's own growing service economy, are helping to diversify the economy from its former heavy reliance on the summer tourism trade. Even the nature

of tourism has changed. Expansion of the summer season is evident, including the “shoulder seasons” in the spring and the fall. Contributing to the extension of the season is the large increase in the conversion of former summer homes to year-round second homes, as well as the construction of many expensive second homes. Over the years, Barnstable has evolved from a seasonal to a more year-round community, with a current year-round population of approximately 45,000. The Town estimates that over one-half of homes are now occupied by year-round residents, compared with about one-third 25 years ago. As the number of second homes increases, the Town’s economic future is becoming linked to the greater Boston, Connecticut, and New York economies from which the second homeowners derive their livelihood.

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

Income levels are good to strong, with median household and per capita effective buying income levels equal to 109% and 122% of national levels, respectively. However, income levels do not reflect net worth or income-producing assets, which are important wealth measures in an area with a large number of retirees.¹

Tax Base. Barnstable’s tax base is among the largest in the commonwealth. Total assessed valuation for the Town has declined to \$12.8 billion in fiscal year 2012 reflecting a 1.3% decrease from the fiscal year 2011 value. However, this is nearly \$8 billion more than the fiscal year 2000 value of \$5 billion. Corresponding market value per capita is extremely strong at \$283,800 based on the year-round population, or about \$102,600 based on the estimated peak summer population.² The tax base includes a substantial \$1.2 billion commercial base due to the Town’s position as one of the economic centers of southeastern Massachusetts.³ New building growth activity continues to under-perform previous years with \$96 million in fiscal year 2011 and \$76 million in fiscal year 2012. The tax levy for fiscal year 2012 was \$97.3 million and the excess tax levy capacity was \$223 million. The excess capacity can only be accessed by a voter approved tax levy override. The tax rates for fiscal year 2012 were \$8.42 per thousand dollars of valuation on residential property and \$7.59 per thousand dollars of value on commercial, industrial and personal property (CIP). The residential rate was higher than the CIP rate as a result of the Town Council adopting a 20% residential exemption. This effectively removed \$1.2 billion of property value from the residential class driving the tax rate upwards for this class of property as the residential tax levy remains the same.

Long-term financial planning. The Town of Barnstable’s capital program has identified approximately \$207 million in capital improvements needed over the next five years. More resources will need to be identified to address these items. \$37 million of this amount is for improvements at the Barnstable Municipal Airport. The majority of the capital program at the airport is federal and state funded. \$77 million is associated with the water quality improvements including sewer expansions, sewer plant facility upgrades, water line replacements and other water system improvements and \$3 million is associated with Marina improvements. In addition, there is \$32 million for road improvements, \$13 million for improvements to school facilities and \$45 million mainly connected to the Town’s aging facilities.

In July of 2010, the Town Council adopted a funding plan for financing a portion of the water quality projects listed in the 5 year capital plan. Funding sources included 50% betterments assessed to property abutters of the sewer extensions, adoption of a local meals tax of 0.75% and increasing the local rooms tax rate from 4% to 6%. A total

¹ Standard and Poor’s credit analysis, dated April 3, 2012.

² Standard and Poor’s credit analysis, dated April 3, 2012.

³ Standard and Poor’s credit analysis, dated April 3, 2012.

of \$2,660,000 has been collected in fiscal years 2011 and 2012 from these new taxes and will be transferred into a sewer construction trust fund which was approved by the state legislature in fiscal year 2013.

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

New building growth projections are expected to be lower in the next few years as a result of the decline in developable lots and recent trends in the housing and financial markets. The Town will continue to focus efforts on the redevelopment of existing lots in an attempt to create more new property tax growth beyond the development of vacant parcels.

State aid increased 3% in fiscal year 2012 and was projected to increase another 1% in fiscal year 2013 when the budget was developed. The expansion of the Sturgis Charter School in Hyannis results in more state aid as new grade levels are added to the school but this aid will significantly decline beginning in fiscal year 2014 as the cost of funding the charter school is shifted to the Town.

The single largest form of aid is Chapter 70 aid for education. The new formula passed in fiscal year 2006 states that no community will receive less than 17.5% of its foundation budget in the form of Chapter 70 aid. If a community currently receives less than 17.5%, the additional aid will be phased in over a 5 year period. Barnstable falls into this category and the Town's aid would increase by approximately \$1.5 million if this formula were fully funded. The Town anticipates the state to fully fund this formula over the next 5 years which should result in some modest aid increases.

Health insurance cost increases continue to outpace the rate of inflation and this trend is projected to continue in the long-term. New legislation passed by the state will provide cities and towns more control over this expense. Communities now have the power to implement plan design changes without following the traditional collective bargaining process; however, any change in contribution rates are still subject to that process. Communities can also elect to join the state insurance program under the Group Insurance Commission as an alternative. Finally, all eligible retirees are required to join a Medicare plan which will reduce costs to cities and towns as well.

The Town currently participates in a joint purchase group (Cape Cod Municipal Health Group) for its health insurance program. Under the new law, the joint purchase group has voted to make plan design changes so that copays and deductibles mirror those that are offered by the plans under the Group Insurance Commission. The plan design changes resulted in reductions to premium rates for FY13 saving about \$1.6 million. The savings is shared equally between the Town and subscribers (employees). In addition, one-half of the Town's savings (\$400,000) was set aside in a mitigation fund to assist employees with their higher co-pays and deductibles under the new plan design.

The Town contributes 50% towards active and retired employees' health insurance premiums. This is the minimum amount it can contribute by state law and no increase in the contribution rate is expected. The Town's total health insurance expense for fiscal year 2012 was \$9.7 million. This includes active and retired employees including retired teachers. Retired teachers join the Group Insurance Commission (GIC) upon retirement and the Town receives an assessment from the GIC every year. The assessment for fiscal year 2012 was \$2.3 million. Additionally, a new Government Accounting Standards Board (GASB) pronouncement was issued that requires the Town to perform an actuarial calculation of its unfunded health insurance liability for all active and retired employees. This liability is disclosed in these financial statements on pages 92 to 93. The Town created a trust fund in FY11 to begin accumulating assets to fund this liability. This fund has a balance of approximately \$782,000 as of June 30, 2012. A contribution to this fund of \$200,000 was budgeted in fiscal year 2013. A plan to increase this line item by \$50,000 per year has been incorporated into the Town's long-term financial planning.

In the areas of utilities and fuel the Town continues to implement and explore alternative options. Two wind mills and a field of photovoltaic panels were installed at the Water Pollution Control Facility which should generate more than 50% of the annual energy consumption at the facility. The entire cost of this project was paid for with a grant from the Massachusetts Water Pollution Abatement Trust. Additionally, the Town will begin the installation of 5 acres of photovoltaic panels at the landfill site in the village of Marstons Mills at no cost to the Town. A private developer will be purchasing and installing the panels which will provide the Town with a guaranteed minimum payment of over \$250,000 per year.

Declining school enrollments and the aging population of the Town will require an on-going analysis of program services and resource allocation. The School Department has closed five buildings over the past several years as enrollment has declined from 7,000 to 5,300 students. The median age of our community is increasing and the demand for services directed towards the senior population will likely increase. It is estimated that public safety and public roads will become higher priorities over time.

The construction of sewer line extensions and additional treatment plants are also projected to have significant financial impacts on the community in the coming years. Studies are currently under way that will determine the Town's total maximum daily load (TMDL) of pollutants into our estuaries and the amounts that should be removed to comply with Federal Clean Water regulations. Removal of the excess pollutants will require sewer expansions that are estimated to cost hundreds of millions of dollars over several years. The Town appropriated \$600,000 in the FY12 capital program to complete this study. The Conservation Law Foundation has filed a lawsuit against the Environmental Protection Agency claiming that it has not done enough to ensure that the Federal Clean Water act is being enforced on Cape Cod communities.

The Town continues to manage its financial affairs in a prudent manner. It has been able to do so by incorporating long range planning tools such as a ten-year forecast, a five-year Capital Improvement Program; establishing rainy day accounts and budgeting stabilization reserves; prioritizing spending plans and identifying discretionary spending; pay as you go financing strategies; long-term planning for all liabilities including pension and insurance reserves, and investing in technology to make its operations more efficient.

The Town of Barnstable has also enhanced its revenue flexibility by establishing enterprise funds for certain operations. This has allowed the Town to shift 100% of the operating cost and capital improvements to the users of certain services so that no tax support goes towards providing most of these services. This includes the airport, municipal golf course, solid waste transfer station and recycling center, the water pollution control operations, the Hyannis water operations, Town owned marinas, Sandy Neck Park and the Hyannis Youth and Community Center (HYCC). The general fund provides tax support for the construction bonds on the HYCC and the Barnstable Marina Bulkhead. The creation of these enterprise funds allows the Town to provide more tax dollars for other town services.

Fiscal Year 2012 Major Initiatives and Highlights

Fund balance. During the fiscal year, the Town's general fund balance increased \$2.8 million from \$20.1 million to \$22.9 million, on a budgetary basis. This was attributable to actual revenues exceeding budget estimates and unexpended appropriations in the fiscal year 2012 operating budget. Enterprise fund balances increased from \$138.2 million to \$148.4 million as a result of operating revenue exceeding expenses. Capital project fund balance decreased \$4.5 million as the spend down of bond proceeds occurred as the town worked towards completing various projects.

Operating budgets. All appropriated budgets including the general fund and enterprise funds had favorable budget variances. The golf and Hyannis Youth and Community Center operations both experienced unfavorable revenue variances but reductions to operating expenses were made to offset these.

Property taxes receivable. Outstanding property taxes receivable at the end of fiscal year 2012 were approximately \$1.2 million less than the previous fiscal year end reflecting an increase in the tax collections.

Intergovernmental receivables. Receivables declined \$13.8 million as the Town received payment on various state and grant funded capital projects including the major airport construction projects.

Bonds payable. Bonds payable were \$7.8 million less at the end of fiscal year 2012 as the Town's principal payments on bonds exceeded new borrowings.

Bond sale and bond rating. The Town refunded \$11.8 million of its 2003 and 2004 series bonds in fiscal year 2012 realizing a savings of approximately \$1.3 million. The refunding bond issue was rated as AAA and the Town's existing long-term debt was reaffirmed at AAA with Standard & Poor's. In addition, the Town issued \$6.7 million of new bonds through the Mass Water Pollution Abatement Trust. These loans carry a 2 percent interest rate. The loans were used to finance water pipe replacements, sewer extensions in the Stewart's Creek area of town, and a new pump station on West Main Street, Hyannis.

Cash and investments. Total cash in the Town's treasury increased \$8 million from \$112 to \$120 million. This was attributable to positive budgetary results for the general and enterprise funds. The following table illustrates the change in the overall cash balance for the past ten years.

FY2003	\$94,222,616
FY2004	\$94,887,682
FY2005	\$96,375,779
FY2006	\$108,792,141
FY2007	\$134,211,367
FY2008	\$135,143,563
FY2009	\$120,708,687
FY2010	\$114,273,195
FY2011	\$112,028,205
FY2012	\$120,019,687

Free cash. Free cash is the balance of cash in the Town's treasury that is free and clear of any and all encumbrances that exist at the close of each fiscal year. The Town must submit a set of financial statements for the end of each fiscal year to the State from which this number is calculated. Free cash is certified for the general fund and each enterprise fund. Once certified, appropriations can be made from the free cash amounts during the fiscal year. The balances as of July 1, 2012 compared to the previous year are as follows:

Free Cash (Surplus)	On July 1, 2012	On July 1, 2011	Change
General Fund	\$17,272,393	\$12,320,185	\$4,952,208
Enterprise Funds:			
Airport	\$3,211,359	\$6,520,729	(\$3,309,370)
Golf Course	\$414,712	\$70,879	\$343,833
Solid Waste	\$3,854,114	\$3,460,970	\$393,144
Wastewater	\$6,997,924	\$2,749,077	\$4,248,847
Water	\$1,944,267	\$312,441	\$1,631,826
Marina	\$422,111	\$327,309	\$94,802
Sandy Neck	\$645,858	\$500,177	\$145,681
HYCC	\$141,734	\$130,526	\$11,208
Totals	\$34,904,472	\$26,392,293	\$8,512,179

The general fund, solid waste enterprise fund, marina enterprise fund, Sandy Neck enterprise fund and HYCC enterprise fund free cash all increased as a consequence of favorable budget results. Actual revenues exceeded budget estimates and/or actual expenses were less than the budgeted appropriations. The airport enterprise fund's free cash decline is a result of several capital appropriations being funded from this resource. Most of these appropriations will subsequently be reimbursed from Federal and State grants. Once the reimbursements are received, they will add to the airport's free cash balance. The golf course free cash increased as a result of a change in accounting for membership revenue. Prior to fiscal year 2012, a portion of membership revenue was deferred to the following year based on the assumption that this revenue was earned over a twelve month period as opposed to when it was paid. Since memberships are non-refundable, this assumption was discontinued resulting in more membership revenue being recognized during fiscal year 2012. The wastewater and water surplus both increased as a result of favorable budget operations as well as reimbursements being received from the Massachusetts Water Pollution Abatement Trust on various capital project expenditures.

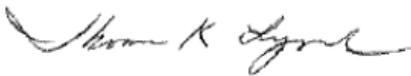
Awards and Acknowledgements

The Government Finance Officer Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Barnstable for its comprehensive annual financial report (CAFR) for the fiscal years ended June 30, 2002 through June 30, 2011. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

In addition, the GFOA also awarded the Town of Barnstable the Distinguished Budget Presentation Award for its annual budget document for the fiscal years beginning July 1, 2001, through July 1, 2012. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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

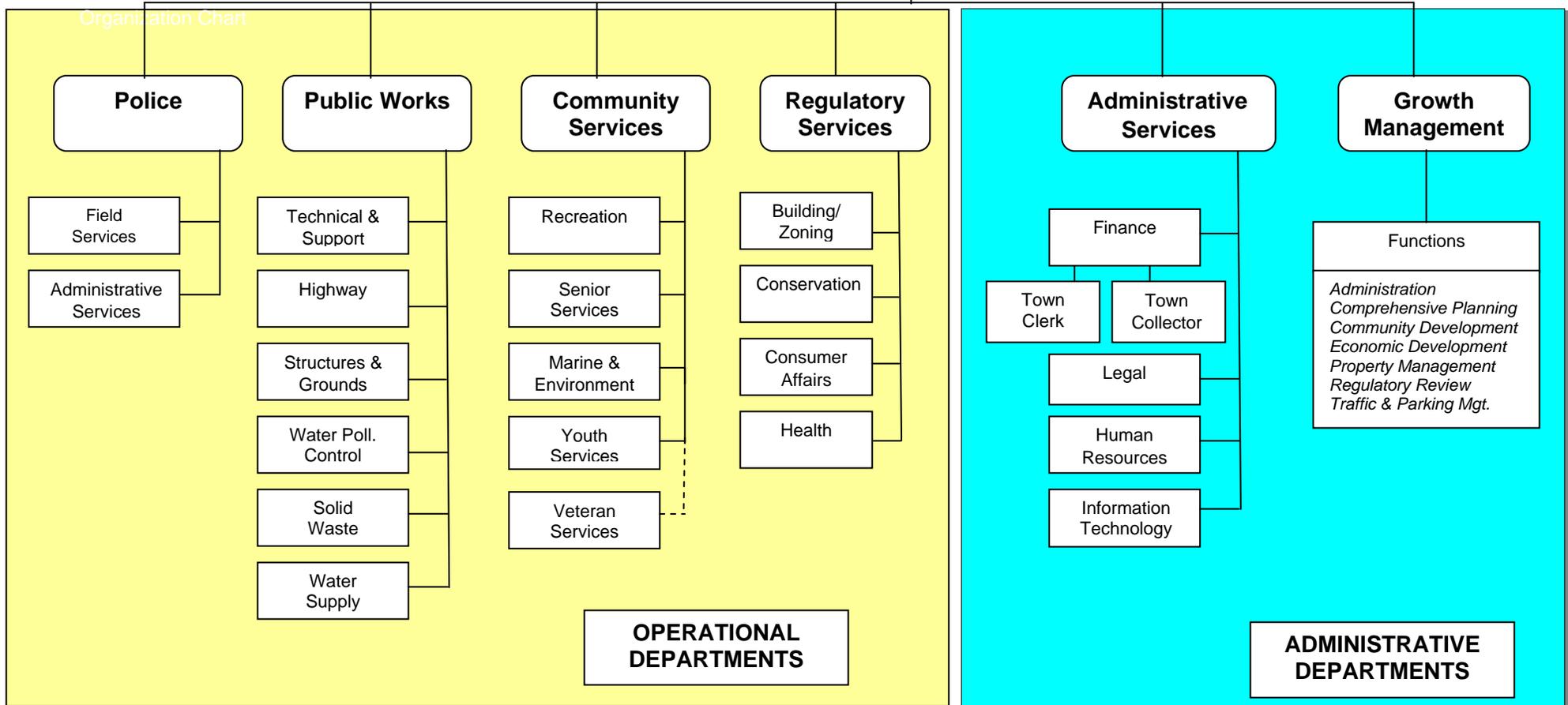
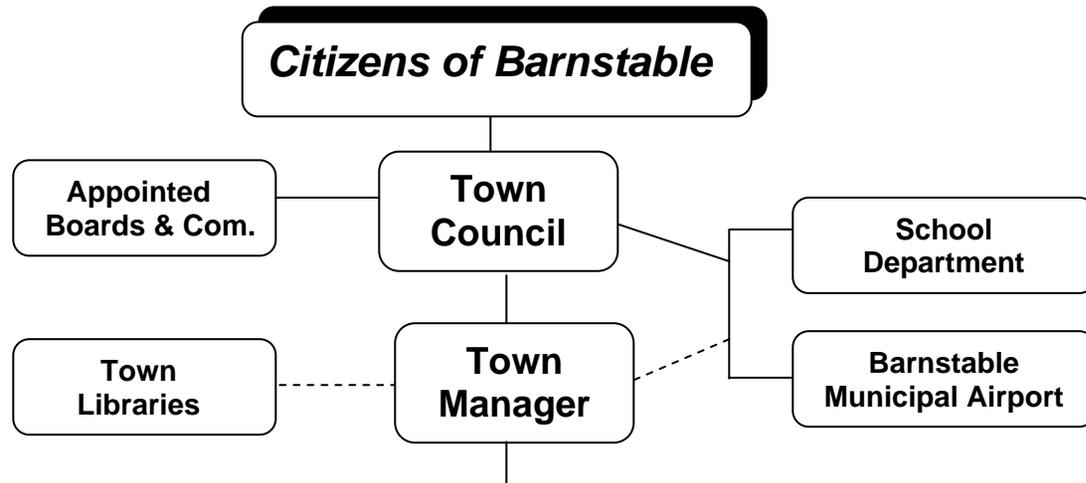
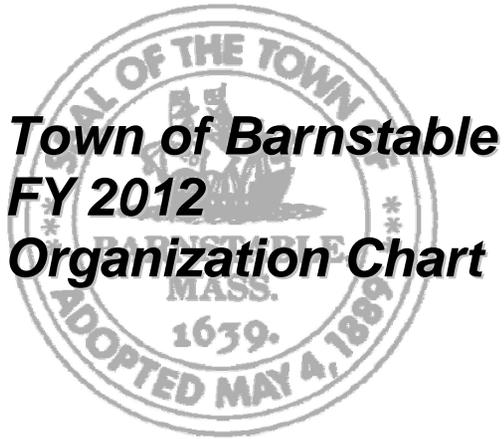
Respectfully submitted,



Thomas K. Lynch
Town Manager



Mark A. Milne
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Barnstable Massachusetts

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Christophe P. Morille
President

Jeffrey R. Emer
Executive Director

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Financial Section



A biplane aircraft sits on the apron at Barnstable Municipal Airport during the terminal dedication ceremony. This plane has an open cockpit and seats two. It provides scenic rides out of the Marstons Mills airfield.



Town officials on top of the new air traffic control tower. From left to right; Hyannis Fire Department Deputy Chief Dean Melanson, Airport Manager Roland “Bud” Breault, Town Treasurer Debra Blanchette, Town Manager Thomas K. Lynch, Town Manager Assistant, Linda Wheelden, Town Information Technology Director Dan Wood and Hyannis Fire Department Chief Harold Brunelle.

Financial Section

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Independent Auditors' Report

To the Honorable Town Council
Town of Barnstable, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Barnstable, Massachusetts, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Barnstable, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Barnstable Horace Mann Charter School and the Barnstable Community Horace Mann Charter Public School, which represents 1% of the governmental activities assets, 1% of the governmental fund assets, 1% of the governmental activities net assets, 2% of the governmental fund balance, 2% of the governmental activities revenues, and 2% of the governmental fund revenues. We did not audit the financial statements of five of the Town of Barnstable, Massachusetts' library component units listed in Note 1, which reflect 95% of the total assets and 91% of the total revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Barnstable Horace Mann Charter School, the Barnstable Community Horace Mann Charter Public School, and the discretely presented component units referred to above, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Barnstable, Massachusetts, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2012, on our consideration of the Town of Barnstable, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combining statements, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying schedule of expenditures of passenger facility charges collected and expended and interest credited, as listed in the table of contents, is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

The introductory section and statistical tables, as listed in the table of contents, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Powers & Sullivan LLC

December 18, 2012, except for the Barnstable Horace Mann Charter School, the Barnstable Community Horace Mann Charter Public School, and the library component units listed in Note 1, which were audited by other auditors and whose reports are dated on various dates through November 30, 2012.

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Barnstable, Massachusetts, we offer readers of the Town of Barnstable's financial statements this narrative overview and analysis of the financial activities of the Town of Barnstable for the fiscal year ended June 30, 2012. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

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

Governments must adhere to GASB pronouncements in order to issue their financial statements in conformity with GAAP. The users of financial statements also rely on the independent auditor's opinion. If the Town of Barnstable's financial statements have significant departures from GAAP the independent auditors' may issue a qualified opinion or a disclaimer (where no opinion is given). These types of opinions may have an adverse effect on the Town's bond rating and our ability to borrow money at favorable interest rates as well as obtaining grants. The Town of Barnstable has achieved an unqualified opinion on its financial statements since the fiscal year ended June 30, 1984.

Financial Highlights

- The assets of the Town of Barnstable exceeded its liabilities at the close of the most recent fiscal year by \$392.3 million. Of this amount, \$61.9 million (unrestricted net assets) may be used to meet the government's on-going obligations to citizens and creditors.
- The primary government's total net assets increased by \$14.7 million. The increase was the net result of increases in the Town's governmental activities of \$4.4 million and \$10.2 million attributable to the Town's business type activities. The governmental activities increase is mainly attributable to the \$2.9 million in capital grants, \$8.7 million raised through the budget process for the Town's stabilization fund and because principal payments on long-term debt, which are raised through the budget process, are higher than the depreciation expense recognized on assets by approximately \$1.1 million; offset by the recognition of an additional \$5.1 million in the other postemployment benefit obligations. The \$10.2 million growth in business type activities is largely attributable to the \$9.5 million in capital grants received in relation to construction projects within the airport, wastewater, marina and Hyannis Youth and Community Center enterprise funds.
- At the close of the current fiscal year, the Town of Barnstable's governmental funds reported combined ending fund balances of \$81.8 million, a decrease of \$331,000 in comparison with the prior year. Approximately \$28.7 million of this total amount is available for appropriation at the government's discretion.
- At the end of the current fiscal year, fund balance for the general fund totaled \$33.4 million, or 25% of total general fund expenditures.
- Expenditures for the general fund totaled \$136 million or \$4.9 million more than the prior fiscal year. The area with the largest change was education which increased \$2.4 million. The second largest area to change was pension which increased \$1.3 million.

- The Town of Barnstable's total long-term debt decreased by \$7.8 million during the current fiscal year. The Town issued \$18 million of long-term debt of which \$11.7 million was for refunding debt and \$6.3 million was for wastewater and water projects. A total of \$25.8 million in long-term debt principal was either paid down or refunded.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

The Town of Barnstable maintains four major governmental funds that are presented separately in the governmental fund financial statements. The remaining eight nonmajor funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary funds. The Town maintains two types of proprietary funds.

The Town of Barnstable maintains eight different enterprise funds within the proprietary fund type. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The Town of Barnstable uses enterprise funds to account for its airport, municipal golf course, solid waste disposal and recycling center, wastewater, water supply, marina, Sandy Neck recreation area and the Hyannis Youth and Community Center activities.

The Town maintains an internal service fund within the proprietary fund type which is reported in governmental activities in the government-wide financial statements. This fund is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to workers' compensation.

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

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

The other postemployment benefits fund is used to account for assets accumulated to provide funding for future other postemployment benefits (OPEB) liabilities. Private-purpose trust funds and agency funds are reported and combined into a single, aggregate presentation in the fiduciary funds financial statements under the captions "private purpose trust funds" and "agency funds", respectively.

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Barnstable, assets exceeded liabilities by \$392.3 million at the close of the most recent fiscal year.

By far the largest portion of the Town of Barnstable's net assets (\$307.6 million or 78%) reflects its investment in capital assets (e.g., land, buildings, vehicles, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Town of Barnstable uses these assets to provide services to citizens;

consequently, these assets are not available for future spending. Although the Town of Barnstable's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Barnstable's net assets (\$22.9 million, or 6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$61.9 million, or 16%) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Comparative Net Assets

	Governmental Activities			Business-type Activities		
	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2010	June 30, 2011	June 30, 2012
Current and other assets	\$ 131,313,797	\$ 131,357,271	\$ 130,433,658	\$ 49,005,073	\$ 45,187,010	\$ 37,967,130
Capital assets	\$ 221,548,475	\$ 227,660,554	\$ 231,456,619	\$ 132,185,727	\$ 158,296,129	\$ 174,623,690
Total assets	\$ 352,862,272	\$ 359,017,825	\$ 361,890,277	\$ 181,190,800	\$ 203,483,139	\$ 212,590,820
Current liabilities	\$ 21,715,391	\$ 21,287,543	\$ 24,075,419	\$ 14,610,686	\$ 11,003,728	\$ 6,832,219
Long-term liabilities	\$ 95,395,930	\$ 98,244,028	\$ 93,904,058	\$ 55,024,752	\$ 54,288,350	\$ 57,336,659
Total liabilities	\$ 117,111,321	\$ 119,531,571	\$ 117,979,477	\$ 69,635,438	\$ 65,292,078	\$ 64,168,878
Net assets:						
Invested in capital assets, net of related debt	\$ 167,732,404	\$ 178,881,293	\$ 184,421,601	\$ 88,038,076	\$ 111,054,493	\$ 123,154,596
Restricted	\$ 22,256,610	\$ 23,188,546	\$ 22,899,121	\$ -	\$ -	\$ -
Unrestricted	\$ 45,761,937	\$ 37,416,415	\$ 36,590,078	\$ 23,517,286	\$ 27,136,568	\$ 25,267,346
Total net assets	\$ 235,750,951	\$ 239,486,254	\$ 243,910,800	\$ 111,555,362	\$ 138,191,061	\$ 148,421,942

The Town has realized an increase in its net assets from 2010 to 2012 within its governmental activities and its business type activities. Total net assets have increased \$8.2 million over this period for governmental activities and \$36.9 million for business-type activities. Fiscal year 2012 increases are mainly attributable to capital grants, better than anticipated budgetary results in the general fund, and annual principal payments on debt service exceeding depreciation. These increases were partially offset by the recognition of other postemployment benefit obligations which increased by \$5.8 million. The amortization of this liability will continue to deteriorate the Town's overall financial position unless it is pre-funded. In fiscal year 2012, capital grants totaled \$2.9 million for governmental activities, \$8.5 million for the airport enterprise fund, \$686,000 for wastewater enterprise fund, \$40,000 for the water supply enterprise fund, \$272,000 for the marina enterprise fund, and \$10,000 for the Hyannis Youth and Community Center enterprise fund. Principal payments on debt service for governmental and business-type activities totaled \$20.1 million and \$5.7 million, respectively, inclusive of debt refunding. Depreciation on capital assets totaled \$6.8 million and \$5.1 million, respectively.

The majority of the increase to the Town's capital assets during fiscal year 2012 were in the form of road and drainage improvements and Town Hall renovations. Capital asset growth within the business-type activities for 2012 consisted mainly of the construction for the new terminal at the airport and various sewer upgrades.

Current assets and current liabilities have increased in governmental activities and decreased in business-type activities. In governmental activities, current and other assets decreased by \$880,000 from fiscal year 2010. This is a direct result of several of the Town's capital projects nearing completion resulting in a decrease in their cash

and cash equivalents. The governmental activities' current liabilities have increased \$2.4 million from fiscal year 2010 due to an increase in warrants payable and accrued payroll. For business-type activities, current and other assets decreased by \$11 million due to the decrease in capital grants from the Massachusetts Water Pollution Abatement Trust. There was a \$7.8 million decrease in current liabilities of which \$3.7 million was the result of short-term borrowing. This represents temporary financing for capital projects that have not yet been financed through the issuance of long-term bonds.

Long-term liabilities have decreased from the fiscal year 2010 levels for governmental and increased for business-type activities. For governmental activities, the net decrease is largely due an \$11.5 million decrease in long-term bonds and notes payable, as bonds have been retired, offset by a \$9.6 million increase in the liability for other postemployment benefits.

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

Restricted net assets have decreased \$289,000 for governmental activities from 2011 to 2012 mainly due to the increase in capital projects. The **unrestricted net assets** amount has decreased \$826,000 in the current year which was the net result of the recognition of an additional \$5.1 million for other postemployment benefits obligation and the results of current operations.

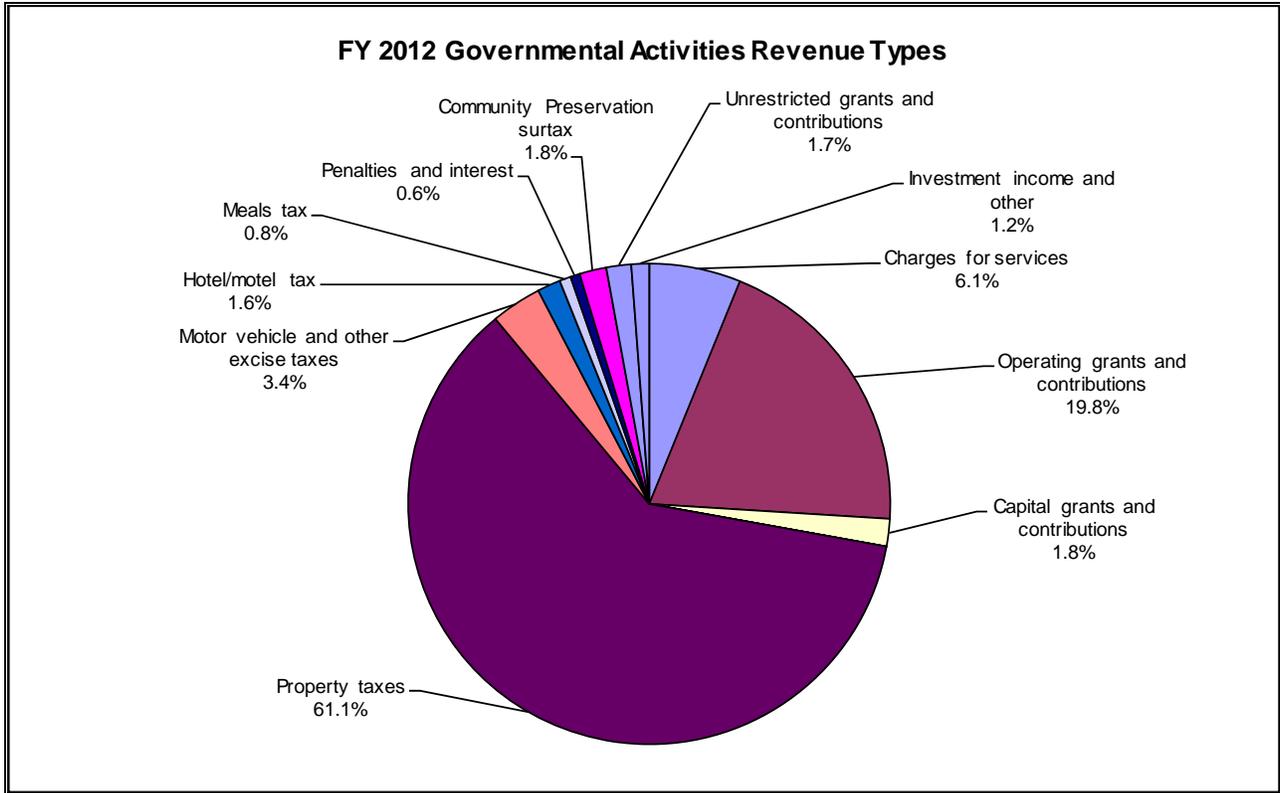
At the end of the current fiscal year, The Town of Barnstable is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities. In 2012, governmental activities increased the Town of Barnstable's net assets by \$4.4 million. Key elements of this increase are as follows:

- In fiscal year 2008, the Town implemented GASB Statement #45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. In fiscal year 2012, the Town recognized an additional \$5.1 million of postemployment benefits obligation which resulted in a decrease in net assets. The total liability reported in governmental activities for OPEB is \$28.7 million as of June 30, 2012.
- The Town received \$2.9 million in capital grants, which includes \$1.5 million from state funding of Chapter 90 highway projects.
- Positive budgetary results in the general fund contributed to the increase in net assets by approximately \$2.7 million.
- The Town raised approximately \$1.1 million more to retire outstanding governmental debt than was recorded as depreciation on governmental capital assets, this has a positive impact on the Town's net assets.

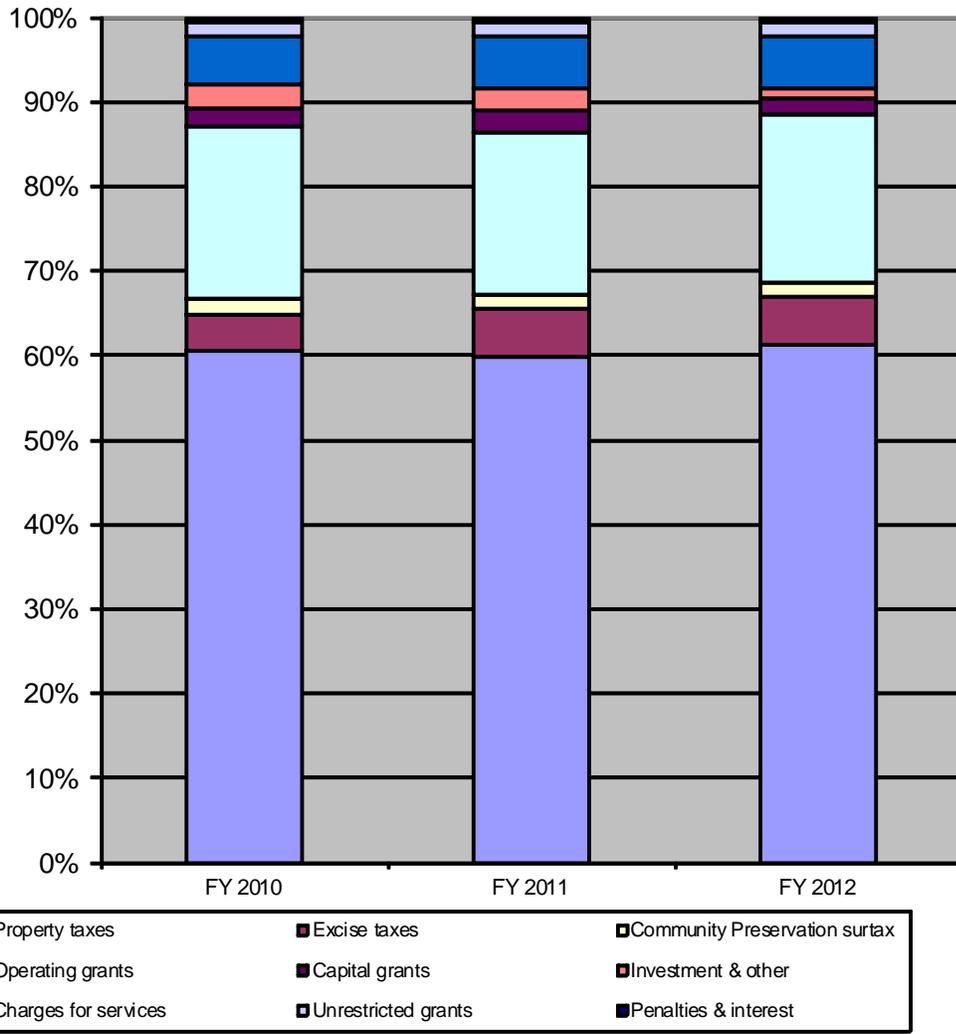
Changes in Net Assets

	Governmental Activities		Business-Type Activities	
	FY 2012	FY 2011	FY 2012	FY 2011
Revenues:				
Program Revenues:				
Charges for services.....	\$ 9,763,172	\$ 9,655,618	\$ 22,326,596	\$ 21,772,321
Operating grants and contributions.....	31,552,139	30,178,585	357,529	383,432
Capital grants and contributions.....	2,938,336	4,058,312	9,483,491	23,235,870
General revenues:				
Property taxes.....	97,222,576	93,673,200	-	-
Motor vehicle and other excise taxes.....	5,416,330	6,051,330	-	-
Hotel/motel tax.....	2,470,674	1,866,536	-	-
Meals tax.....	1,206,380	619,193	-	-
Penalties and interest.....	1,019,421	897,236	-	-
Community Preservation surtax.....	2,863,995	2,734,079	-	-
Unrestricted grants and contributions.....	2,645,768	2,665,950	-	-
Investment income and other.....	1,897,694	3,870,034	188,452	316,300
Total revenues.....	<u>158,996,485</u>	<u>156,270,073</u>	<u>32,356,068</u>	<u>45,707,923</u>
Expenses:				
Town Council.....	382,055	380,018	-	-
Town Manager.....	745,955	683,316	-	-
Administrative services.....	10,330,594	10,601,542	-	-
Growth management.....	2,164,979	2,197,204	-	-
Public safety.....	16,445,394	15,656,195	-	-
Education.....	96,294,013	93,652,265	-	-
Public works.....	12,804,945	13,669,363	-	-
Community services.....	4,591,089	4,395,115	-	-
Regulatory services.....	4,480,702	4,204,140	-	-
Culture and recreation.....	2,047,950	1,673,945	-	-
Interest.....	3,199,774	3,227,684	-	-
Airport.....	-	-	7,468,840	6,908,268
Golf course.....	-	-	2,634,335	2,507,382
Solid waste.....	-	-	2,011,718	1,887,556
Waste water.....	-	-	4,924,221	4,307,355
Water supply.....	-	-	2,695,528	2,309,337
Marina.....	-	-	572,555	521,888
Sandy Neck.....	-	-	617,232	537,561
Hyannis Youth and Community Center.....	-	-	2,285,247	2,286,860
Total expenses.....	<u>153,487,450</u>	<u>150,340,787</u>	<u>23,209,676</u>	<u>21,266,207</u>
Excess before transfers.....	5,509,035	5,929,286	9,146,392	24,441,716
Transfers, net.....	<u>(1,084,489)</u>	<u>(2,193,983)</u>	<u>1,084,489</u>	<u>2,193,983</u>
Change in net assets.....	4,424,546	3,735,303	10,230,881	26,635,699
Net assets - Beginning of Year.....	<u>239,486,254</u>	<u>235,750,951</u>	<u>138,191,061</u>	<u>111,555,362</u>
Net assets - End of Year.....	<u>\$ 243,910,800</u>	<u>\$ 239,486,254</u>	<u>\$ 148,421,942</u>	<u>\$ 138,191,061</u>



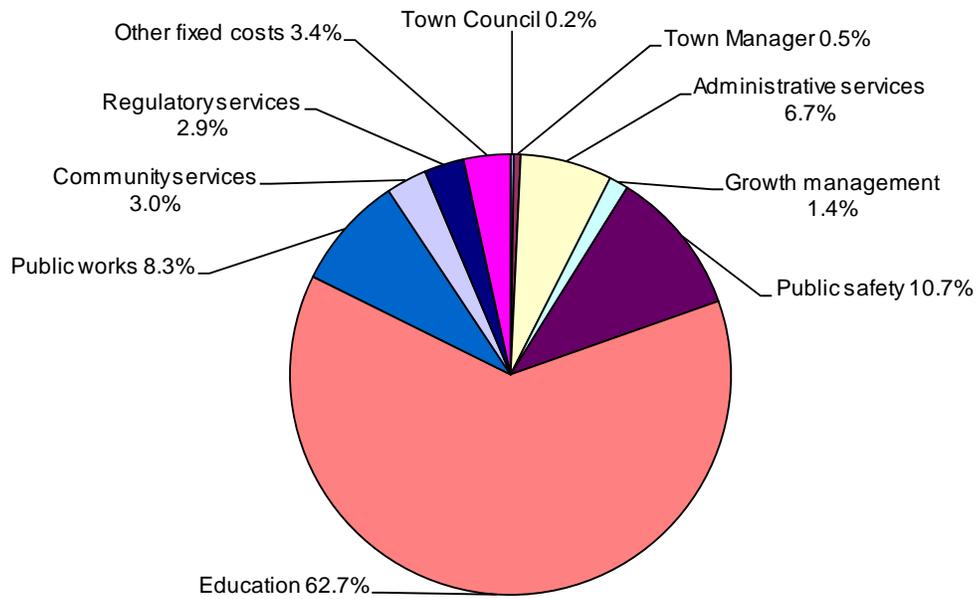
- Charges for services represent 6.1% of governmental activities resources. The Town can exercise more control over this category of revenue than any other. Fees charged for services rendered that are set by the Council and Manager are included in this category.
- Operating and capital grants and contributions account for 21.6% of the governmental activities resources. Most of these resources apply to education operations. These resources offset costs within the school department in addition to their general fund operating budget.
- Property taxes are by far the most significant revenue source for the Town's governmental activities. They comprise 61.1% of all resources.
- Other taxes and other revenues comprise a total of 11.2% of the governmental activity's resources.

Three Year Comparison of Governmental Activities Revenue Composition



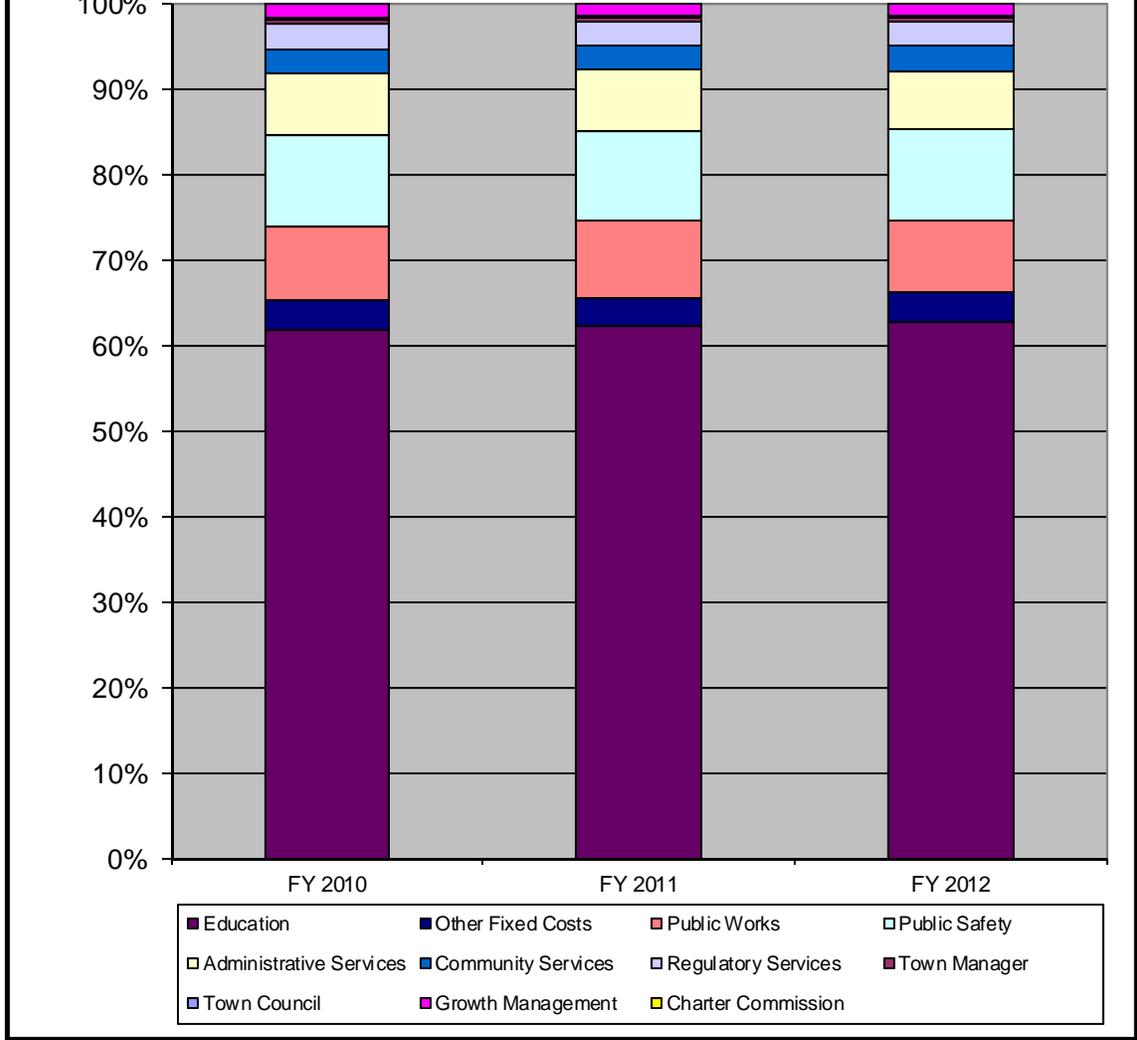
- Capital grants decreased by \$1.1 million which is due to the timing of road construction projects.
- Operating grants increased by \$1.4 million due to additional grant funds.
- Property taxes increased by \$3.5 million which is the result of budgeted property tax increases.
- Investment income decreased by \$2 million due to decreases in interest rates.
- All other categories have remained fairly consistent.

FY 2012 Governmental Activity Expenses

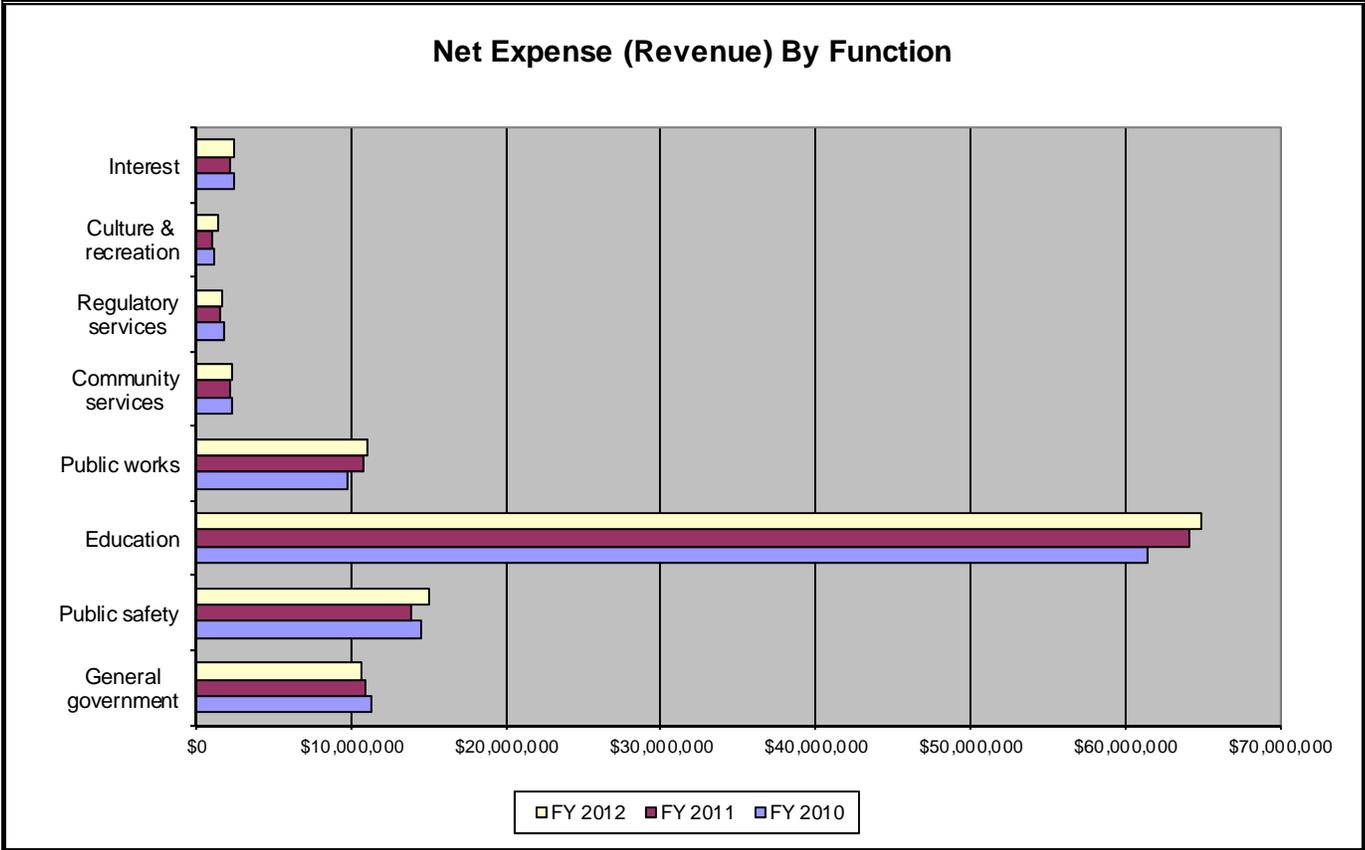


- Education is by far the largest governmental activity of the Town totaling \$96.3 million or 62.7% of all expenses.
- Public safety is the second largest activity consisting of \$16.4 million each or 10.7%.
- Public works is the third largest category at \$12.8 million or 8.3%.
- 85.2% of all governmental activity is associated with public safety, education, public works, and other fixed costs. The remaining activity, or 14.8%, is associated with community services, regulatory services, growth management, administrative services, town council, and town manager.

Three Year Comparison of Governmental Activities Expense Composition



- Education is by far the largest category of governmental activity expenses and has consistently been above 60% of all expenses.
- Public safety, public works and other fixed costs are the other three main expense categories, as these expenses along with education comprise 85.2% of the Town's governmental activity expenses.

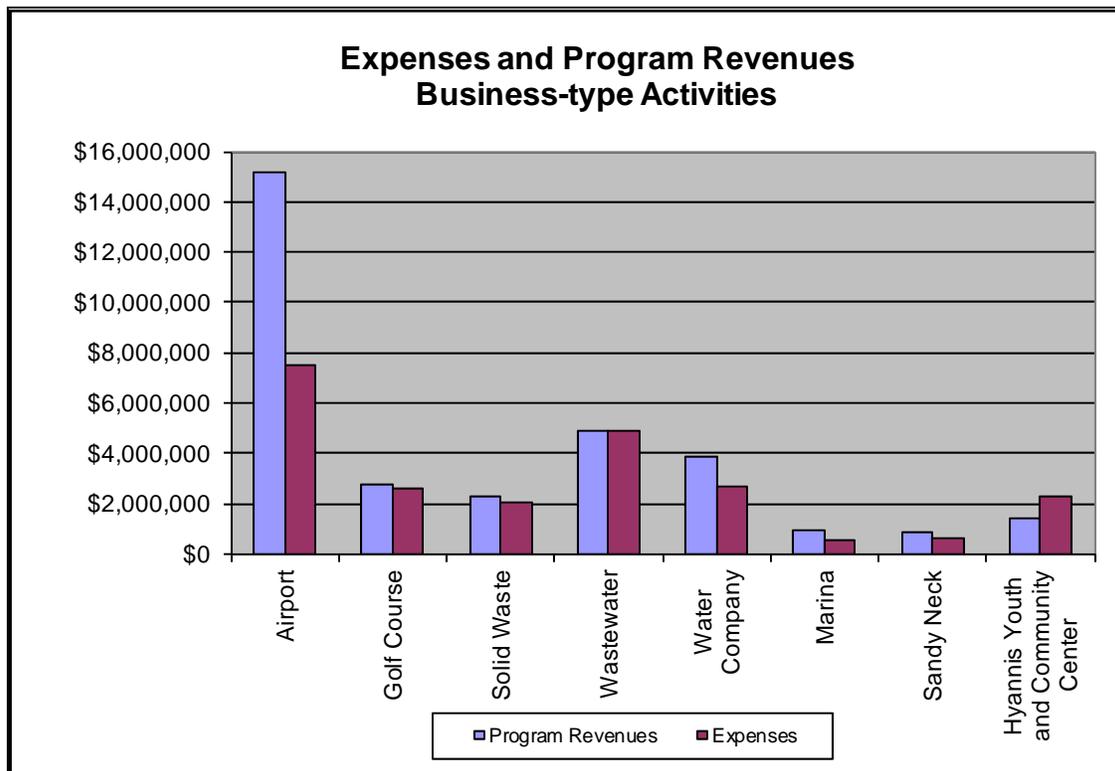


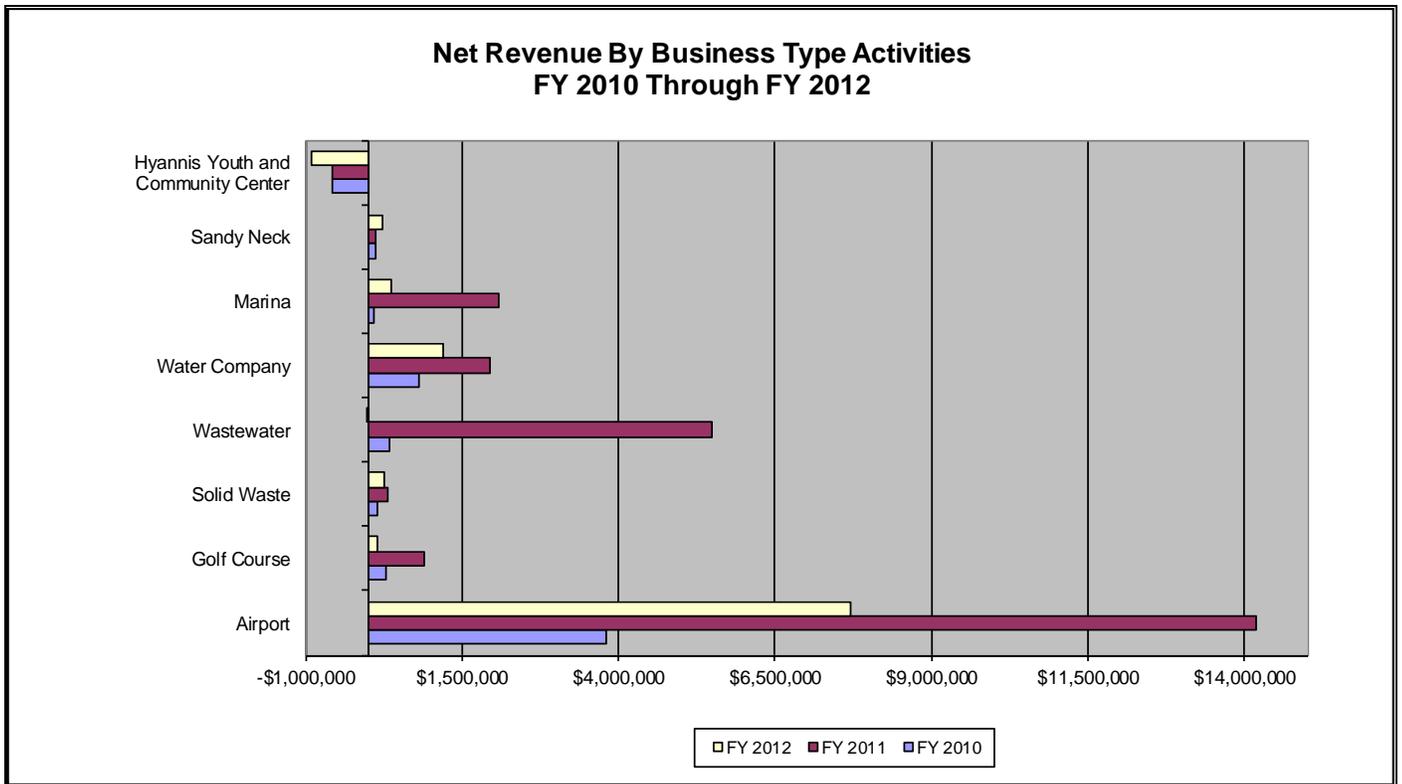
The change in the net expenses by function from year to year is useful to understand where tax dollars and other general revenues not restricted for particular purposes are being allocated.

- Public safety realized the largest increase in net expenses from fiscal year 2011 to fiscal year 2012 (\$1.1 million).
- Education realized the second largest increase in net expenses from fiscal year 2011 to fiscal year 2012 (\$818,000). This was due to an increase in their operating budget.

Business-type activities. Business-type activities increased the Town of Barnstable’s net assets by \$10.2 million. Key elements of this increase are as follows:

- \$7.2 million increase was attributable to airport operations. This was down from the prior year increase of \$13.8 million due to capital contributions received in fiscal year 2011 totaling \$14.5 million and in fiscal year 2012 totaling \$8.5 million.
- \$154,000 decrease was attributable to golf course operations.
- \$19,000 decrease was attributable to solid waste operations.
- \$1.3 million increase was attributable to wastewater operations.
- \$1 million increase was attributable to water supply operations.
- \$349,000 increase was attributable to the marina enterprise fund.
- \$154,000 increase was attributable to the Sandy Neck recreation fund.
- \$326,000 increase was attributable to the Hyannis Youth and Community Center.
- The business-type activities transferred \$1.9 million of its net operating income to governmental activities to pay for costs associated with running the business-type activities which are paid for out of governmental activities.





- All business type activities have generated net revenue (program revenue less expenses) for the past three years except for the Hyannis Youth and Community Center.
- The airport realized a decrease in their net revenue generated from fiscal year 2011 to fiscal year 2012. This is principally due to capital grant funded construction nearing completion for the airport renovation project.
- Net revenue does not include investment income and transfers, which have been necessary to allow some of the enterprise funds to meet their debt service obligations.

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the Town of Barnstable's governmental funds reported combined ending fund balances of \$81.8 million, a decrease of \$331,000 in comparison with the prior year.

The general fund is the chief operating fund of the Town of Barnstable. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$28.7 million, while total fund balance was \$33.4 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures.

Analysis of Fund Balance and General Fund Expenditures

	FY 2010	FY 2011	FY 2012	Increase (Decrease) FY10-FY12
Unassigned fund balance	\$ 26,539,943	\$ 21,612,742	\$ 28,734,188	\$ 2,194,245
Total fund balance	\$ 32,820,236	\$ 30,598,271	\$ 33,402,299	\$ 582,063
Total General Fund expenditures	\$ 126,997,099	\$ 131,157,143	\$ 136,016,072	\$ 9,018,973
Unassigned fund balance as a % of total GF expenditures	20.90%	16.48%	21.13%	0.23%
Total fund balance as a % of total GF expenditures	25.84%	23.33%	24.56%	-1.28%

Unassigned fund balance and total fund balance as a percentage of total general fund expenditures increased in fiscal year 2012 from the fiscal year 2010 and 2011 levels. The Town's general fund expenditures for fiscal year 2012 are \$4.9 million more than fiscal year 2011 and \$9 million more than fiscal year 2010.

Unassigned fund balance has increased by \$2.2 million over the past three years mainly as a result of the planned use of high reserves to fund the capital program.

The Town has planned to use \$435,000 of fund balance to balance the fiscal year 2013 general fund budget, which is reported within assigned fund balance.

General Fund Comparison

	FY 2010	FY 2011	FY 2012	Increase (Decrease) FY10-FY12
Cash and investments	\$ 37,585,433	\$ 36,450,073	\$ 39,257,089	\$ 1,671,656
Receivables and other assets	\$ 35,779,430	\$ 34,448,247	\$ 33,514,303	\$ (2,265,127)
Total liabilities	\$ 40,544,627	\$ 40,300,049	\$ 39,369,093	\$ (1,175,534)
Total fund balance	\$ 32,820,236	\$ 30,598,271	\$ 33,402,299	\$ 582,063
Revenues	\$ 129,505,074	\$ 133,462,906	\$ 142,669,932	\$ 13,164,858
Expenditures	\$ 127,035,059	\$ 131,157,143	\$ 136,016,072	\$ 8,981,013

- Cash and investments have increased mainly as a result of actual revenues exceeding actual expenditures.
- Receivables have decreased by \$2.3 million from fiscal year 2010, mostly due to receipts coming in from state reimbursement programs.
- Total fund balance has increased mainly due to favorable results in operations.
- The \$13.2 million increase in revenue is comprised mostly of the increase of \$8.2 million in property tax growth, \$2.9 million in intergovernmental, \$1.2 million in meals tax, \$987,000 in hotel/motel taxes and \$660,000 in the departmental and other offset by the decrease of \$1.5 million in investment income.
- The \$9 million increase in expenditures was mainly due to an increase in education of \$3.9 million, pension benefits of \$2.4 million, debt principal expense of \$921,000 and state and county charges of \$773,000.

In accordance with GASB #54, the Town has included the Municipal Purpose Stabilization fund within the unassigned fund balance of the general fund. The fund balance in the municipal purpose stabilization fund has decreased \$4.9 million since fiscal year 2010. This fund is more commonly referred to in town as the "Capital Trust Fund". Resources are accumulated in this fund to provide for future capital improvements on a pay-as-you-go basis and to pay debt service on borrowing authorizations issued to finance capital improvements. This fund receives an annual transfer from the General Fund (\$8.7 million in fiscal year 2012) and transfers out a sum of

money that equals the annual debt service payments on projects authorized as well as cash appropriations for capital improvements. The difference between the transfer in and out contributes to the increase or decrease in this fund balance at the end of any fiscal year.

In accordance with GASB #54, the Town has classified the fund balance in the pension stabilization fund within the category of restricted fund balance within the general fund. The balance of the pension stabilization fund has remained consistent with a slight decrease of \$123,000 since fiscal year 2010.

	Fund Balance			Increase (Decrease)
	FY 2010	FY 2011	FY 2012	FY10-FY12
Capital Projects	\$ 15,837,839	\$ 18,640,466	\$ 14,136,690	\$ (1,701,149)
Highway Projects	\$ -	\$ -	\$ 404,851	\$ 404,851
Community Preservation Fund	\$ 10,082,856	\$ 8,261,251	\$ 8,586,383	\$ (1,496,473)
Nonmajor Governmental Funds	\$ 21,908,895	\$ 24,637,597	\$ 25,276,571	\$ 3,367,676

The capital projects fund has decreased by \$1.7 million since fiscal year 2010. This is due to the Town's ongoing capital construction and improvement projects. In fiscal year 2012, the Town's major projects included \$1.3 million in school improvements and \$4.9 million for infrastructure.

The highway projects fund reported expenditures of \$1 million against \$849,000 of reimbursements on projects in fiscal year 2012 which are fully supported by state grants on a reimbursable basis. The highway projects fund had a transfer in of \$578,000 from capital projects fund for old projects that were closed out.

The community preservation fund balance has decreased \$1.5 million since fiscal year 2010. This is due to the Town's ongoing community preservation project expenditures exceeding revenue.

The nonmajor funds increased in fund balance by approximately \$3.4 million since fiscal year 2010. During fiscal year 2012, revenues exceeded expenditures by \$1.4 million and transfers netted to (\$721,000).

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

General Fund Budgetary Highlights

The \$216,000 increase from the original budget to the final amended budget resulted from supplemental appropriations of \$252,000 offset with a decrease in the education budget of \$36,000.

General fund revenues came in more than budgeted by \$4.7 million. All categories of revenues exceeded the budget, including charges for services, fees and rentals, licenses and permits, and investment income. Real estate and personal property taxes realized the largest positive variance at \$2 million.

General Fund expenditures came in approximately \$1.7 million less than budgeted. All departments realized budget savings except for state and county charges. This is an area where municipalities are allowed to deficit spend under state law.

Capital Assets and Debt Management

Capital assets. The Town of Barnstable's investment in capital assets for its governmental and business type activities as of June 30, 2012 amount to \$406.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements to land and buildings, machinery and equipment, vehicles, roads, sidewalks, bridges, runways and sewer lines. The total increase in the Town of Barnstable's net investment in capital assets for the current fiscal year was \$20.1 million (a \$3.8 million increase for governmental activities and a \$16.3 million increase for business-type activities).

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

- The Town spent \$16 million for various infrastructure improvements including roads, drainage and sidewalks.
- The Town spent \$11.7 million on various building improvements. Of this amount \$9.7 million was spent on the new airport terminal, \$1.3 million in school projects and \$564,000 in public safety projects.
- The Town spent \$2.9 million on construction in progress. Of this amount \$2.2 million was spent on DPW projects, and \$672,000 was spent on miscellaneous projects.

	Capital Assets		
	Cost of Capital Assets at end of year	Accumulated Depreciation at end of year	Capital Assets, net
Governmental activities			
<u>Function:</u>			
General government.....	\$ 10,969,127	\$ (5,188,451)	\$ 5,780,676
Growth management.....	2,008,968	(1,472)	2,007,496
Public safety.....	11,234,558	(7,204,464)	4,030,094
Education.....	133,448,911	(66,293,711)	67,155,200
Public works.....	116,025,587	(41,144,666)	74,880,921
Regulatory services.....	71,300,522	(1,125,830)	70,174,692
Community services.....	11,941,237	(4,513,697)	7,427,540
Total by function.....	<u>356,928,910</u>	<u>(125,472,291)</u>	<u>231,456,619</u>
Business-type activities			
<u>Function:</u>			
Airport.....	84,884,278	(19,864,629)	65,019,649
Golf.....	17,503,613	(3,602,639)	13,900,974
Solid Waste.....	4,524,316	(1,993,861)	2,530,455
Wastewater.....	60,414,683	(16,121,838)	44,292,845
Water Supply.....	19,813,015	(1,046,420)	18,766,595
Marina.....	7,143,906	(1,504,137)	5,639,769
Sandy Neck recreation.....	1,697,525	(268,820)	1,428,705
Hyannis Youth and Community Center.....	24,217,739	(1,173,041)	23,044,698
Total by function.....	<u>220,199,075</u>	<u>(45,575,385)</u>	<u>174,623,690</u>
Grand Total.....	\$ <u>577,127,985</u>	\$ <u>(171,047,676)</u>	\$ <u>406,080,309</u>

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

Long-term debt. At the end of the current fiscal year, the Town of Barnstable had total bonded debt outstanding of \$129.6 million. The entire amount is classified as general obligation debt and is backed by the full faith and credit of the Town. The Town has no revenue bonds outstanding, which are bonds secured solely by specified revenue sources.

Governmental Activities:

Projects	Maturities Through	Original Loan Amount	Coupon Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
MWPAT Title V Bond of 1997.....	2021	\$ 200,000	0.00	\$ 103,803	\$ -	\$ (10,400)	\$ 93,403
Municipal Purpose Refunding of 2002.....	2012	8,340,062	4.00	2,786,903	-	(2,786,903)	-
MWPAT Title V Bond of 2002.....	2023	200,000	0.00	119,928	-	(10,020)	109,908
Municipal Purpose Bonds of 2002.....	2022	20,949,000	4.00 - 5.00	1,160,000	-	(1,160,000)	-
Municipal Purpose Bonds of 2003.....	2013	7,014,000	2.00 - 4.00	3,310,000	-	(2,955,000)	355,000
Municipal Purpose Bonds of 2004.....	2014	11,783,000	3.00 - 5.00	7,415,000	-	(6,175,000)	1,240,000
Municipal Purpose Bonds of 2005.....	2025	6,280,000	3.25 - 5.00	4,390,000	-	(315,000)	4,075,000
MWPAT Title V Bonds of 2006.....	2026	400,000	0.00	300,000	-	(20,000)	280,000
MWPAT Title V Bond of 2007.....	2027	200,000	0.00	160,000	-	(10,000)	150,000
Municipal Purpose Bonds of 2007.....	2027	46,664,000	3.38 - 4.75	36,805,000	-	(4,460,000)	32,345,000
MWPAT Bond of 2008 (CW-04-31).....	2021	389,216	2.00	308,161	-	(28,117)	280,044
Municipal Purpose Bonds of 2008.....	2028	6,861,000	3.75 - 4.50	4,859,000	-	(637,000)	4,222,000
MWPAT Debt of 2009.....	2021	1,059,374	2.00	751,320	-	(19,294)	732,026
Municipal Purpose Bonds of 2010.....	2030	4,959,000	2.00 - 5.00	4,380,000	-	(550,000)	3,830,000
Municipal Purpose Bonds of 2011.....	2031	16,176,000	2.00 - 4.00	16,176,000	-	(876,000)	15,300,000
Municipal Purpose Refunding of 2012.....	2023	11,715,000	2.00 - 4.00	-	10,037,900	-	10,037,900
Total Bonds Payable.....				83,025,115	10,037,900	(20,012,734)	73,050,281
Add: unamortized premium.....				360,689	-	(65,866)	294,823
Total Bonds Payable, net.....				\$ 83,385,804	\$ 10,037,900	\$ (20,078,600)	\$ 73,345,104

Business-type Activities:

Projects	Maturities Through	Original Loan Amount	Coupon Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Golf Course.....	2025	\$ 4,450,000	5.00	\$ 3,620,000	\$ -	\$ (230,000)	\$ 3,390,000
Wastewater.....	2032	34,940,442	0.00 - 4.75	17,201,545	5,919,680	(2,341,574)	20,779,651
Water.....	2032	13,699,618	4.00 - 5.00	11,378,911	910,707	(504,552)	11,785,066
Solid Waste Transfer Station.....	2027	8,405,700	0.00 - 4.50	3,907,900	241,500	(691,900)	3,457,500
Sandy Neck.....	2031	1,365,000	4.00	1,280,000	-	(65,000)	1,215,000
Marinas.....	2030	3,774,000	3.00 - 5.00	1,675,000	864,000	(975,000)	1,564,000
Hyannis Youth and Community Center.....	2028	17,365,000	3.375 - 5.00	14,223,000	-	(869,000)	13,354,000
Airport.....	2031	730,000	2.00 - 4.12	730,000	-	(25,000)	705,000
Total Bonds Payable.....				\$ 54,016,356	\$ 7,935,887	\$ (5,702,026)	\$ 56,250,217

The Town of Barnstable's total long-term debt decreased by \$7.8 million during the current fiscal year. The decrease was the net result of the issuance of \$6.3 million in new long-term debt used to finance new capital projects, \$11.7 million of refunding bonds, and principal payments of approximately \$25.7 million.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total equalized property valuation. This limit could go to 10% with the State's Municipal Finance Oversight Board's approval. Additionally, certain general obligation debt is exempt from this limit such as debt associated with school construction and many water improvement projects. The current debt limitation for the Town of Barnstable is \$693.2 million, which is significantly in excess of the Town of Barnstable's outstanding general obligation debt that is subject to this limitation.

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

Economic Factors and Next Year's Budget and Rates

- New building growth continues to be much less than what the town was experiencing in pre-recession times. New residential construction is restricted by available vacant land and a higher than normal for sale housing inventory. A higher percentage of new growth is being derived from commercial and redevelopment activity which is limited due to various economic factors. Property taxes from new building growth in fiscal year 2012 were \$589,000, well below the recent growth figure of \$1.2 million in fiscal year 2008. The Town is estimating \$767,000 of property taxes from new building growth in fiscal year 2013; mainly due to a new Stop & Shop being constructed as well as an investment made in properties by local automobile dealerships.
- Motor vehicle excise taxes are conservatively projected in fiscal year 2013 at \$4.8 million even though the actual collections in fiscal year 2012 were \$5.4 million. This was down from the actual collections in fiscal year 2011 of \$5.7 million. A continued decline is projected. This category of revenue has been very volatile over the past few years as fewer new cars are being purchased and more of the new cars purchased tend to be less expensive fuel efficient models. This has a direct impact on the excise tax collected by the town as the tax bill is based on the MSRP of the vehicle.
- Hotel/Motel excise taxes for fiscal year 2013 are projected to be level with the amount budgeted in fiscal year 2012.
- The Town Council approved a local meals tax rate of 0.75% effective October 1, 2010. The estimated annual revenue from this new tax is \$1.2 million. One hundred percent of this tax revenue will be credited to a new sewer construction trust fund and none of it will be used to balance the general fund operating budget.
- Chapter 70 Aid for education and unrestricted general government aid are budgeted at \$346,000 more in fiscal year 2013. The state restored its prior year cut to the unrestricted aid category and provided a minimum increase of \$25 per student in Chapter 70 aid for all communities.
- Charter school reimbursement aid from the state in fiscal year 2013 will remain relatively the same with the fiscal year 2012 amount. The Sturgis Charter School has opened a second campus and the state aid formula includes reimbursement of 100 percent of the first year costs increase with declining reimbursement rates in subsequent years. The town will incur significant declines in state aid in the subsequent years.
- Penalties and interest on the late payment of taxes are expected to decrease in fiscal year 2013 as tax collections in fiscal year 2012 improved and outstanding receivable balances declined.
- Interest rates on investments continue to be the lowest in years. The Town estimates that general fund investment income will be about \$50,000 less in fiscal year 2013.
- Interest rates on bond issues are at historical lows and this trend is expected to continue in fiscal year 2013.

- Consumer price inflation is currently low which should have positive impact on the Town's utility and fuel costs in fiscal year 2013.
- The fiscal year 2013 General Fund operating budget of \$125,586,153 (net of transfers) is \$1,288,765 more than the fiscal year 2012 budget.
- School operations are up \$1,363,419 and municipal operations are up \$718,434.
- Employee benefits are up \$460,683.
- Debt service is down \$934,668; school assessments are up \$522,631 and other fixed costs are up \$174,927.
- The Town had no snow and ice deficit spending in fiscal year 2012 significantly reducing the budget for fiscal year 2013 by \$1,016,641.
- The Regulatory Services Department saw the largest dollar increase in the municipal operations at \$229,410. This is the result of an increase in personnel costs and additional funding provided for a new parking ticket processing vendor.
- The Regulatory Services operations saw the largest percentage increase as well in the fiscal year 2013 municipal operating budget at 10%.
- The Public Works Department is the only department for fiscal year 2013 that realized a decline in its budget. This was the result of a change in accounting for shared personnel with the enterprise funds.
- The Town implemented municipal health care reform in fiscal year 2013 realizing a total of \$1.6 million in gross savings. One-half of the savings will directly benefit subscribers in the form of lower premiums. Additionally, one-half of the town's share of the savings (approximately \$400,000) will be shared with subscribers in the form of a mitigation fund used to assist employees with paying for higher copays and deductibles.
- Subsequent to the passage of the fiscal year 2013 operating budget the Governor signed into law the Town's request to create a sewer construction fund. All meals tax revenue and one-third of the rooms tax revenue is credited to the fund and will no longer be part of general fund revenue.
- Fiscal year 2013 is a revaluation year for the Town of Barnstable. Property values are expected to decline by less than 1 percent subject to state certification
- The tax levy for fiscal year 2013 is \$100.4 million, or \$3.1 million higher than fiscal year 2012.
- The fiscal year 2013 single town tax rate is estimated to increase from \$7.59 to \$7.89 per \$1,000 of valuation. The median home value in town is approximately \$311,000. This equates to a \$93 increase in the annual median tax bill before any residential exemption.
- It is expected that the Town Council will continue to support a residential exemption of 20% in fiscal year 2013. A vote is scheduled for December 2012. The estimated exemption value for fiscal 2013 is \$87,228. Qualifying residential property owners will receive this deduction off their taxable values before the tax rate is applied.
- The residential tax rate for fiscal year 2013 if the residential exemption is adopted is estimated to be \$8.76 per \$1,000 of valuation.
- It is expected that Town Council will not adopt a split tax rate or a small business exemption for fiscal year 2013 consistent with the previous year.

Requests for Information

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

Basic Financial Statements

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STATEMENT OF NET ASSETS

JUNE 30, 2012

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
				Libraries
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 55,163,522	\$ 16,448,188	\$ 71,611,710	\$ 1,396,076
Restricted cash.....	-	-	-	81,571
Investments.....	32,740,360	12,458,453	45,198,813	6,513,075
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	5,326,922	-	5,326,922	-
Tax liens.....	1,975,329	-	1,975,329	-
Wastewater liens.....	-	19,237	19,237	-
Motor vehicle and other excise taxes.....	1,168,118	-	1,168,118	-
User fees.....	-	2,859,790	2,859,790	-
Community Preservation Fund surtaxes.....	140,468	-	140,468	-
Departmental and other.....	273,542	-	273,542	841,734
Special assessments.....	6,137	197,847	203,984	-
Intergovernmental.....	14,274,514	2,646,331	16,920,845	4,803
Tax foreclosures.....	1,185,252	-	1,185,252	-
Inventory.....	-	146,620	146,620	5,653
Prepaid expenses.....	-	-	-	26,433
Total current assets.....	112,254,164	34,776,466	147,030,630	8,869,345
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Special assessments.....	748,380	1,561,781	2,310,161	-
Intergovernmental.....	17,425,089	1,628,883	19,053,972	-
Other assets.....	6,025	-	6,025	-
Capital assets, net of accumulated depreciation:				
Depreciable.....	139,134,952	126,099,927	265,234,879	7,594,029
Nondepreciable.....	92,321,667	48,523,763	140,845,430	715,619
Total noncurrent assets.....	249,636,113	177,814,354	427,450,467	8,309,648
TOTAL ASSETS.....	361,890,277	212,590,820	574,481,097	17,178,993
LIABILITIES				
CURRENT:				
Warrants payable.....	3,041,271	431,068	3,472,339	116,541
Accrued liabilities.....	379,690	39,040	418,730	4,499
Accrued payroll.....	8,114,685	165,323	8,280,008	-
Tax refunds payable.....	84,900	-	84,900	-
Accrued interest.....	668,897	346,310	1,015,207	-
Other liabilities.....	11,818	59,061	70,879	7,039
Unearned revenue.....	-	72,752	72,752	-
Customer deposits payable.....	5,120	-	5,120	-
Landfill closure.....	-	70,000	70,000	-
Compensated absences.....	2,370,815	271,028	2,641,843	-
Workers' compensation.....	42,000	-	42,000	-
Notes payable.....	-	1,671,000	1,671,000	-
Bonds payable.....	9,356,223	3,706,637	13,062,860	-
Total current liabilities.....	24,075,419	6,832,219	30,907,638	128,079
NONCURRENT:				
Landfill closure.....	-	980,000	980,000	-
Compensated absences.....	529,318	42,079	571,397	-
Workers' compensation.....	637,000	-	637,000	-
Other postemployment benefits obligation.....	28,748,859	3,771,000	32,519,859	-
Bonds payable.....	63,988,881	52,543,580	116,532,461	-
Total noncurrent liabilities.....	93,904,058	57,336,659	151,240,717	-
TOTAL LIABILITIES.....	117,979,477	64,168,878	182,148,355	128,079
NET ASSETS				
Invested in capital assets, net of related debt.....	184,421,601	123,154,596	307,576,197	8,309,648
Restricted for:				
Highway projects.....	5,184,227	-	5,184,227	-
Permanent funds:				
Expendable.....	1,605,936	-	1,605,936	-
Nonexpendable.....	10,467,992	-	10,467,992	-
Grants and gifts.....	5,640,966	-	5,640,966	-
Unrestricted.....	36,590,078	25,267,346	61,857,424	8,741,266
TOTAL NET ASSETS.....	\$ 243,910,800	\$ 148,421,942	\$ 392,332,742	\$ 17,050,914

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
Town Council.....	\$ 382,055	\$ -	\$ -	\$ -	\$ (382,055)
Town Manager.....	745,955	36,111	-	-	(709,844)
Administrative services.....	10,330,594	845,002	596,851	646,630	(8,242,111)
Growth management.....	2,164,979	47,640	86,468	767,581	(1,263,290)
Public safety.....	16,445,394	792,683	670,617	-	(14,982,094)
Education.....	96,294,013	2,552,873	28,792,193	-	(64,948,947)
Public works.....	12,804,945	107,502	199,373	1,509,125	(10,988,945)
Community services.....	4,591,089	1,973,424	370,078	15,000	(2,232,587)
Regulatory services.....	4,480,702	2,826,890	19,950	-	(1,633,862)
Culture and recreation.....	2,047,950	581,047	15,647	-	(1,451,256)
Interest.....	3,199,774	-	800,962	-	(2,398,812)
Total Governmental Activities.....	153,487,450	9,763,172	31,552,139	2,938,336	(109,233,803)
<i>Business-Type Activities:</i>					
Airport activities.....	7,468,840	6,585,493	114,490	8,475,447	7,706,590
Golf Course activities.....	2,634,335	2,774,195	-	-	139,860
Solid Waste activities.....	2,011,718	2,189,147	70,337	-	247,766
Wastewater activities.....	4,924,221	4,048,083	172,702	686,169	(17,267)
Water Supply activities.....	2,695,528	3,848,765	-	40,000	1,193,237
Marina activities.....	572,555	680,419	-	271,875	379,739
Sandy Neck activities.....	617,232	839,323	-	-	222,091
Hyannis Youth and Community Center activities.....	2,285,247	1,361,171	-	10,000	(914,076)
Total Business-Type Activities.....	23,209,676	22,326,596	357,529	9,483,491	8,957,940
Total Primary Government.....	\$ 176,697,126	\$ 32,089,768	\$ 31,909,668	\$ 12,421,827	\$ (100,275,863)
Component Units:					
Libraries.....	\$ 3,043,301	\$ 226,229	\$ 4,098,654	\$ -	\$ 1,281,582

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Units
				Libraries
Changes in net assets:				
Net (expense) revenue from previous page.....	\$ (109,233,803)	\$ 8,957,940	\$ (100,275,863)	\$ 1,281,582
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	97,222,576	-	97,222,576	-
Motor vehicle and other excise taxes.....	5,416,330	-	5,416,330	-
Hotel/motel tax.....	2,470,674	-	2,470,674	-
Meals tax.....	1,206,380	-	1,206,380	-
Penalties and interest on taxes.....	1,019,421	-	1,019,421	-
Community Preservation Fund surtax.....	2,863,995	-	2,863,995	-
Grants and contributions not restricted to specific programs.....	2,645,768	-	2,645,768	-
Unrestricted investment income (loss).....	1,866,929	188,452	2,055,381	216,658
Miscellaneous.....	30,765	-	30,765	-
<i>Transfers, net</i>	(1,084,489)	1,084,489	-	-
Total general revenues and transfers.....	113,658,349	1,272,941	114,931,290	216,658
Change in net assets.....	4,424,546	10,230,881	14,655,427	1,498,240
<i>Net Assets:</i>				
Beginning of year	239,486,254	138,191,061	377,677,315	15,552,674
End of year.....	\$ 243,910,800	\$ 148,421,942	\$ 392,332,742	\$ 17,050,914

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2012

ASSETS	General	Capital Projects	Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 16,887,912	\$ 13,635,379	\$ 406,636	\$ 8,715,851	\$ 14,991,418	\$ 54,637,196
Investments.....	22,369,177	-	-	-	10,371,183	32,740,360
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	5,326,922	-	-	-	-	5,326,922
Tax liens.....	1,935,282	-	-	37,411	2,636	1,975,329
Motor vehicle and other excise taxes.....	1,168,118	-	-	-	-	1,168,118
Community Preservation Fund surtaxes.....	-	-	-	140,468	-	140,468
Departmental and other.....	273,542	-	-	-	-	273,542
Special assessments.....	-	-	-	-	754,517	754,517
Intergovernmental.....	23,619,162	1,558,457	5,226,739	798,927	496,318	31,699,603
Tax foreclosures.....	1,185,252	-	-	-	-	1,185,252
Other assets.....	6,025	-	-	-	-	6,025
TOTAL ASSETS.....	\$ 72,771,392	\$ 15,193,836	\$ 5,633,375	\$ 9,692,657	\$ 26,616,072	\$ 129,907,332
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable.....	\$ 1,498,652	\$ 1,046,684	\$ 1,785	\$ 128,303	\$ 356,317	\$ 3,031,741
Accrued liabilities.....	379,690	-	-	-	-	379,690
Accrued payroll.....	7,877,027	10,462	-	1,165	226,031	8,114,685
Tax refunds payable.....	84,900	-	-	-	-	84,900
Liabilities due depositors.....	5,120	-	-	-	-	5,120
Other liabilities.....	11,818	-	-	-	-	11,818
Deferred revenues.....	29,511,886	-	5,226,739	976,806	757,153	36,472,584
TOTAL LIABILITIES.....	39,369,093	1,057,146	5,228,524	1,106,274	1,339,501	48,100,538
FUND BALANCES:						
Nonspendable.....	-	-	-	-	10,467,992	10,467,992
Restricted.....	2,660,805	14,136,690	404,851	8,586,383	14,808,579	40,597,308
Assigned.....	2,007,306	-	-	-	-	2,007,306
Unassigned.....	28,734,188	-	-	-	-	28,734,188
TOTAL FUND BALANCES.....	33,402,299	14,136,690	404,851	8,586,383	25,276,571	81,806,794
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 72,771,392	\$ 15,193,836	\$ 5,633,375	\$ 9,692,657	\$ 26,616,072	\$ 129,907,332

See notes to basic financial statements.

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

JUNE 30, 2012

Total governmental fund balances.....	\$	81,806,794
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		231,456,619
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		36,472,584
Internal service funds are used by management to account for employees and retirees' health insurance compensation activities.		
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net assets.....		(162,204)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(668,897)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(73,345,104)	
Compensated absences.....	(2,900,133)	
Other postemployment benefits obligation.....	<u>(28,748,859)</u>	
Net effect of reporting long-term liabilities.....		<u>(104,994,096)</u>
Net assets of governmental activities.....	\$	<u><u>243,910,800</u></u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	General	Capital Projects	Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 97,818,235	\$ -	\$ -	\$ -	\$ -	\$ 97,818,235
Motor vehicle and other excise taxes.....	5,510,517	-	-	-	-	5,510,517
Hotel/motel tax.....	2,468,674	-	-	-	-	2,468,674
Meals tax.....	1,197,380	-	-	-	-	1,197,380
Charges for services.....	1,743,423	-	-	-	3,233,050	4,976,473
Penalties and interest on taxes.....	1,359,907	-	-	-	-	1,359,907
Fees and rentals.....	965,313	-	-	-	527,516	1,492,829
Licenses and permits.....	1,966,244	-	-	-	1,044,147	3,010,391
Intergovernmental.....	27,415,062	1,559,477	849,462	765,460	8,759,919	39,349,380
Departmental and other.....	757,460	-	-	-	225,247	982,707
Special assessments.....	231,285	-	-	-	114,535	345,820
Community Preservation Fund surtax.....	-	-	-	2,863,995	-	2,863,995
Contributions.....	-	-	-	-	296,185	296,185
Investment income.....	1,236,432	-	-	141,911	485,158	1,863,501
Miscellaneous.....	-	-	-	-	6,885	6,885
TOTAL REVENUES.....	142,669,932	1,559,477	849,462	3,771,366	14,692,642	163,542,879
EXPENDITURES:						
Current:						
Town Council.....	309,303	-	-	-	-	309,303
Town Manager.....	596,044	-	-	-	-	596,044
Administrative services.....	5,468,000	-	-	-	1,083,177	6,551,177
Growth management.....	853,046	37,218	-	839,750	163,674	1,893,688
Public safety.....	11,814,200	563,675	-	-	950,228	13,328,103
Education.....	63,717,437	1,594,661	-	-	9,223,892	74,535,990
Public works.....	8,091,381	6,071,827	1,022,697	-	356,931	15,542,836
Community services.....	2,571,635	475,244	-	-	606,523	3,653,402
Regulatory services.....	2,381,963	332,413	-	-	545,152	3,259,528
Culture and recreation.....	1,695,154	-	-	-	352,796	2,047,950
Pension benefits.....	17,683,703	-	-	-	-	17,683,703
Property and liability insurance.....	1,312,879	-	-	-	-	1,312,879
Employee benefits.....	2,196,548	-	-	-	-	2,196,548
Other assessments.....	375,478	-	-	-	-	375,478
State and county charges.....	6,443,074	-	-	-	-	6,443,074
Debt service:						
Principal.....	7,954,569	-	-	1,927,000	50,420	9,931,989
Interest.....	2,551,658	-	-	739,299	-	3,290,957
TOTAL EXPENDITURES.....	136,016,072	9,075,038	1,022,697	3,506,049	13,332,793	162,952,649
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	6,653,860	(7,515,561)	(173,235)	265,317	1,359,849	590,230
OTHER FINANCING SOURCES (USES):						
Issuance of refunding bonds.....	10,037,900	-	-	-	-	10,037,900
Premium from issuance of bonds and notes.....	30,765	-	-	-	-	30,765
Premium from issuance of refunding bonds.....	966,394	-	-	-	-	966,394
Payments to refunded bonds escrow agent.....	(10,871,591)	-	-	-	-	(10,871,591)
Transfers in.....	2,596,479	3,604,000	578,086	59,815	176,672	7,015,052
Transfers out.....	(6,609,779)	(592,215)	-	-	(897,547)	(8,099,541)
TOTAL OTHER FINANCING SOURCES (USES).....	(3,849,832)	3,011,785	578,086	59,815	(720,875)	(921,021)
NET CHANGE IN FUND BALANCES.....	2,804,028	(4,503,776)	404,851	325,132	638,974	(330,791)
FUND BALANCES AT BEGINNING OF YEAR.....	30,598,271	18,640,466	-	8,261,251	24,637,597	82,137,585
FUND BALANCES AT END OF YEAR.....	\$ 33,402,299	\$ 14,136,690	\$ 404,851	\$ 8,586,383	\$ 25,276,571	\$ 81,806,794

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds.....	\$	(330,791)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		10,637,388
Depreciation expense.....		<u>(6,841,323)</u>
Net effect of reporting capital assets.....		3,796,065
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>		
		(4,580,587)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of refunding bonds.....		(10,037,900)
Premium from issuance of refunding bonds, net of issue costs.....		(790,846)
Payment to refunded bond escrow agent.....		10,871,591
Debt service principal payments.....		<u>9,931,989</u>
Net effect of reporting long-term debt.....		9,974,834
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		66,742
Net change in accrued interest on long-term debt.....		25,317
Net change in other postemployment benefits obligation.....		(5,082,696)
Amortization of premium from issuance of bonds.....		<u>65,866</u>
Net effect of recording long-term liabilities.....		(4,924,771)
<p>Internal service fund is used by management to account for workers' compensation activities.</p>		
The net activity of internal service fund is reported with governmental activities.....		<u>489,796</u>
Change in net assets of governmental activities.....	\$	<u><u>4,424,546</u></u>

See notes to basic financial statements.

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 95,830,663	\$ 95,830,663	\$ 97,797,535	\$ -	\$ 1,966,872
Motor vehicle and other excise taxes.....	4,924,402	4,924,402	5,510,517	-	586,115
Hotel/motel tax.....	2,325,000	2,325,000	2,468,674	-	143,674
Meals tax.....	1,000,000	1,000,000	1,197,380	-	197,380
Charges for services.....	1,400,000	1,400,000	1,743,423	-	343,423
Penalties and interest on taxes.....	1,133,650	1,133,650	1,359,907	-	226,257
Fees and rentals.....	925,000	925,000	965,313	-	40,313
Licenses and permits.....	1,500,000	1,500,000	1,966,244	-	466,244
Intergovernmental.....	13,594,313	13,594,313	13,883,247	-	288,934
Special assessments.....	100,000	100,000	231,285	-	131,285
Departmental and other.....	438,412	438,412	580,895	-	142,483
Investment income.....	500,000	500,000	707,750	-	207,750
TOTAL REVENUES.....	123,671,440	123,671,440	128,412,170	-	4,740,730
EXPENDITURES:					
Current:					
Town Council:					
Personnel.....	312,333	296,333	262,986	-	33,347
Operating Expenditures.....	29,800	54,800	46,317	180	8,303
TOTAL.....	342,133	351,133	309,303	180	41,650
Town Manager:					
Personnel.....	441,488	513,941	512,696	-	1,245
Operating Expenditures.....	136,127	136,126	83,348	27,812	24,966
TOTAL.....	577,615	650,067	596,044	27,812	26,211
Administrative Services:					
Personnel.....	4,359,014	4,359,014	4,244,851	-	114,163
Operating Expenditures.....	1,196,837	1,196,846	1,044,074	105,138	47,634
Capital Outlay.....	157,524	157,515	153,666	2,972	877
TOTAL.....	5,713,375	5,713,375	5,442,591	108,110	162,674
Growth Management:					
Personnel.....	787,421	787,421	765,669	-	21,752
Operating Expenditures.....	139,796	139,796	87,377	34,345	18,074
TOTAL.....	927,217	927,217	853,046	34,345	39,826
Police:					
Personnel.....	10,901,549	10,873,549	10,809,024	-	64,525
Operating Expenditures.....	735,436	763,436	726,298	32,194	4,944
Capital Outlay.....	130,000	300,878	278,878	15,732	6,268
TOTAL.....	11,766,985	11,937,863	11,814,200	47,926	75,737
Regulatory Services:					
Personnel.....	2,175,512	2,175,512	2,124,881	-	50,631
Operating Expenditures.....	291,496	298,096	257,082	19,873	21,141
Capital Outlay.....	6,600	-	-	-	-
TOTAL.....	2,473,608	2,473,608	2,381,963	19,873	71,772
Local School System.....	60,546,415	60,509,987	59,142,583	764,615	602,789
Regional School District.....	2,707,304	2,707,304	2,707,304	-	-

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS - BUDGET AND ACTUAL

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Public Works:					
Personnel.....	5,437,569	5,437,569	5,061,184	-	376,385
Operating Expenditures.....	2,754,357	2,754,357	2,374,553	245,720	134,084
Capital Outlay.....	720,482	720,482	655,644	64,434	404
TOTAL.....	8,912,408	8,912,408	8,091,381	310,154	510,873
Community Services:					
Personnel.....	2,255,104	2,255,103	2,221,232	-	33,871
Operating Expenditures.....	409,576	409,576	325,417	35,670	48,489
Capital Outlay.....	26,743	26,743	24,986	-	1,757
TOTAL.....	2,691,423	2,691,422	2,571,635	35,670	84,117
Culture and Recreation.....	1,862,719	1,862,719	1,695,154	166,931	634
Debt Service:					
Principal.....	7,954,569	7,954,569	7,954,569	-	-
Interest.....	2,436,425	2,436,425	2,418,955	-	17,470
TOTAL.....	10,390,994	10,390,994	10,373,524	-	17,470
Pension Benefits.....	6,553,491	6,553,491	6,550,703	-	2,788
Employee Benefits.....	2,379,020	2,379,020	2,196,548	41,690	140,782
Liability Insurance.....	1,328,800	1,328,800	1,312,879	15,000	921
State and County Assessments.....	6,310,234	6,310,234	6,443,074	-	(132,840)
Other Assessments.....	477,187	477,187	375,478	-	101,709
TOTAL EXPENDITURES.....	125,960,928	126,176,829	122,857,410	1,572,306	1,747,113
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,289,488)	(2,505,389)	5,554,760	(1,572,306)	6,487,843
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	-	-	30,765	-	30,765
Transfers in.....	7,725,869	7,725,869	7,678,326	-	(47,543)
Transfers out.....	(10,522,250)	(10,522,250)	(10,522,250)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(2,796,381)	(2,796,381)	(2,813,159)	-	(16,778)
NET CHANGE IN FUND BALANCE.....	(5,085,869)	(5,301,770)	2,741,601	(1,572,306)	6,471,065
BUDGETARY FUND BALANCE, Beginning of year.....	20,133,294	20,133,294	20,133,294	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 15,047,425	\$ 14,831,524	\$ 22,874,895	\$ (1,572,306)	\$ 6,471,065

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2012

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
ASSETS					
CURRENT:					
Cash and cash equivalents.....	\$ 4,030,296	\$ 338,613	\$ 3,580,403	\$ 4,953,980	\$ 2,627,420
Investments.....	3,047,138	278,674	2,706,994	3,745,497	1,986,483
Receivables, net of allowance for uncollectibles:					
User fees.....	256,138	14,915	-	1,560,979	1,027,758
Wastewater liens.....	-	-	-	19,237	-
Special assessments.....	-	-	-	197,847	-
Intergovernmental.....	-	-	-	2,024,361	621,970
Inventory.....	61,657	84,963	-	-	-
Total current assets.....	<u>7,395,229</u>	<u>717,165</u>	<u>6,287,397</u>	<u>12,501,901</u>	<u>6,263,631</u>
NONCURRENT:					
Receivables, net of allowance for uncollectibles:					
Special assessments.....	-	-	-	1,561,781	-
Intergovernmental.....	-	-	658,621	970,262	-
Capital assets, net of accumulated depreciation:					
Depreciable.....	49,713,475	2,002,378	1,448,255	40,165,278	5,614,725
Nondepreciable.....	15,306,174	11,898,596	1,082,200	4,127,567	13,151,870
Total noncurrent assets.....	<u>65,019,649</u>	<u>13,900,974</u>	<u>3,189,076</u>	<u>46,824,888</u>	<u>18,766,595</u>
TOTAL ASSETS.....	<u>72,414,878</u>	<u>14,618,139</u>	<u>9,476,473</u>	<u>59,326,789</u>	<u>25,030,226</u>
LIABILITIES					
CURRENT:					
Warrants payable.....	135,363	43,924	36,650	27,564	155,275
Accrued liabilities.....	-	-	-	-	-
Accrued payroll.....	36,382	37,662	25,764	21,334	5,028
Accrued interest.....	-	53,405	-	-	157,911
Other liabilities.....	1,382	13,633	-	22,165	15,881
Unearned revenue.....	-	72,752	-	-	-
Landfill closure.....	-	-	70,000	-	-
Compensated absences.....	103,747	47,435	46,688	42,690	7,375
Workers' compensation.....	-	-	-	-	-
Notes payable.....	-	-	-	-	1,671,000
Bonds payable.....	25,000	240,000	260,900	1,572,421	564,316
Total current liabilities.....	<u>301,874</u>	<u>508,811</u>	<u>440,002</u>	<u>1,686,174</u>	<u>2,576,786</u>
NONCURRENT:					
Landfill closure.....	-	-	980,000	-	-
Compensated absences.....	13,599	3,344	12,472	9,750	-
Workers' compensation.....	-	-	-	-	-
Other postemployment benefits obligation.....	1,188,000	833,000	641,000	649,000	60,000
Bonds payable.....	680,000	3,150,000	3,196,600	19,207,230	11,220,750
Total noncurrent liabilities.....	<u>1,881,599</u>	<u>3,986,344</u>	<u>4,830,072</u>	<u>19,865,980</u>	<u>11,280,750</u>
TOTAL LIABILITIES.....	<u>2,183,473</u>	<u>4,495,155</u>	<u>5,270,074</u>	<u>21,552,154</u>	<u>13,857,536</u>
NET ASSETS					
Invested in capital assets, net of related debt.....	64,314,649	10,510,974	2,530,455	26,507,817	5,310,529
Unrestricted.....	5,916,756	(387,990)	1,675,944	11,266,818	5,862,161
TOTAL NET ASSETS.....	<u>\$ 70,231,405</u>	<u>\$ 10,122,984</u>	<u>\$ 4,206,399</u>	<u>\$ 37,774,635</u>	<u>\$ 11,172,690</u>

See notes to basic financial statements.

	Marina Recreation	Sandy Neck Recreation	Hyannis Youth and Community Center	Total	Governmental Activities - Internal Service Fund
\$	354,720	\$ 390,027	\$ 172,729	\$ 16,448,188	\$ 526,326
	268,189	294,884	130,594	12,458,453	-
	-	-	-	2,859,790	-
	-	-	-	19,237	-
	-	-	-	197,847	-
	-	-	-	2,646,331	-
	-	-	-	146,620	-
	<u>622,909</u>	<u>684,911</u>	<u>303,323</u>	<u>34,776,466</u>	<u>526,326</u>
	-	-	-	1,561,781	-
	-	-	-	1,628,883	-
	3,911,744	1,428,705	21,815,367	126,099,927	-
	<u>1,728,025</u>	<u>-</u>	<u>1,229,331</u>	<u>48,523,763</u>	<u>-</u>
	<u>5,639,769</u>	<u>1,428,705</u>	<u>23,044,698</u>	<u>177,814,354</u>	<u>-</u>
	<u>6,262,678</u>	<u>2,113,616</u>	<u>23,348,021</u>	<u>212,590,820</u>	<u>526,326</u>
	23,495	6,231	2,566	431,068	9,530
	-	11,850	27,190	39,040	-
	7,664	18,394	13,095	165,323	-
	-	-	134,994	346,310	-
	1,000	-	5,000	59,061	-
	-	-	-	72,752	-
	-	-	-	70,000	-
	-	-	23,093	271,028	-
	-	-	-	-	42,000
	-	-	-	1,671,000	-
	<u>125,000</u>	<u>50,000</u>	<u>869,000</u>	<u>3,706,637</u>	<u>-</u>
	<u>157,159</u>	<u>86,475</u>	<u>1,074,938</u>	<u>6,832,219</u>	<u>51,530</u>
	-	-	-	980,000	-
	-	-	2,914	42,079	-
	-	-	-	-	637,000
	79,000	142,000	179,000	3,771,000	-
	<u>1,439,000</u>	<u>1,165,000</u>	<u>12,485,000</u>	<u>52,543,580</u>	<u>-</u>
	<u>1,518,000</u>	<u>1,307,000</u>	<u>12,666,914</u>	<u>57,336,659</u>	<u>637,000</u>
	<u>1,675,159</u>	<u>1,393,475</u>	<u>13,741,852</u>	<u>64,168,878</u>	<u>688,530</u>
	4,075,769	213,705	9,690,698	123,154,596	-
	<u>511,750</u>	<u>506,436</u>	<u>(84,529)</u>	<u>25,267,346</u>	<u>(162,204)</u>
\$	<u>4,587,519</u>	<u>\$ 720,141</u>	<u>\$ 9,606,169</u>	<u>\$ 148,421,942</u>	<u>\$ (162,204)</u>

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

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
OPERATING REVENUES:					
Employer contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	6,585,493	2,774,195	2,189,147	4,048,083	3,848,765
Intergovernmental.....	114,490	-	-	-	-
TOTAL OPERATING REVENUES	6,699,983	2,774,195	2,189,147	4,048,083	3,848,765
OPERATING EXPENSES:					
Salaries, wages and fringe benefits.....	1,902,911	1,288,265	1,129,442	1,000,738	152,261
Operations.....	3,864,355	1,014,084	659,636	1,341,955	1,921,109
Depreciation.....	1,678,149	183,825	84,664	2,071,509	191,970
TOTAL OPERATING EXPENSES	7,445,415	2,486,174	1,873,742	4,414,202	2,265,340
OPERATING INCOME (LOSS).....	(745,432)	288,021	315,405	(366,119)	1,583,425
NONOPERATING REVENUES (EXPENSES):					
Investment income.....	46,660	6,548	77,521	56,002	-
Interest expense.....	(23,425)	(148,161)	(137,976)	(510,019)	(430,188)
Intergovernmental.....	-	-	70,337	172,702	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	23,235	(141,613)	9,882	(281,315)	(430,188)
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS.....	(722,197)	146,408	325,287	(647,434)	1,153,237
CAPITAL CONTRIBUTIONS.....	8,475,447	-	-	686,169	40,000
TRANSFERS:					
Transfers in.....	-	-	-	1,767,250	-
Transfers out.....	(505,529)	(300,000)	(344,094)	(506,131)	(166,416)
TOTAL TRANSFERS.....	(505,529)	(300,000)	(344,094)	1,261,119	(166,416)
CHANGE IN NET ASSETS.....	7,247,721	(153,592)	(18,807)	1,299,854	1,026,821
NET ASSETS AT BEGINNING OF YEAR, AS REVISED.....	62,983,684	10,276,576	4,225,206	36,474,781	10,145,869
NET ASSETS AT END OF YEAR.....	\$ 70,231,405	\$ 10,122,984	\$ 4,206,399	\$ 37,774,635	\$ 11,172,690

See notes to basic financial statements.

	Marina Recreation	Sandy Neck Recreation	Hyannis Youth and Community Center	Total	Governmental Activities - Internal Service Fund
\$	-	\$ -	\$ -	\$ -	\$ 950,500
	680,419	839,323	1,361,171	22,326,596	-
	-	-	-	114,490	-
	<u>680,419</u>	<u>839,323</u>	<u>1,361,171</u>	<u>22,441,086</u>	<u>950,500</u>
	230,410	371,203	632,236	6,707,466	464,132
	103,299	116,851	580,350	9,601,639	-
	<u>180,215</u>	<u>82,469</u>	<u>591,459</u>	<u>5,064,260</u>	<u>-</u>
	<u>513,924</u>	<u>570,523</u>	<u>1,804,045</u>	<u>21,373,365</u>	<u>464,132</u>
	<u>166,495</u>	<u>268,800</u>	<u>(442,874)</u>	<u>1,067,721</u>	<u>486,368</u>
	-	-	1,721	188,452	3,428
	(58,631)	(46,709)	(481,202)	(1,836,311)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,039</u>	<u>-</u>
	<u>(58,631)</u>	<u>(46,709)</u>	<u>(479,481)</u>	<u>(1,404,820)</u>	<u>3,428</u>
	<u>107,864</u>	<u>222,091</u>	<u>(922,355)</u>	<u>(337,099)</u>	<u>489,796</u>
	<u>271,875</u>	<u>-</u>	<u>10,000</u>	<u>9,483,491</u>	<u>-</u>
	24,000	-	1,238,529	3,029,779	-
	<u>(54,702)</u>	<u>(68,418)</u>	<u>-</u>	<u>(1,945,290)</u>	<u>-</u>
	<u>(30,702)</u>	<u>(68,418)</u>	<u>1,238,529</u>	<u>1,084,489</u>	<u>-</u>
	349,037	153,673	326,174	10,230,881	489,796
	<u>4,238,482</u>	<u>566,468</u>	<u>9,279,995</u>	<u>138,191,061</u>	<u>(652,000)</u>
\$	<u><u>4,587,519</u></u>	<u><u>720,141</u></u>	<u><u>9,606,169</u></u>	<u><u>148,421,942</u></u>	<u><u>(162,204)</u></u>

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS**

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds				
	Airport	Golf Course	Solid Waste	Wastewater	Water Supply
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users.....	\$ 6,495,522	\$ 2,832,032	\$ 2,189,147	\$ 4,079,431	\$ 3,848,279
Receipts from interfund services provided.....	-	-	-	-	-
Receipts from other governments.....	114,490	-	-	-	-
Payments to vendors.....	(4,016,283)	(1,002,053)	(759,633)	(1,376,991)	(1,973,648)
Payments to employees.....	(1,306,344)	(889,488)	(781,908)	(664,671)	(119,983)
Payments for interfund services used.....	(360,773)	(225,382)	(207,497)	(223,781)	(18,050)
NET CASH FROM OPERATING ACTIVITIES.....	926,612	715,109	440,109	1,813,988	1,736,598
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers in.....	-	-	-	1,767,250	-
Transfers out.....	(505,529)	(300,000)	(344,094)	(506,131)	(166,416)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(505,529)	(300,000)	(344,094)	1,261,119	(166,416)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from the issuance of bonds and notes.....	-	-	-	5,182,436	2,327,665
Capital contributions.....	15,733,515	-	-	1,904,275	40,000
Acquisition and construction of capital assets.....	(13,656,079)	-	-	(4,002,593)	(3,562,509)
Principal payments on bonds and notes.....	(25,000)	(230,000)	(335,457)	(1,587,072)	(504,552)
Interest expense.....	(23,425)	(151,611)	(67,639)	(337,317)	(433,609)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	2,029,011	(381,611)	(403,096)	1,159,729	(2,133,005)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of investments.....	(492,457)	-	-	(1,300,350)	-
Sale of investments.....	-	80,836	927,563	-	914,202
Investment income.....	46,660	6,548	77,521	56,002	-
NET CASH FROM INVESTING ACTIVITIES.....	(445,797)	87,384	1,005,084	(1,244,348)	914,202
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	2,004,297	120,882	698,003	2,990,488	351,379
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	2,025,999	217,731	2,882,400	1,963,492	2,276,041
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 4,030,296	\$ 338,613	\$ 3,580,403	\$ 4,953,980	\$ 2,627,420
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:					
Operating income (loss).....	\$ (745,432)	\$ 288,021	\$ 315,405	\$ (366,119)	\$ 1,583,425
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation.....	1,678,149	183,825	84,664	2,071,509	191,970
Changes in assets and liabilities:					
Wastewater liens.....	-	-	-	2,725	-
User fees.....	(89,971)	(14,915)	-	28,623	(486)
Inventory.....	16,419	(2,321)	-	-	-
Warrants payable.....	(165,149)	6,441	(29,997)	(33,701)	(52,573)
Accrued liabilities.....	(3,249)	-	-	(1,335)	-
Accrued payroll.....	5,954	11,594	7,108	2,443	1,359
Other liabilities.....	51	7,911	-	-	34
Unearned revenue.....	-	72,752	-	-	-
Accrued compensated absences.....	12,840	8,801	13,929	(15,157)	869
Workers' compensation.....	-	-	-	-	-
Landfill closure liability.....	-	-	(70,000)	-	-
Other postemployment benefits obligation.....	217,000	153,000	119,000	125,000	12,000
Total adjustments.....	1,672,044	427,088	124,704	2,180,107	153,173
NET CASH FROM OPERATING ACTIVITIES.....	\$ 926,612	\$ 715,109	\$ 440,109	\$ 1,813,988	\$ 1,736,598
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Intergovernmental subsidy of debt service - principal.....	-	-	114,943	182,902	-
Intergovernmental subsidy of debt service - interest.....	-	-	70,336	172,702	-
Issuance of refunding bonds.....	-	-	241,500	571,600	-
Long-term bonds refunded, including a \$7,155 deferred loss on refunding....	-	-	(241,500)	(571,600)	-

See notes to basic financial statements.

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
Marina Recreation	Sandy Neck Recreation	Hyannis Youth and Community Center	Total	
\$ 680,419	\$ 839,323	\$ 1,361,171	\$ 22,325,324	\$ -
-	-	-	-	950,500
-	-	-	114,490	-
(101,917)	(118,199)	(546,941)	(9,895,665)	-
(190,695)	(285,564)	(511,849)	(4,750,502)	-
(22,675)	(51,246)	(78,178)	(1,187,582)	(427,602)
<u>365,132</u>	<u>384,314</u>	<u>224,203</u>	<u>6,606,065</u>	<u>522,898</u>
24,000	-	1,238,529	3,029,779	-
(54,702)	(68,418)	-	(1,945,290)	-
<u>(30,702)</u>	<u>(68,418)</u>	<u>1,238,529</u>	<u>1,084,489</u>	<u>-</u>
-	-	-	7,510,101	-
452,682	-	10,000	18,140,472	-
(272,056)	(97,277)	-	(21,590,514)	-
(111,000)	(65,000)	(869,000)	(3,727,081)	-
(58,631)	(46,709)	(489,629)	(1,608,570)	-
<u>10,995</u>	<u>(208,986)</u>	<u>(1,348,629)</u>	<u>(1,275,592)</u>	<u>-</u>
(113,434)	-	(26,024)	(1,932,265)	-
-	27,472	-	1,950,073	-
-	-	1,721	188,452	3,428
<u>(113,434)</u>	<u>27,472</u>	<u>(24,303)</u>	<u>206,260</u>	<u>3,428</u>
231,991	134,382	89,800	6,621,222	526,326
<u>122,729</u>	<u>255,645</u>	<u>82,929</u>	<u>9,826,966</u>	<u>-</u>
<u>\$ 354,720</u>	<u>\$ 390,027</u>	<u>\$ 172,729</u>	<u>\$ 16,448,188</u>	<u>\$ 526,326</u>
<u>\$ 166,495</u>	<u>\$ 268,800</u>	<u>\$ (442,874)</u>	<u>\$ 1,067,721</u>	<u>\$ 486,368</u>
180,215	82,469	591,459	5,064,260	-
-	-	-	2,725	-
-	-	-	(76,749)	-
-	-	-	14,098	-
3,718	3,608	1,219	(266,434)	9,530
(2,336)	(4,956)	27,190	15,314	-
2,040	8,393	3,193	42,084	-
-	-	5,000	12,996	-
-	-	-	72,752	-
-	-	6,016	27,298	-
-	-	-	-	27,000
-	-	-	(70,000)	-
<u>15,000</u>	<u>26,000</u>	<u>33,000</u>	<u>700,000</u>	<u>-</u>
<u>198,637</u>	<u>115,514</u>	<u>667,077</u>	<u>5,538,344</u>	<u>36,530</u>
<u>\$ 365,132</u>	<u>\$ 384,314</u>	<u>\$ 224,203</u>	<u>\$ 6,606,065</u>	<u>\$ 522,898</u>
\$ -	\$ -	\$ -	\$ 297,845	\$ -
-	-	-	243,038	-
864,000	-	-	1,677,100	-
(864,000)	-	-	(1,677,100)	-

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Fund
ASSETS			
Cash and cash equivalents.....	\$ 18,037	\$ 411,402	\$ 513,652
Investments.....	764,315	1,501,758	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	12,590	348,562
TOTAL ASSETS.....	782,352	1,925,750	862,214
LIABILITIES			
Accrued liabilities.....	-	-	35,588
Liabilities due depositors.....	-	-	826,626
Deferred revenue.....	-	12,590	-
TOTAL LIABILITIES.....	-	12,590	862,214
NET ASSETS			
Held in trust for:			
Other postemployment benefits.....	782,352	-	-
Other purposes.....	-	1,913,160	-
TOTAL NET ASSETS.....	\$ 782,352	\$ 1,913,160	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2012

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer.....	\$ 50,000	\$ -
Rental income.....	-	134,990
Private donations.....	-	24,376
 Total contributions.....	 50,000	 159,366
Net investment income (loss):		
Interest income.....	21,903	111,994
 TOTAL ADDITIONS.....	 71,903	 271,360
DEDUCTIONS:		
Community services.....	-	368,634
Educational scholarships.....	-	214,881
 TOTAL DEDUCTIONS.....	 -	 583,515
 CHANGE IN NET ASSETS.....	 71,903	 (312,155)
NET ASSETS AT BEGINNING OF YEAR.....	710,449	2,225,315
NET ASSETS AT END OF YEAR.....	\$ 782,352	\$ 1,913,160

See notes to basic financial statements.

COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS

JUNE 30, 2012

	Hyannis Public Library	Osterville Free Library	Centerville Public Library
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 279,165	\$ 41,143	\$ 473,496
Restricted cash and cash equivalents.....	-	-	-
Investments.....	699,927	740,307	1,121,261
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	1,632	1,781	837,321
Intergovernmental.....	-	-	-
Inventory.....	-	-	-
Prepaid expenses.....	10,782	-	-
 Total current assets.....	 <u>991,506</u>	 <u>783,231</u>	 <u>2,432,078</u>
NONCURRENT:			
Capital assets, net of accumulated depreciation:			
Depreciable.....	136,196	5,500,280	404,328
Nondepreciable.....	69,600	80,815	381,404
 Total noncurrent assets.....	 <u>205,796</u>	 <u>5,581,095</u>	 <u>785,732</u>
 TOTAL ASSETS.....	 <u>1,197,302</u>	 <u>6,364,326</u>	 <u>3,217,810</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	7,416	43,322	12,753
Accrued liabilities.....	4,499	-	-
Other liabilities.....	-	5,500	-
 TOTAL LIABILITIES.....	 <u>11,915</u>	 <u>48,822</u>	 <u>12,753</u>
NET ASSETS			
Invested in capital assets, net of related debt.....	205,796	5,581,095	785,732
Unrestricted.....	979,591	734,409	2,419,325
 TOTAL NET ASSETS.....	 <u>\$ 1,185,387</u>	 <u>\$ 6,315,504</u>	 <u>\$ 3,205,057</u>

See notes to basic financial statements.

<u>Sturgis Library</u>	<u>Cotuit Library</u>	<u>Marstons Mills Public Library</u>	<u>Whelden Memorial Library</u>	<u>Total Component Units</u>
\$ 328,944	\$ 55,624	\$ 164,693	\$ 53,011	\$ 1,396,076
81,571	-	-	-	81,571
2,646,147	1,056,445	-	248,988	6,513,075
-	-	1,000	-	841,734
4,803	-	-	-	4,803
5,653	-	-	-	5,653
11,082	-	4,569	-	26,433
<u>3,078,200</u>	<u>1,112,069</u>	<u>170,262</u>	<u>301,999</u>	<u>8,869,345</u>
958,726	211,349	267,930	115,220	7,594,029
162,250	16,550	5,000	-	715,619
<u>1,120,976</u>	<u>227,899</u>	<u>272,930</u>	<u>115,220</u>	<u>8,309,648</u>
<u>4,199,176</u>	<u>1,339,968</u>	<u>443,192</u>	<u>417,219</u>	<u>17,178,993</u>
46,443	4,183	2,424	-	116,541
-	-	-	-	4,499
-	1,539	-	-	7,039
<u>46,443</u>	<u>5,722</u>	<u>2,424</u>	<u>-</u>	<u>128,079</u>
1,120,976	227,899	272,930	115,220	8,309,648
3,031,757	1,106,347	167,838	301,999	8,741,266
<u>\$ 4,152,733</u>	<u>\$ 1,334,246</u>	<u>\$ 440,768</u>	<u>\$ 417,219</u>	<u>\$ 17,050,914</u>

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

FISCAL YEAR ENDED JUNE 30, 2012

	Hyannis Public Library	Osterville Free Library	Centerville Public Library
OPERATING REVENUES:			
Charges for services.....	\$ 26,976	\$ 23,327	\$ 84,503
OPERATING EXPENSES:			
Program and administrative.....	441,430	455,478	499,274
Depreciation.....	54,624	47,374	26,623
Management and general.....	175	81,062	-
Fundraising.....	-	59,256	111,024
TOTAL OPERATING EXPENSES.....	496,229	643,170	636,921
OPERATING INCOME (LOSS).....	(469,253)	(619,843)	(552,418)
NONOPERATING REVENUES/(EXPENSES):			
Investment income (loss).....	8,143	567	68,063
Intergovernmental.....	428,166	232,189	289,131
Contributions.....	32,956	785,016	1,215,907
TOTAL NONOPERATING REVENUES/(EXPENSES)...	469,265	1,017,772	1,573,101
CHANGE IN NET ASSETS.....	12	397,929	1,020,683
NET ASSETS AT BEGINNING OF YEAR.....	1,185,375	5,917,575	2,184,374
NET ASSETS AT END OF YEAR.....	\$ 1,185,387	\$ 6,315,504	\$ 3,205,057

See notes to basic financial statements.

<u>Sturgis Library</u>	<u>Cotuit Library</u>	<u>Marstons Mills Public Library</u>	<u>Whelden Memorial Library</u>	<u>Total Component Units</u>
\$ <u>56,369</u>	\$ <u>10,804</u>	\$ <u>19,135</u>	\$ <u>5,115</u>	\$ <u>226,229</u>
527,741	307,867	225,331	159,696	2,616,817
-	10,510	15,209	5,082	159,422
-	-	-	-	81,237
<u>11,219</u>	<u>-</u>	<u>4,326</u>	<u>-</u>	<u>185,825</u>
<u>538,960</u>	<u>318,377</u>	<u>244,866</u>	<u>164,778</u>	<u>3,043,301</u>
<u>(482,591)</u>	<u>(307,573)</u>	<u>(225,731)</u>	<u>(159,663)</u>	<u>(2,817,072)</u>
48,540	84,081	594	6,670	216,658
206,366	159,126	165,975	92,543	1,573,496
<u>246,817</u>	<u>106,938</u>	<u>80,712</u>	<u>56,812</u>	<u>2,525,158</u>
<u>501,723</u>	<u>350,145</u>	<u>247,281</u>	<u>156,025</u>	<u>4,315,312</u>
19,132	42,572	21,550	(3,638)	1,498,240
<u>4,133,601</u>	<u>1,291,674</u>	<u>419,218</u>	<u>420,857</u>	<u>15,552,674</u>
\$ <u><u>4,152,733</u></u>	\$ <u><u>1,334,246</u></u>	\$ <u><u>440,768</u></u>	\$ <u><u>417,219</u></u>	\$ <u><u>17,050,914</u></u>

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. Seven entities have been included as component units in the reporting entity, because of the significance of their operational and/or financial relationships with the Town.

Discretely Presented Component Units – Discretely presented component units are entities that are legally separate from the Town, but are financially accountable to the Town, or whose relationships with the Town are such that exclusion would cause the Town's financial statements to be misleading or incomplete. The Town has included seven libraries as Discretely Presented Component Units because they are fiscally dependent on the Town and because the nature and significance of their relationship with the Town is such that exclusion would cause the Town's financial statements to be misleading or incomplete. Accordingly, the Component Units column of the combined financial statements includes the financial data of the following entities:

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

Availability of Financial Information for Component Units

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

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

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

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

*Cotuit Library Association
Main Street
Cotuit, MA 02635

*The Centerville Public Library Association
Centerville, MA 02636

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

Whelden Memorial Library
Meetinghouse Way
West Barnstable, MA 02668

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

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

The Town operates two Horace Mann Charter Schools; the Grades 4 and 5 building located in Marstons Mills and the K to 3 elementary school located in Hyannis. The Horace Mann Charter Schools are managed independently by an appointed Board of Trustees and not by the School Committee and Superintendent. Funding for the schools' operations are provided by the Town based upon a negotiated amount between the School Committee and Board of Trustees within the guidelines established by the authorizing legislation of the Commonwealth of Massachusetts. The activity is included within the Town's basic financial statements and is audited by auditors other than Powers & Sullivan, LLC. Complete financial statements of the individual Horace Mann Charter Schools can be obtained directly from their respective administrative offices.

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

Barnstable Community Horace Mann Charter Public School
165 Bearses Way
Hyannis, MA 02601

Availability of Financial Information for Joint Ventures

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risk and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified recipients. The Town has no equity interest in the joint ventures. The following identifies where the joint venture financial statements are available, their purpose, and the annual assessment paid by the Town during fiscal year 2012.

Joint venture and address	Purpose	Net Annual Assessment
Cape Cod Regional Technical High School District 351 Pleasant Lake Avenue Harwich, MA 02645	To provide educational services	\$ 2,707,304
Sturgis Charter Public School 427 Main Street Hyannis, MA 02601	To provide educational services	\$ 1,010,676
Cape Cod Regional Transit Authority 215 Iyannough Road Hyannis, MA 02601	To provide public transportation	\$ 473,061

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

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

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

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

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

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

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

The *component units* are used to account for and report the activity of the entities that are separate from the primary government but are financially accountable to the Town. The component units are reported using the flow of economic resources measurement focus and the accrual basis of accounting and are discretely presented in the basic financial statements.

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

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

The following major proprietary funds are reported:

The *airport enterprise fund* is used to account for and report the Barnstable Municipal Airport activities.

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

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

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

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

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

The *Sandy Neck recreation enterprise fund* is used to account for and report the Town's Sandy Neck recreation activities.

The *Hyannis Youth and Community Center enterprise fund* is used to account for and report the Town's youth and community center activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund was established in fiscal year 2012 to account for risk financing activities related to workers' compensation.

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

The following fiduciary fund types are reported:

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

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

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

Investments are carried at fair value. The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements is reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

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

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

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

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

Motor Vehicle and Other Excise Taxes

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

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

Departmental and Other

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

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

Room Occupancy Tax

The Town levies 6% of the cost of renting hotel, motel, lodging house and bed and breakfast rooms in accordance with Massachusetts General Law, Chapter 64G, Section 3A. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The room occupancy tax receivable is categorized as an intergovernmental receivable.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Meals Tax

The Town levies 0.75% for the sale of restaurant meals in accordance with Massachusetts General Law, Chapter 64L, Section 2. The tax is paid by the operator of each establishment to the State Commissioner of Revenue, who in turn pays the tax back to the Town in quarterly distributions. The meals tax receivable is categorized as an intergovernmental receivable.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Intergovernmental

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

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Community Preservation Fund Surtaxes

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

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

Airport User Fees

Airport user fees consist of the sale of jet fuel, car rental concessions, vehicle parking revenue and landing fees, and various lease arrangements for land and buildings.

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

Wastewater and Water User Fees

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

Since the wastewater receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles. The allowance for uncollectibles for water user fees is estimated based on historical trends and specific account analysis.

Special Assessments

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

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

F. Inventories

Government-Wide and Fund Financial Statements

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

Inventories of the Sturgis Library are carried at cost.

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

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

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

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	20
Buildings.....	40
Building improvements.....	20
Machinery and equipment.....	5-10
Vehicles.....	5
Infrastructure.....	50

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the fiscal year of the purchase.

H. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

I. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Deferred Revenue

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

K. Net Assets and Fund Equity*Government-Wide Financial Statements (Net Assets)*

Net assets reported as “invested in capital assets, net of related debt” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program and the Massachusetts Water Pollution Abatement Trust’s loan subsidy program is not considered to be capital related debt.

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

Net assets have been “restricted for” the following:

“Highway projects” represents amounts restricted for highway improvements.

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

M. Investment Income

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

N. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

O. Use of Estimates*Government-Wide and Fund Financial Statements*

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

P. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYA. Budgetary Information

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

Supplemental appropriations are made upon recommendation of the Town Manager and require a majority approval of the Council.

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

Generally, expenditures may not exceed the legal level of spending (personnel, operating expenditures and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final claims and judgments may exceed the level of spending authorized by majority vote of the Council.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original fiscal year 2012 approved budget authorized approximately \$133,555,000 in current year appropriations and other amounts to be raised and approximately \$2,928,000 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2012, the Council also approved an increased to appropriations totaling approximately \$216,000.

The Finance Director has the responsibility to ensure that budgetary control is maintained. Budgetary control is exercised through the Town’s accounting system.

B. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2012, is presented as follows:

Net change in fund balance, budgetary basis.....	\$ 2,741,601
<u>Perspective difference:</u>	
Activity of the Horace Mann Charter Schools recorded in the general fund for GAAP.....	791,136
Activity of the stabilization funds recorded in the general fund for GAAP.....	(749,409)
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	20,700
Recognition of revenue for on-behalf payments.....	11,133,000
Recognition of expenditures for on-behalf payments.....	<u>(11,133,000)</u>
Net change in fund balance, GAAP basis.....	<u>\$ 2,804,028</u>

C. Appropriation Deficits

Expenditures exceeded appropriations in state and county charges. This is based on state assessments which are not required to be raised.

NOTE 3 – CASH AND INVESTMENTS

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

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

Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

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

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Barnstable's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At fiscal year-end, the carrying amount of deposits totaled \$60,390,989 and the bank balance totaled \$70,281,592. Of the bank balance, \$6,093,363 was covered by Federal Depository Insurance, \$10,614,133 was covered by the Depositors Insurance Fund, \$22,474,898 was collateralized, and \$31,099,198 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

As of June 30, 2012, the Town of Barnstable had the following investments:

Investment Type	Fair Value	Maturity			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities:</u>					
U.S. Government Treasuries.....	\$ 3,499,054	\$ 460,039	\$ 1,960,147	\$ 1,078,868	\$ -
Corporate Bonds.....	11,652,469	4,208,025	6,166,860	1,127,817	149,767
Government Sponsored Enterprises.....	14,748,021	1,671,404	8,947,899	3,546,668	582,050
Total Debt Securities.....	29,899,544	\$ <u>6,339,468</u>	\$ <u>17,074,906</u>	\$ <u>5,753,353</u>	\$ <u>731,817</u>
<u>Other Investments:</u>					
Equity Securities.....	8,947,263				
Repurchase Agreements.....	5,960,000				
Money Market Mutual Funds.....	5,865,414				
Equity Mutual Funds.....	8,170,183				
Preferred Securities.....	447,896				
MMDT.....	338,398				
Total Investments.....	\$ <u>59,628,698</u>				

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the Town's investments, \$29,899,544 in debt securities, \$8,947,263 in equity securities and \$447,896 in preferred securities are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the counterparty. The Town's investment policy places no limit on the amount of United States Treasury and

United States Government Agency obligations. In regards to other investments, the Town will only purchase investment grade securities with a high concentration in securities rated "A" or better.

As of June 30, 2012, the Town had an investment with a fair market value of \$5,960,000 in an overnight Repurchase Agreement (REPO). Under the terms of the REPO, the bank agrees to sell and buy back a portion of the Bank's securities portfolio at the purchase price plus interest. The REPO is held by the bank, acting as the Town's agent. In the event of default, the Town has the right to direct the bank to sell the securities and apply the proceeds in satisfaction of the Repurchase Agreement. The REPO is fully collateralized with Collateralized Mortgage Obligation fixed rate securities issued through the Federal National Mortgage Association. The REPO is not rated, and the collateral has a Moody's rating of Aaa.

Interest Rate Risk

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

Credit Risk

The Town has not adopted a formal policy related to Credit Risk. At June 30, 2012 the Town's investments were rated as follows:

Quality Ratings	Corporate Bonds	Government Sponsored Enterprises	Preferred Securities	Totals
AAA.....	\$ 522,532	\$ 14,626,507	\$ -	\$ 15,149,039
AA+.....	1,254,619	-	-	1,254,619
AA-.....	808,792	27,415	-	836,207
A+.....	359,343	50,696	-	410,039
A.....	2,222,559	-	-	2,222,559
A-.....	1,575,062	-	-	1,575,062
BBB.....	262,370	-	-	262,370
B+.....	489,462	-	-	489,462
Unrated.....	4,157,730	43,403	447,896	4,649,029
Fair Value.....	\$ <u>11,652,469</u>	\$ <u>14,748,021</u>	\$ <u>447,896</u>	\$ <u>26,848,386</u>

Additionally, the Town holds \$5,865,414 in money market mutual funds and \$338,398 in MMDT which are unrated.

Concentration of Credit Risk

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

Issuer	Percentage Of Total Investments
Federal Home Loan Bank.....	7%
Federal Home Loan Mortgage Company.....	12%
Federal National Mortgage Association.....	9%

NOTE 4 – RECEIVABLES

At June 30, 2012, receivables for the individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 5,350,429	\$ (23,507)	\$ 5,326,922
Tax liens.....	2,190,360	(215,031)	1,975,329
Motor vehicle and other excise taxes.....	1,297,909	(129,791)	1,168,118
Community Preservation Fund surtaxes.....	140,468	-	140,468
Departmental and other.....	273,542	-	273,542
Special assessments.....	754,517	-	754,517
Intergovernmental.....	31,699,603	-	31,699,603
Total.....	<u>\$ 41,706,828</u>	<u>\$ (368,329)</u>	<u>\$ 41,338,499</u>

At June 30, 2012 receivables for fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 361,152	\$ -	\$ 361,152

At June 30, 2012 receivables for the component units, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other.....	\$ 841,734	\$ -	\$ 841,734
Intergovernmental.....	4,803	-	4,803
	<u>\$ 846,537</u>	<u>\$ -</u>	<u>\$ 846,537</u>

At June 30, 2012, receivables for the enterprise funds consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Airport user fees.....	\$ 256,138	\$ -	\$ 256,138
Golf course user fees.....	14,915	-	14,915
Wastewater user fees.....	1,560,979	-	1,560,979
Water user fees.....	1,119,376	(91,618)	1,027,758
Wastewater liens.....	19,237	-	19,237
Wastewater special assessments.....	1,759,628	-	1,759,628
Intergovernmental.....	4,275,214	-	4,275,214
Total.....	<u>\$ 9,005,487</u>	<u>\$ (91,618)</u>	<u>\$ 8,913,869</u>

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

	General Fund	Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total
<u>Receivables and other asset types:</u>					
Real estate and personal property taxes.....	\$ 3,806,757	\$ -	\$ -	\$ -	\$ 3,806,757
Tax liens.....	1,935,282	-	37,411	2,636	1,975,329
Tax foreclosures.....	1,185,252	-	-	-	1,185,252
Motor vehicle and other excise taxes.....	1,168,118	-	-	-	1,168,118
Community Preservation Fund surtaxes.....	-	-	140,468	-	140,468
Departmental and other.....	21,314	-	-	-	21,314
Special assessments.....	-	-	-	754,517	754,517
Intergovernmental.....	21,395,163	5,226,739	798,927	-	27,420,829
Total.....	<u>\$ 29,511,886</u>	<u>\$ 5,226,739</u>	<u>\$ 976,806</u>	<u>\$ 757,153</u>	<u>\$ 36,472,584</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 80,361,236	\$ -	\$ -	\$ 80,361,236
Construction in progress.....	9,048,976	2,911,455	-	11,960,431
Total capital assets not being depreciated.....	89,410,212	2,911,455	-	92,321,667
<u>Capital assets being depreciated:</u>				
Land improvements.....	3,854,338	15,223	-	3,869,561
Buildings and building improvements.....	160,920,265	1,942,358	(19,614)	162,843,009
Machinery and equipment.....	9,226,716	29,004	(281,252)	8,974,468
Vehicles.....	6,510,591	809,970	-	7,320,561
Infrastructure.....	76,670,266	4,929,378	-	81,599,644
Total capital assets being depreciated.....	257,182,176	7,725,933	(300,866)	264,607,243
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(1,011,324)	(156,013)	-	(1,167,337)
Buildings and building improvements.....	(86,778,193)	(3,279,310)	19,614	(90,037,889)
Machinery and equipment.....	(5,559,501)	(739,420)	281,252	(6,017,669)
Vehicles.....	(5,796,034)	(497,013)	-	(6,293,047)
Infrastructure.....	(19,786,782)	(2,169,567)	-	(21,956,349)
Total accumulated depreciation.....	(118,931,834)	(6,841,323)	300,866	(125,472,291)
Total capital assets being depreciated, net.....	138,250,342	884,610	-	139,134,952
Total governmental activities capital assets, net.....	\$ 227,660,554	\$ 3,796,065	\$ -	\$ 231,456,619

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 40,830,984	\$ -	\$ -	\$ 40,830,984
Construction in progress.....	23,839,596	-	(16,146,817)	7,692,779
Total capital assets not being depreciated.....	<u>64,670,580</u>	<u>-</u>	<u>(16,146,817)</u>	<u>48,523,763</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	6,860,768	31,101	-	6,891,869
Buildings and building improvements.....	60,623,215	25,011,610	-	85,634,825
Machinery and equipment.....	11,766,867	479,774	-	12,246,641
Vehicles.....	1,235,081	-	(62,838)	1,172,243
Infrastructure.....	<u>53,713,581</u>	<u>12,016,153</u>	<u>-</u>	<u>65,729,734</u>
Total capital assets being depreciated.....	<u>134,199,512</u>	<u>37,538,638</u>	<u>(62,838)</u>	<u>171,675,312</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(4,589,767)	(309,744)	-	(4,899,511)
Buildings and building improvements.....	(14,576,990)	(2,092,009)	-	(16,668,999)
Machinery and equipment.....	(5,673,283)	(795,134)	-	(6,468,417)
Vehicles.....	(1,051,514)	(68,760)	62,838	(1,057,436)
Infrastructure.....	<u>(14,682,409)</u>	<u>(1,798,613)</u>	<u>-</u>	<u>(16,481,022)</u>
Total accumulated depreciation.....	<u>(40,573,963)</u>	<u>(5,064,260)</u>	<u>62,838</u>	<u>(45,575,385)</u>
Total capital assets being depreciated, net.....	<u>93,625,549</u>	<u>32,474,378</u>	<u>-</u>	<u>126,099,927</u>
Total business-type activities capital assets, net.....	<u>\$ 158,296,129</u>	<u>\$ 32,474,378</u>	<u>\$ (16,146,817)</u>	<u>\$ 174,623,690</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Discretely Presented Component Units:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 335,115	\$ 7,049	\$ -	\$ 342,164
Construction in progress.....	2,652,595	373,455	(2,652,595)	373,455
Total capital assets not being depreciated.....	<u>2,987,710</u>	<u>380,504</u>	<u>(2,652,595)</u>	<u>715,619</u>
<u>Capital assets being depreciated:</u>				
Improvements.....	1,664,902	256,553	-	1,921,455
Buildings.....	1,757,834	5,058,995	-	6,816,829
Machinery and equipment.....	656,619	45,819	-	702,438
Fine arts.....	6,000	-	-	6,000
Furniture and fixtures.....	606,216	192,417	-	798,633
Books and periodicals.....	98,265	-	-	98,265
Technology.....	60,860	35,944	-	96,804
Total capital assets being depreciated.....	<u>4,850,696</u>	<u>5,589,728</u>	<u>-</u>	<u>10,440,424</u>
<u>Less accumulated depreciation:</u>	<u>(2,656,737)</u>	<u>(189,658)</u>	<u>-</u>	<u>(2,846,395)</u>
Total capital assets being depreciated, net.....	<u>2,193,959</u>	<u>5,400,070</u>	<u>-</u>	<u>7,594,029</u>
Total discretely presented component units capital assets, net.....	<u>\$ 5,181,669</u>	<u>\$ 5,780,574</u>	<u>\$ (2,652,595)</u>	<u>\$ 8,309,648</u>

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

Governmental Activities:

General government.....	\$ 121,619
Growth management.....	88
Public safety.....	458,736
Education.....	3,025,809
Public works.....	2,816,427
Regulatory services.....	114,378
Community services.....	<u>304,266</u>
Total depreciation expense - governmental activities.....	<u>\$ 6,841,323</u>

Business-Type Activities:

Airport.....	\$ 1,678,149
Golf course.....	183,825
Solid waste.....	84,664
Wastewater.....	2,071,509
Water supply.....	191,970
Marina.....	180,215
Sandy Neck.....	82,469
Hyannis youth and community center.....	<u>591,459</u>
Total depreciation expense - business-type activities.....	<u>\$ 5,064,260</u>

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2012, are summarized as follows:

Transfers Out:	Transfers In:								Total
	General Fund	Capital Projects	Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Wastewater Enterprise Fund	Marina Enterprise Fund	HYCC Enterprise Fund	
General Fund.....	\$ -	\$ 3,604,000	\$ -	\$ -	\$ -	\$ 1,767,250	\$ -	\$ 1,238,529	\$ 6,609,779 (1)
Capital Projects.....	12,457	-	578,086	-	1,672	-	-	-	592,215 (2)
Nonmajor Governmental Funds.....	638,732	-	-	59,815	175,000	-	24,000	-	897,547 (3)
Airport Enterprise Fund.....	505,529	-	-	-	-	-	-	-	505,529 (4)
Golf Course Enterprise Fund.....	300,000	-	-	-	-	-	-	-	300,000 (4)
Solid Waste Enterprise Fund.....	344,094	-	-	-	-	-	-	-	344,094 (4)
Wastewater Enterprise Fund.....	506,131	-	-	-	-	-	-	-	506,131 (4)
Water Supply Enterprise Fund.....	166,416	-	-	-	-	-	-	-	166,416 (4)
Marina Enterprise Fund.....	54,702	-	-	-	-	-	-	-	54,702 (4)
Sandy Neck Enterprise Fund.....	68,418	-	-	-	-	-	-	-	68,418 (4)
Total.....	\$ 2,596,479	\$ 3,604,000	\$ 578,086	\$ 59,815	\$ 176,672	\$ 1,767,250	\$ 24,000	\$ 1,238,529	\$ 10,044,831

- (1) Represents transfers from the general fund to fund various capital projects, the wastewater enterprise fund, and the Hyannis Youth and Community Center enterprise fund.
- (2) Represents transfers from the capital projects fund to the general fund, the highway projects fund and the Town revolving fund.
- (3) Represents budgeted transfers from the Town grant fund and the Town revolving fund to the general fund. Also represents a transfer from the Town grant fund to the community preservation fund, a transfer out of cemetery funding to help fund DPW projects, a transfer from Town revolving funds to school grant funds, and a transfer out of the Town special revenue fund to the marina enterprise fund for maintaining Bismore Park.
- (4) Represents the transfer of enterprise fund costs budgeted in the general fund.

NOTE 7 – SHORT-TERM FINANCING

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

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

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

The Town had the following short-term debt activity during fiscal year 2012:

Enterprise Funds				Balance at			Balance at
Type	Purpose	Rate (%)	Due Date	June 30, 2011	Renewed/ Issued	Retired/ Redeemed	June 30, 2012
BAN	MWPAT Wastewater Interim Loan.....	0.25%	12/31/2011	\$ 5,348,080	\$ -	\$ (5,348,080)	\$ -
BAN	MWPAT Wastewater Interim Loan.....	0.15%	2/15/2013	-	621,000	-	621,000
BAN	MWPAT Wastewater Interim Loan.....	0.14%	3/15/2013	-	1,050,000	-	1,050,000
Total.....				\$ 5,348,080	\$ 1,671,000	\$ (5,348,080)	\$ 1,671,000

NOTE 8 – LONG-TERM DEBT

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

Details related to the outstanding indebtedness at June 30, 2012, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule – Governmental Funds

Projects	Maturities Through	Original Loan Amount	Coupon Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
MWPAT Title V Bond of 1997.....	2021	\$ 200,000	0.00	\$ 103,803	\$ -	\$ (10,400)	\$ 93,403
Municipal Purpose Refunding of 2002.....	2012	8,340,062	4.00	2,786,903	-	(2,786,903)	-
MWPAT Title V Bond of 2002.....	2023	200,000	0.00	119,928	-	(10,020)	109,908
Municipal Purpose Bonds of 2002.....	2022	20,949,000	4.00 - 5.00	1,160,000	-	(1,160,000)	-
Municipal Purpose Bonds of 2003.....	2013	7,014,000	2.00 - 4.00	3,310,000	-	(2,955,000)	355,000
Municipal Purpose Bonds of 2004.....	2014	11,783,000	3.00 - 5.00	7,415,000	-	(6,175,000)	1,240,000
Municipal Purpose Bonds of 2005.....	2025	6,280,000	3.25 - 5.00	4,390,000	-	(315,000)	4,075,000
MWPAT Title V Bonds of 2006.....	2026	400,000	0.00	300,000	-	(20,000)	280,000
MWPAT Title V Bond of 2007.....	2027	200,000	0.00	160,000	-	(10,000)	150,000
Municipal Purpose Bonds of 2007.....	2027	46,664,000	3.38 - 4.75	36,805,000	-	(4,460,000)	32,345,000
MWPAT Bond of 2008 (CW-04-31).....	2021	389,216	2.00	308,161	-	(28,117)	280,044
Municipal Purpose Bonds of 2008.....	2028	6,861,000	3.75 - 4.50	4,859,000	-	(637,000)	4,222,000
MWPAT Debt of 2009.....	2021	1,059,374	2.00	751,320	-	(19,294)	732,026
Municipal Purpose Bonds of 2010.....	2030	4,959,000	2.00 - 5.00	4,380,000	-	(550,000)	3,830,000
Municipal Purpose Bonds of 2011.....	2031	16,176,000	2.00 - 4.00	16,176,000	-	(876,000)	15,300,000
Municipal Purpose Refunding of 2012.....	2023	11,715,000	2.00 - 4.00	-	10,037,900	-	10,037,900
Total Bonds Payable.....				83,025,115	10,037,900	(20,012,734)	73,050,281
Add: unamortized premium.....				360,689	-	(65,866)	294,823
Total Bonds Payable, net.....				\$ 83,385,804	\$ 10,037,900	\$ (20,078,600)	\$ 73,345,104

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013..... \$	9,298,893 \$	3,105,832 \$	12,404,725
2014.....	9,025,234	2,701,093	11,726,327
2015.....	8,197,588	2,124,371	10,321,959
2016.....	7,954,994	1,836,324	9,791,318
2017.....	7,642,450	1,541,326	9,183,776
2018.....	7,594,957	1,253,186	8,848,143
2019.....	7,613,519	915,164	8,528,683
2020.....	4,172,133	577,593	4,749,726
2021.....	3,188,605	425,148	3,613,753
2022.....	2,693,204	308,910	3,002,114
2023.....	2,073,704	203,045	2,276,749
2024.....	970,000	137,578	1,107,578
2025.....	935,000	101,223	1,036,223
2026.....	610,000	65,719	675,719
2027.....	365,000	42,856	407,856
2028.....	250,000	28,478	278,478
2029.....	215,000	18,650	233,650
2030.....	210,000	10,052	220,052
2031.....	40,000	1,656	41,656
Total..... \$	<u>73,050,281</u> \$	<u>15,398,204</u> \$	<u>88,448,485</u>

Bonds and Notes Payable Schedule – Enterprise Funds

<u>Projects</u>	<u>Maturities Through</u>	<u>Original Loan Amount</u>	<u>Coupon Rate (%)</u>	<u>Outstanding at June 30, 2011</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2012</u>
Golf Course.....	2025	\$ 4,450,000	5.00	\$ 3,620,000	\$ -	\$ (230,000)	\$ 3,390,000
Wastewater.....	2032	34,940,442	0.00 - 4.75	17,201,545	5,919,680	(2,341,574)	20,779,651
Water.....	2032	13,699,618	4.00 - 5.00	11,378,911	910,707	(504,552)	11,785,066
Solid Waste Transfer Station.....	2027	8,405,700	0.00 - 4.50	3,907,900	241,500	(691,900)	3,457,500
Sandy Neck.....	2031	1,365,000	4.00	1,280,000	-	(65,000)	1,215,000
Marinas.....	2030	3,774,000	3.00 - 5.00	1,675,000	864,000	(975,000)	1,564,000
Hyannis Youth and Community Center.....	2028	17,365,000	3.375 - 5.00	14,223,000	-	(869,000)	13,354,000
Airport.....	2031	730,000	2.00 - 4.12	730,000	-	(25,000)	705,000
Total Bonds Payable.....				\$ 54,016,356	\$ 7,935,887	\$ (5,702,026)	\$ 56,250,217

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013..... \$	3,706,637	\$ 2,068,847	\$ 5,775,484
2014.....	3,880,725	1,777,730	5,658,455
2015.....	3,900,573	1,601,165	5,501,738
2016.....	3,796,234	1,463,124	5,259,358
2017.....	3,857,197	1,322,533	5,179,730
2018.....	3,601,988	1,174,183	4,776,171
2019.....	3,677,941	1,041,145	4,719,086
2020.....	3,302,482	908,520	4,211,002
2021.....	3,193,311	802,212	3,995,523
2022.....	3,219,649	699,202	3,918,851
2023.....	3,284,895	592,146	3,877,041
2024.....	3,209,562	484,640	3,694,202
2025.....	3,116,158	385,456	3,501,614
2026.....	2,873,188	284,383	3,157,571
2027.....	2,930,663	193,456	3,124,119
2028.....	1,678,591	100,742	1,779,333
2029.....	898,752	62,235	960,987
2030.....	886,722	41,429	928,151
2031.....	861,201	20,157	881,358
2032.....	373,748	3,736	377,484
Total..... \$	<u>56,250,217</u>	<u>\$ 15,027,041</u>	<u>\$ 71,277,258</u>

During fiscal year 2012, the Town issued \$11,715,000 of general obligation refunding bonds which together with a net bond premium of approximately \$1 million was used to refund on an advance basis \$11,765,000 of general obligation bonds outstanding in the governmental activities and the solid waste, wastewater and marina business-type activities. The proceeds of the refunding bonds, and the net premium, for a total of \$12,687,982, were placed in an irrevocable trust to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased and the liabilities were removed from the financial statements for the fiscal year ending June 30, 2012. Through this advance refunding, the Town has taken advantage of lower interest rates to realize a decrease in its aggregate debt service payments by approximately \$1,310,000 over the next 11 years and will experience an economic gain of approximately \$1,099,000.

The Town has entered into several loan agreements with the Massachusetts Water Pollution Abatement Trust (MWPAT) for which the Town has recorded the total amount of debt outstanding. However, as of June 30, 2012, the Town has not incurred \$3,055,666 of the eligible construction costs related to the projects and as a result has not yet received the corresponding loan proceeds from MWPAT. Accordingly, the Town has recorded \$3,055,666 as an intergovernmental receivable in the accompanying basic financial statements, as of June 30, 2012.

The Town is scheduled to be subsidized by the MWPAT on a periodic basis for principal in the amount of \$1,759,408 and interest costs for \$1,252,594. The principal subsidies are guaranteed and therefore a \$1,759,408 intergovernmental receivable has been reported in the business-type financial statements. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The fiscal year 2012 principal and interest subsidies totaled \$297,845 and \$243,038, respectively.

The Commonwealth of Massachusetts has approved school construction assistance to the Town. The assistance program, which is administered by the Massachusetts School Building Authority, provides resources for construction costs and debt service interest of general obligation bonds outstanding. The Town is currently receiving annual payments for 64% of eligible costs in relation to the construction of the new Middle School and the renovation and addition to the High School. During fiscal year 2012, approximately \$3,509,000 of such assistance was received. Approximately \$23,462,000 will be received in future years. Of this amount, \$2,528,000 represents reimbursement of future long-term interest costs and \$20,934,000 represents reimbursement of approved construction cost and interest costs previously paid. Accordingly, an intergovernmental receivable and corresponding deferred revenue have been reported in these basic financial statements for \$20,934,000 which represents the Commonwealth’s share of construction and interest costs paid for the Middle School and High School projects.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2012, the Town had the following authorized and unissued debt:

Purpose	Amount
Sewer projects.....	\$ 14,049,813
Water projects.....	4,827,156
Wind generator.....	1,850,000
Highway complex feasibility and design.....	900
Dredging projects.....	329,000
Road projects.....	6,827
Airport projects.....	32,203,989
Effluent mitigation.....	1,393,950
Security fencing.....	160,000
Improvements for Bismore Park.....	426,000
Land acquisitions.....	655,000
Energy improvements.....	1,854,000
Facilities improvements.....	1,375
Refunding bonds.....	<u>13,258,000</u>
Total.....	<u>\$ 71,016,010</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2012, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Governmental Activities:					
Bonds Payable.....	\$ 83,025,115	\$ 10,037,900	\$ (20,012,734)	\$ 73,050,281	\$ 9,298,893
Add: Unamortized Premium.....	360,689	-	(65,866)	294,823	57,330
Total Bonds Payable.....	83,385,804	10,037,900	(20,078,600)	73,345,104	9,356,223
Compensated Absences.....	2,966,875	2,321,764	(2,388,506)	2,900,133	2,370,815
Workers' Compensation.....	652,000	80,000	(53,000)	679,000	42,000
Other Postemployment Benefits.....	23,666,163	10,056,618	(4,973,922)	28,748,859	-
Total Governmental Funds.....	110,670,842	22,496,282	(27,494,028)	105,673,096	11,769,038
Business Type Activities:					
Bonds Payable.....	54,016,356	7,935,887	(5,702,026)	56,250,217	3,706,637
Compensated Absences.....	285,809	270,683	(243,385)	313,107	271,028
Landfill Closure.....	1,120,000	-	(70,000)	1,050,000	70,000
Other Postemployment Benefits.....	3,071,000	1,384,000	(684,000)	3,771,000	-
Total Business Type Activities.....	58,493,165	9,590,570	(6,699,411)	61,384,324	4,047,665
Total.....	\$ 169,164,007	\$ 32,086,852	\$ (34,193,439)	\$ 167,057,420	\$ 15,816,703

Long-term liabilities related to both governmental and business-type activities are normally paid from the General Fund and the Enterprise Funds, respectively.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to the constraints imposed on the use of the resources.

There are two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, spendable fund balances are classified based on a hierarchy of spending constraints.

- **Restricted:** fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- **Committed:** fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. The Town's highest level of decision making authority is Town Council.

- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The Town has classified its fund balances with the following hierarchy.

	General	Capital Projects	Highway Projects	Community Preservation Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Permanent fund principal.....\$	-	-	-	-	10,467,992	\$ 10,467,992
Restricted for:						
Pension reserve.....	2,660,805	-	-	-	-	2,660,805
Town capital projects.....	-	13,421,287	-	-	-	13,421,287
Highway projects.....	-	-	404,851	-	-	404,851
School capital projects.....	-	715,403	-	-	-	715,403
Community preservation.....	-	-	-	8,586,383	-	8,586,383
Town revolving.....	-	-	-	-	4,176,751	4,176,751
School revolving.....	-	-	-	-	3,457,855	3,457,855
Town gift and grant funds.....	-	-	-	-	3,628,625	3,628,625
School gift and grant funds.....	-	-	-	-	1,939,412	1,939,412
Cemeteries and libraries.....	-	-	-	-	423,796	423,796
Conservation.....	-	-	-	-	62,865	62,865
Education.....	-	-	-	-	811,562	811,562
Other permanent funds.....	-	-	-	-	307,713	307,713
Assigned to:						
Town Council.....	180	-	-	-	-	180
Town Manager.....	27,812	-	-	-	-	27,812
Administrative services.....	108,110	-	-	-	-	108,110
Growth management.....	34,345	-	-	-	-	34,345
Public safety.....	47,926	-	-	-	-	47,926
Community services.....	35,670	-	-	-	-	35,670
Regulatory services.....	19,873	-	-	-	-	19,873
Education.....	764,615	-	-	-	-	764,615
Public works.....	310,154	-	-	-	-	310,154
Culture and recreation.....	166,931	-	-	-	-	166,931
Property and liability insurance.....	15,000	-	-	-	-	15,000
Employee benefits.....	41,690	-	-	-	-	41,690
Subsequent year expenditures.....	435,000	-	-	-	-	435,000
Unassigned.....	28,734,188	-	-	-	-	28,734,188
TOTAL FUND BALANCES.....	\$ 33,402,299	\$ 14,136,690	\$ 404,851	\$ 8,586,383	\$ 25,276,571	\$ 81,806,794

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

At June 30, 2012, the balance of the Town's municipal purpose stabilization fund is \$6,703,143 and is reported as unassigned fund balance within the general fund. The municipal purpose stabilization fund balance can be used for general and/or capital purposes upon approval of the Council.

At June 30, 2012, the balance of the Town's pension stabilization fund is \$2,660,805 and is reported as restricted fund balance within the general fund. The pension stabilization fund balance may only be appropriated to fund the unfunded pension liability that accrues to the Town through the county retirement system. The amount

appropriated from the pension stabilization fund is subject to Council approval and the approval of the Public Employee Retirement Administration Commission (PERAC).

NOTE 10 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Town to construct a final capping system on its Flint Street Sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town stopped accepting waste in fiscal year 1991 and performed a final capping of the landfill site in fiscal year 1997. At June 30, 2012, the Town has accrued \$1,050,000 as the estimated cost of the landfill's postclosure care in the Solid Waste Enterprise Fund. This liability is based on estimates of what it would cost to perform all future postclosure care as of June 30, 2012. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 11 – SOLID WASTE DISPOSAL

In January, 1985, the Town entered into a twenty-seven year contract for the disposal of solid waste services, beginning in 1990, with SEMASS Partnership (SEMASS), a resource recovery facility located in Rochester, Massachusetts. The agreement requires the Town to annually deliver solid waste collected at the Barnstable Solid Waste Facility in Marstons Mills to the SEMASS Facility. The cost to dispose solid waste at SEMASS is governed by the Agreement and comprises the utilization of consumer price indexing and capital infrastructure improvements necessary due to age of facility and change-in-law requirements. The present disposal charge from SEMASS is \$37.76/ton. The Agreement with SEMASS is in effect until December 31, 2014. The Town is actively engaged in procurement activities and contract deliberations with SEMASS and other disposal vendors for a successor long-term disposal agreement.

A separate, joint agreement between the Towns of Barnstable and Yarmouth and the SEMASS Partnership requires the Town's solid waste to be delivered to the Yarmouth Transfer Station, a facility designed and constructed by Barnstable and Yarmouth to receive solid waste from both towns as well as from private haulers. The solid waste is loaded on to specially modified railroad cars and is then railed directly to SEMASS. Pursuant to the joint agreement, SEMASS is responsible for all costs relating to the delivery of Barnstable and Yarmouth's solid waste from the Yarmouth Transfer Station to the SEMASS Rochester waste-to-energy facility. Additionally, this agreement requires Barnstable to annually pay Yarmouth a \$1.00 per ton host fee to accept Barnstable's solid waste. In FY12, the total host fee paid to Yarmouth was \$9,465. As with the SEMASS Agreement, this joint agreement also expires on December 31, 2014. Barnstable, Yarmouth and SEMASS are actively engaged in contract deliberations for a successor long-term agreement to continue the same terms and conditions of the existing agreement.

NOTE 12 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based health care plan for its active and retired employees. The amount of claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

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

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

The Town was self-insured for its workers' compensation activities prior to fiscal year 2005 when the Town purchased commercial insurance. Beginning in fiscal year 2012, the Town discontinued the premium based plan and has reinstated the self-insured workers' compensation plan. The self-insured program is administered by a third party administrator and funded on a pay-as-you-go basis from annual appropriations paid from the General Fund. The Town estimates its future workers' compensation liability for occurrences under the self-insured program based on history and injury type and accounts for this liability on the full accrual basis of accounting on the Statement of Net Assets. At June 30, 2012, the amount of the liability for self-insured workers' compensation claims totaled \$679,000 for governmental activities.

Changes in the reported liability since July 1, 2010, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-End	Current Portion at Year-End
Governmental Activities:					
Fiscal Year 2011..... \$	398,000	\$ 310,000	\$ (56,000)	\$ 652,000	\$ 53,000
Fiscal Year 2012.....	652,000	491,132	(464,132)	679,000	42,000

The Town established the internal service fund in fiscal year 2012 to account for workers' compensation activities. As a result, net assets at beginning of year in the internal service fund have been revised to (\$652,000).

NOTE 13 – PENSION PLAN

Plan Description – The Town contributes to the Barnstable County Retirement Association (the Association), a cost-sharing multiple-employer defined benefit pension plan administered by the Barnstable County Retirement Board. Substantially all employees are members of the Association, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled \$11,133,000 for the fiscal year ended June 30, 2012, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The Association provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Association and are borne by the Association. The Association issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the Association located at 99 Willow Street, Yarmouthport, Massachusetts 02675.

Funding Policy – Plan members are required to contribute to the Association at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the Association its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town's contributions to the Association for the fiscal years ended June 30, 2012, 2011, and 2010 were \$6,538,491, \$5,978,699, and \$5,718,412, respectively, which equaled its required contribution for each fiscal year.

At June 30, 2012, the Town has \$2,660,805 in a pension reserve fund which is classified as part of the general fund in the governmental fund financial statements. The Town transferred \$331,000 from the pension reserve fund to the general fund in fiscal year 2012. The pension reserve fund may only be used to provide funding for annual contributions to the Association upon approval of the Council and the approval of the Public Employee Retirement Administration Commission (PERAC).

NOTE 14 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Barnstable administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members. Chapter 32b of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report. Additionally, retired teachers and their spouses receive health insurance through the Group Insurance Commission of the Commonwealth of Massachusetts (GIC). Each participating municipality is assessed for the governmental share of health and life insurance premiums paid on-behalf of its teacher retirees by the state. The state pays 85 – 90% of the total premium; the retiree's co-payment is 10 – 15% of the total premium as well as full payment for catastrophic illness coverage. The Town's assessment from the Commonwealth, for retired teachers, for fiscal year 2012, totaled \$2,319,247.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50% of their premium costs. For fiscal year 2012, the Town's age-weighted contribution to the plan totaled approximately \$5.7 million.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish the postemployment benefit trust fund and to enable the Town to dedicate resources necessary to begin pre-funding its OPEB liabilities. During fiscal year 2012, the Town pre-funded future OPEB liabilities in the amount of \$50,000.

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

Annual required contribution.....	\$ 11,059,214
Interest on net OPEB obligation.....	1,393,701
Adjustment for timing.....	<u>(1,012,297)</u>
Annual OPEB cost (expense).....	11,440,618
Contributions made (including retired teachers).....	<u>(5,657,922)</u>
Increase in net OPEB obligation.....	5,782,696
Net OPEB obligation - beginning of year.....	<u>26,737,163</u>
Net OPEB obligation - end of year.....	<u>\$ 32,519,859</u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 11,440,618	49%	\$ 32,519,859
6/30/2011	10,905,664	53%	26,737,163
6/30/2010	11,873,230	40%	21,609,060

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age Normal (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
6/30/2010	\$ -	\$ 162,010,280	\$ 162,010,280	0%	\$ 48,841,000	331.71%
6/30/2008	-	159,321,644	159,321,644	0%	44,795,126	355.67%
6/30/2006	-	150,545,412	150,545,412	0%	48,120,192	312.85%

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

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

In the June 30, 2010, actuarial valuation, actuarial liabilities were determined using the entry age normal cost method. The actuarial assumptions included a 5.25% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 10% initially, decreasing .75% for six years and by .50% for one year to an ultimate level of 5% per year and included a 4.5% inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized over a 30 year open period using a level percentage of projected payroll with amortization payments increasing at 4.5% per year. The remaining amortization period at June 30, 2012 is 28 years.

NOTE 15 – COMMITMENTS

The Town has entered into, or is planning to enter into, contracts totaling \$9.5 million in relation to various capital projects including road improvements, water quality improvements to lakes and ponds, sidewalk improvements, dredging, equipment purchases, boat ramp improvements, facility improvements, water supply pipe replacement and several maintenance projects at the Barnstable Municipal airport.

A total of \$1,866,000 of airport surplus is being used to finance the maintenance projects at the airport. Most of this is expected to be reimbursed through Federal and State grants. The marina enterprise fund will use \$80,000 of its surplus to finance the permitting and design for dredging the Gateway Marina area. A total of \$213,826 of the water supply enterprise fund surplus is being used for various water system improvements and \$2,120,000 in bond authorizations for water pipe replacements.

Capital Trust Fund reserves of \$3,250,000 will be used for public road improvements and \$1,844,000 of remaining fund balances on completed capital projects will be used to fund several new projects including equipment purchases, facility improvements, water quality improvements and boat ramp and sidewalk improvements.

The Town has also entered into a commitment to dredge the inner channel at Barnstable Harbor. Seventy-five percent of this project will be financed with a state grant. The other twenty-five percent local match will be provided from leftover funds on the reconstruction of the Barnstable Harbor Bulkhead.

NOTE 16 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2012, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2012, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2012.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2012, the following GASB pronouncements were implemented:

- GASB Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The implementation of this pronouncement did not impact the basic financial statements.
- GASB Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. The implementation of this pronouncement did not impact the basic financial statements.

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

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.

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

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Required Supplementary Information

Retirement System Schedules of Funding Progress and Employer Contributions

The Retirement System Schedule of Funding Progress presents multiyear trend information, relating to the cost-sharing plan as a whole, of which the Town is one participating employer, about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

BARNSTABLE COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2012	\$ 651,063,981	\$ 1,173,483,848	\$ 522,419,867	55.5%	\$ 239,437,303	218.2%
1/1/2010	554,876,554	1,030,210,321	475,333,767	53.9%	234,374,075	202.8%
1/1/2009	520,089,855	966,564,614	446,474,759	53.8%	255,533,761	174.7%
1/1/2007	517,396,087	825,863,068	308,466,981	62.6%	226,391,633	136.3%
1/2/2006	465,637,984	765,747,723	300,109,739	60.8%	215,474,180	139.3%
1/1/2004	378,317,300	647,655,411	269,338,111	58.4%	190,614,004	141.3%
1/1/2002	362,911,896	553,531,966	190,620,070	65.6%	173,610,557	109.8%
1/1/2000	300,396,700	462,462,500	162,065,800	65.0%	152,293,100	106.4%
1/1/1998	235,247,660	404,215,695	168,968,035	58.2%	121,161,677	139.5%
1/1/1996	157,044,089	276,107,221	119,063,132	56.9%	108,456,079	109.8%
1/1/1993	97,194,645	226,430,792	129,236,147	42.9%	97,074,725	133.1%

The Town's share of the UAAL, as of January 1, 2012, is approximately 14.93%.

See notes to required supplementary information.

BARNSTABLE COUNTY RETIREMENT ASSOCIATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	System Wide			Town of Barnstable	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2012	\$ 43,807,158	\$ 43,807,158	100%	\$ 6,538,491	14.93%
2011	43,893,051	43,893,051	100%	5,978,699	13.62%
2010	39,899,322	39,899,322	100%	5,718,412	14.33%
2009	36,943,817	36,943,817	100%	5,302,912	14.35%
2008	34,360,912	34,360,912	100%	4,888,198	14.23%
2007	32,038,146	32,038,146	100%	4,387,691	13.70%
2006	31,044,132	31,044,132	100%	4,143,691	13.35%
2005	27,846,430	27,846,430	100%	3,836,723	13.78%

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

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age Normal (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2010	\$ -	\$ 162,010,280	\$ 162,010,280	0%	\$ 48,841,000	331.71%
6/30/2008	-	159,321,644	159,321,644	0%	44,795,126	355.67%
6/30/2006	-	150,545,412	150,545,412	0%	48,120,192	312.85%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
6/30/2012	\$ 11,059,214	\$ 5,657,922	51%
6/30/2011	10,558,506	5,777,561	55%
6/30/2010	11,672,884	4,657,322	40%
6/30/2009	11,090,909	5,060,171	46%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	June 30, 2010
Actuarial cost method.....	Entry Age Normal
Amortization method.....	Amortization payments increasing at 4.5% using a level percentage of payroll.
Remaining amortization period.....	28 years, open at June 30, 2012
Asset valuation method.....	Market value

Actuarial Assumptions:

Investment rate of return.....	5.25%, pay-as-you-go scenario
Inflation rate.....	4.50%
Medical/drug cost trend rate.....	10.0% decreasing by 0.75% for 6 years and by 0.50% for 1 year to an ultimate level of 5.00% per year.

Plan Membership, including teachers:

Current retirees, beneficiaries, and dependents.....	722
Current active members.....	<u>839</u>
Total.....	<u><u>1,561</u></u>

See notes to required supplementary information.

NOTE A – PENSION PLAN

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

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

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

Valuation Date.....	January 1, 2012
Actuarial Cost Method.....	Entry Age Normal Cost Method
Amortization Method.....	Increasing at 6.0% after fiscal year 2015. Thereafter payments increase at 4.0% except for 2010 early retirement incentive, which is a level payment.
Remaining Amortization Period.....	26 years from July 1, 2012 for 2002 and 2003 Early Retirement Incentives, retiree sheriffs liability and remaining unfunded liability.
Asset Valuation Method.....	Sum of actuarial value at beginning of year and increase in cost value during year excluding realized appreciation or losses plus 20% of market value at end of year in excess of that preliminary value, adjusted to be within 20% of their market value.
Actuarial Assumptions:	
Investment rate of return.....	7.875%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.75% and 5.25% for Groups 1 and 4, respectively.
Cost of living adjustments.....	3.0% for the first \$13,000 in fiscal year 2012, \$14,000 in fiscal year 2013, and \$15,000 in fiscal year 2014.

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	2,556
Inactive participants entitled to a return of their employee contributions.....	526
Inactive participants with a vested right to a deferred or immediate benefit.....	111
Active participants.....	<u>4,670</u>
Total.....	<u><u>7,863</u></u>

NOTE B – OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

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

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

Combining Statements

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Permanent Funds

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

Cemeteries and Libraries – accounts for cemetery contributions and bequests for which only earnings may be expended to benefit the Town's cemeteries and libraries. The Kirkman fund is used for both cemetery and library.

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

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

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

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2012

	<i>Special Revenue Funds</i>				Subtotal
	Town Revolving Funds	School Revolving Funds	Town Gift, Grant, and Other Funds	School Gift and Grant Funds	
ASSETS					
Cash and cash equivalents.....	\$ 4,312,850	\$ 3,433,535	\$ 3,666,315	\$ 1,874,495	\$ 13,287,195
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Tax liens.....	-	-	2,636	-	2,636
Special assessments.....	458,242	-	296,275	-	754,517
Intergovernmental.....	-	52,068	32,850	411,400	496,318
TOTAL ASSETS.....	\$ 4,771,092	\$ 3,485,603	\$ 3,998,076	\$ 2,285,895	\$ 14,540,666
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Warrants payable.....	\$ 97,451	\$ 2,152	\$ 59,773	\$ 196,941	\$ 356,317
Accrued payroll.....	38,648	25,596	10,767	149,542	224,553
Deferred revenues.....	458,242	-	298,911	-	757,153
TOTAL LIABILITIES.....	594,341	27,748	369,451	346,483	1,338,023
FUND BALANCES:					
Nonspendable.....	-	-	-	-	-
Restricted.....	4,176,751	3,457,855	3,628,625	1,939,412	13,202,643
TOTAL FUND BALANCES.....	4,176,751	3,457,855	3,628,625	1,939,412	13,202,643
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 4,771,092	\$ 3,485,603	\$ 3,998,076	\$ 2,285,895	\$ 14,540,666

<i>Permanent Funds</i>						Total Nonmajor Governmental Funds
Cemeteries and Libraries	Conservation	Education	Other	Subtotal		
\$ 919,945	\$ 16,233	\$ 721,012	\$ 47,033	\$ 1,704,223	\$	14,991,418
5,603,258	98,875	4,391,581	277,469	10,371,183		10,371,183
-	-	-	-	-		2,636
-	-	-	-	-		754,517
-	-	-	-	-		496,318
<u>\$ 6,523,203</u>	<u>\$ 115,108</u>	<u>\$ 5,112,593</u>	<u>\$ 324,502</u>	<u>\$ 12,075,406</u>	\$	<u>26,616,072</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$	356,317
-	-	-	1,478	1,478		226,031
-	-	-	-	-		757,153
-	-	-	1,478	1,478		1,339,501
6,099,407	52,243	4,301,031	15,311	10,467,992		10,467,992
<u>423,796</u>	<u>62,865</u>	<u>811,562</u>	<u>307,713</u>	<u>1,605,936</u>		<u>14,808,579</u>
<u>6,523,203</u>	<u>115,108</u>	<u>5,112,593</u>	<u>323,024</u>	<u>12,073,928</u>		<u>25,276,571</u>
<u>\$ 6,523,203</u>	<u>\$ 115,108</u>	<u>\$ 5,112,593</u>	<u>\$ 324,502</u>	<u>\$ 12,075,406</u>	\$	<u>26,616,072</u>

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

FISCAL YEAR ENDED JUNE 30, 2012

	<i>Special Revenue Funds</i>				Sub-total
	Town Revolving Funds	School Revolving Funds	Town Gift, Grant, and Other Funds	School Gift and Grant Funds	
REVENUES:					
Charges for services.....	\$ 943,796	\$ 2,289,254	\$ -	\$ -	\$ 3,233,050
Fees and rentals.....	14,572	139,272	373,672	-	527,516
Licenses and permits.....	793,478	-	250,669	-	1,044,147
Intergovernmental.....	3,693	908,823	1,451,973	6,395,430	8,759,919
Departmental and other.....	-	-	68,929	-	68,929
Special assessments.....	114,535	-	-	-	114,535
Contributions.....	11,825	-	204,808	30,293	246,926
Investment income.....	-	-	8,183	-	8,183
Miscellaneous.....	-	-	6,885	-	6,885
TOTAL REVENUES.....	1,881,899	3,337,349	2,365,119	6,425,723	14,010,090
EXPENDITURES:					
Current:					
Administrative services.....	608,550	-	473,918	-	1,082,468
Growth management.....	-	-	163,674	-	163,674
Public safety.....	-	-	806,188	-	806,188
Education.....	-	3,046,601	-	6,177,291	9,223,892
Public works.....	-	-	301,087	-	301,087
Community services.....	279,486	-	168,874	-	448,360
Regulatory services.....	500,564	-	44,588	-	545,152
Culture and recreation.....	352,796	-	-	-	352,796
Debt service:					
Principal.....	-	-	50,420	-	50,420
TOTAL EXPENDITURES.....	1,741,396	3,046,601	2,008,749	6,177,291	12,974,037
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	140,503	290,748	356,370	248,432	1,036,053
OTHER FINANCING SOURCES (USES):					
Transfers in.....	-	-	96,672	80,000	176,672
Transfers out.....	(194,535)	-	(608,012)	-	(802,547)
TOTAL OTHER FINANCING SOURCES (USES).....	(194,535)	-	(511,340)	80,000	(625,875)
NET CHANGE IN FUND BALANCES.....	(54,032)	290,748	(154,970)	328,432	410,178
FUND BALANCES AT BEGINNING OF YEAR.....	4,230,783	3,167,107	3,783,595	1,610,980	12,792,465
FUND BALANCES AT END OF YEAR.....	\$ 4,176,751	\$ 3,457,855	\$ 3,628,625	\$ 1,939,412	\$ 13,202,643

<i>Permanent Funds</i>					Total Nonmajor Governmental Funds
Cemeteries and Libraries	Conservation	Education	Other	Sub-total	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,233,050
-	-	-	-	-	527,516
-	-	-	-	-	1,044,147
-	-	-	-	-	8,759,919
70,875	-	-	85,443	156,318	225,247
-	-	-	-	-	114,535
-	560	-	48,699	49,259	296,185
259,895	5,363	75,431	136,286	476,975	485,158
-	-	-	-	-	6,885
<u>330,770</u>	<u>5,923</u>	<u>75,431</u>	<u>270,428</u>	<u>682,552</u>	<u>14,692,642</u>
-	269	-	440	709	1,083,177
-	-	-	-	-	163,674
-	-	-	144,040	144,040	950,228
-	-	-	-	-	9,223,892
55,844	-	-	-	55,844	356,931
111,277	-	-	46,886	158,163	606,523
-	-	-	-	-	545,152
-	-	-	-	-	352,796
-	-	-	-	-	50,420
<u>167,121</u>	<u>269</u>	<u>-</u>	<u>191,366</u>	<u>358,756</u>	<u>13,332,793</u>
<u>163,649</u>	<u>5,654</u>	<u>75,431</u>	<u>79,062</u>	<u>323,796</u>	<u>1,359,849</u>
-	-	-	-	-	176,672
(95,000)	-	-	-	(95,000)	(897,547)
(95,000)	-	-	-	(95,000)	(720,875)
68,649	5,654	75,431	79,062	228,796	638,974
<u>6,454,554</u>	<u>109,454</u>	<u>5,037,162</u>	<u>243,962</u>	<u>11,845,132</u>	<u>24,637,597</u>
\$ <u>6,523,203</u>	\$ <u>115,108</u>	\$ <u>5,112,593</u>	\$ <u>323,024</u>	\$ <u>12,073,928</u>	\$ <u>25,276,571</u>

Agency Fund

Fund Description

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

AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FISCAL YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 439,092	\$ 2,579,788	\$ (2,505,228)	\$ 513,652
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>301,884</u>	<u>1,520,144</u>	<u>(1,473,466)</u>	<u>348,562</u>
TOTAL ASSETS.....	<u>\$ 740,976</u>	<u>\$ 4,099,932</u>	<u>\$ (3,978,694)</u>	<u>\$ 862,214</u>
LIABILITIES				
Police Details.....	\$ 231,200	\$ 82,267	\$ (29,317)	\$ 284,150
Student Activity Accounts.....	179,416	1,048,148	(1,007,627)	219,937
Performance Bonds.....	305,910	55,005	(21,238)	339,677
Other.....	<u>24,450</u>	<u>710,675</u>	<u>(716,675)</u>	<u>18,450</u>
TOTAL LIABILITIES.....	<u>\$ 740,976</u>	<u>\$ 1,896,095</u>	<u>\$ (1,774,857)</u>	<u>\$ 862,214</u>

Additional Information

SCHEDULE OF PASSENGER FACILITY CHARGES COLLECTED AND EXPENDED AND INTEREST CREDITED
APPLICATION 11-01-00-HYA

QUARTERS ENDED SEPTEMBER 30, 2011, DECEMBER 31, 2011, MARCH 31, 2012, AND JUNE 30, 2012

	Quarters Ended				Annual Total
	September 30, 2011	December 31, 2011	March 31, 2012	June 30, 2012	
Passenger facility charges collected.....	\$ 53,769	\$ 41,201	\$ 36,196	\$ 52,416	\$ 183,582
Interest credited.....	34	47	69	97	247
Total revenue.....	<u>53,803</u>	<u>41,248</u>	<u>36,265</u>	<u>52,513</u>	<u>183,829</u>
Unexpended (overexpended) passenger facility charges at beginning of period.....	<u>(2,509,138)</u>	<u>(2,455,335)</u>	<u>(2,414,087)</u>	<u>(2,377,822)</u>	<u>(2,509,138)</u>
Excess (deficiency) of passenger facility charges collected over passenger facility charges expended at end of quarter.....	\$ <u>(2,455,335)</u>	\$ <u>(2,414,087)</u>	\$ <u>(2,377,822)</u>	\$ <u>(2,325,309)</u>	\$ <u>(2,325,309)</u>
Passenger facility charges:					
New terminal building.....	\$ 2,549,600				
Application assistance.....	<u>24,000</u>				
Total passenger facility charge.....	\$ <u>2,573,600</u>				

See notes to additional information.

NOTE A – BASIS OF ACCOUNTING

The schedule of passenger facility charges collected and expended and interest credited are prepared on the basis of cash receipts and disbursements, as prescribed by Sections 9110 and 9111 of the Aviation Safety and Capacity Expansion Act of 1990, issued by the Federal Aviation Administration of the U.S. Department of Transportation, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

Passenger facility charges collected include amounts collected by the airlines and transferred to the Town's airport. Expenditures for passenger facility charge approved projects are presented on a cash basis and include only the expenditures for approved passenger facility charge projects.

NOTE B – INTEREST CREDITED

Interest credited represents interest income allocated to the passenger facility charge program based on the ratio of the passenger facility charge program's unexpended passenger facility charges cash balance to the airport's total cash and investments balance included in the pooled cash funds of the Town.

NOTE C – APPLICATION

On January 20, 2011, the Federal Aviation Administration approved the airport's application allowing them to charge a \$2 passenger facility charge effective March 1, 2011. The airport was approved to charge \$2,573,600 in passenger facility charges of which \$2,549,600 is for a new terminal building and \$24,000 is assistance for the application fee.

Statistical Section



The new air traffic control tower next to the old one.



Emergency drill with a simulated plane crash being conducted at the Barnstable Municipal Airport. The Federal Aviation Administration requires a drill be conducted once every three years.

Statistical Section

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

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Net Assets By Component

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt.....	\$ 130,084,213	\$ 138,116,458	\$ 146,813,704	\$ 149,076,904	\$ 164,369,948	\$ 172,052,048	\$ 170,657,049	\$ 167,732,404	\$ 178,881,293	\$ 184,421,601
Restricted.....	9,414,023	26,251,387	23,956,664	25,429,456	21,546,963	21,761,627	23,653,035	22,256,610	23,188,546	22,899,121
Unrestricted.....	45,917,006	42,632,593	43,820,157	54,582,327	59,319,794	49,706,955	44,174,519	45,761,937	37,416,415	36,590,078
Total governmental activities net assets.....	\$ 185,415,242	\$ 207,000,438	\$ 214,590,525	\$ 229,088,687	\$ 245,236,705	\$ 243,520,630	\$ 238,484,603	\$ 235,750,951	\$ 239,486,254	\$ 243,910,800
Business-type activities										
Invested in capital assets, net of related debt.....	\$ 48,539,226	\$ 50,232,948	\$ 57,745,786	\$ 62,727,486	\$ 63,605,089	\$ 69,038,883	\$ 70,569,512	\$ 88,038,076	\$ 111,054,493	\$ 123,154,596
Unrestricted.....	17,075,725	19,253,803	20,457,573	23,483,865	25,524,078	25,909,975	27,726,500	23,517,286	27,136,568	25,267,346
Total business-type activities net assets.....	\$ 65,614,951	\$ 69,486,751	\$ 78,203,359	\$ 86,211,351	\$ 89,129,167	\$ 94,948,858	\$ 98,296,012	\$ 111,555,362	\$ 138,191,061	\$ 148,421,942
Primary government										
Invested in capital assets, net of related debt.....	\$ 178,623,439	\$ 188,349,406	\$ 204,559,490	\$ 211,804,390	\$ 227,975,037	\$ 241,090,931	\$ 241,226,561	\$ 258,559,391	\$ 289,935,786	\$ 307,576,197
Restricted.....	9,414,023	26,251,387	23,956,664	25,429,456	21,546,963	21,761,627	23,653,035	22,256,610	23,188,546	22,899,121
Unrestricted.....	62,992,731	61,886,396	64,277,730	78,066,192	84,843,872	75,616,930	71,901,019	66,490,312	64,552,983	61,857,424
Total primary government net assets.....	\$ 251,030,193	\$ 276,487,189	\$ 292,793,884	\$ 315,300,038	\$ 334,365,872	\$ 338,469,488	\$ 336,780,615	\$ 347,306,313	\$ 377,677,315	\$ 392,332,742

Changes in Net Assets

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
Charter commission.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,065	\$ 46,380	\$ 15,000	\$ -	\$ -
Town council.....	227,642	262,361	285,172	301,790	256,468	346,498	356,983	390,345	380,018	382,055
Town manager.....	762,063	512,055	583,608	580,947	579,318	719,449	675,969	752,700	683,316	745,955
Administrative services.....	7,852,434	7,838,976	8,779,638	8,518,874	8,378,688	9,862,293	9,691,557	10,318,986	10,601,542	10,330,594
Growth management.....	-	-	-	937,785	2,049,147	3,507,729	3,321,356	2,594,947	2,197,204	2,164,979
Public safety.....	10,462,665	10,263,728	11,621,456	12,660,482	13,406,737	15,378,587	15,190,576	15,951,164	15,656,195	16,445,394
Education.....	74,546,270	72,837,749	74,647,049	81,384,483	87,534,482	92,444,424	93,940,477	90,887,000	93,652,265	96,294,013
Public works.....	10,417,699	12,743,329	11,306,904	9,942,512	9,871,846	13,806,146	16,910,307	12,464,847	13,669,363	12,804,945
Community services.....	4,168,394	4,141,597	4,078,291	3,549,968	3,755,054	4,152,881	4,762,643	4,334,769	4,395,115	4,591,089
Regulatory services.....	2,790,428	2,803,627	3,541,727	3,124,650	3,112,902	3,753,307	2,964,772	4,205,724	4,204,140	4,480,702
Culture and recreation.....	1,454,454	1,412,413	1,451,247	1,771,570	1,664,769	1,817,859	1,727,069	1,689,753	1,673,945	2,047,950
Interest.....	4,850,567	4,902,192	4,870,383	4,585,580	4,803,026	4,595,119	4,707,186	3,623,266	3,227,684	3,199,774
Total government activities expenses.....	117,532,616	117,718,027	121,165,475	127,358,641	135,412,437	150,386,357	154,295,275	147,228,501	150,340,787	153,487,450
Business-type activities:										
Airport activities.....	4,088,653	4,844,264	5,416,775	6,195,889	6,501,195	7,563,704	7,062,613	6,034,854	6,908,268	7,468,840
Golf course activities.....	1,552,786	1,580,918	1,496,534	1,549,796	2,245,796	2,949,522	2,712,412	2,614,217	2,507,382	2,634,335
Solid waste activities.....	1,323,504	1,431,546	1,367,651	2,015,005	1,940,896	2,263,740	2,140,520	2,010,574	1,887,556	2,011,718
Wastewater activities.....	3,043,778	3,468,037	3,715,192	2,931,331	3,559,805	3,439,444	4,211,888	4,604,835	4,307,355	4,924,221
Water company activities.....	-	-	241,701	2,320,786	2,392,945	2,322,025	2,222,892	2,393,652	2,309,337	2,695,528
Marina activities.....	-	-	-	433,577	523,997	559,857	493,447	468,960	521,888	572,555
Sandy Neck recreation activities.....	-	-	-	358,068	395,516	467,692	474,332	501,888	537,561	617,232
Hyannis youth and community center.....	-	-	-	-	-	-	-	1,970,413	2,286,860	2,285,247
Total business-type activities expenses.....	10,008,721	11,324,765	12,237,853	15,804,452	17,560,150	19,565,984	19,318,104	20,599,393	21,266,207	23,209,676
Total primary government expenses.....	\$ 127,541,337	\$ 129,042,792	\$ 133,403,328	\$ 143,163,093	\$ 152,972,587	\$ 169,952,341	\$ 173,613,379	\$ 167,827,894	\$ 171,606,994	\$ 176,697,126
Program Revenues										
Governmental activities:										
Administrative services charges for services.....	\$ 810,171	\$ 876,128	\$ 1,154,593	\$ 807,012	\$ 576,201	\$ 804,576	\$ 730,873	\$ 755,951	\$ 709,164	\$ 845,002
Education charges for services.....	3,708,643	3,573,560	3,629,238	2,919,006	3,166,525	4,241,309	3,240,712	2,599,327	2,597,573	2,552,873
Community services charges for services.....	2,129,746	2,497,006	2,503,371	1,539,633	1,618,139	1,599,885	1,717,789	1,569,081	1,752,891	1,973,424
Regulatory services charges for services.....	1,697,816	1,740,014	2,221,754	2,451,852	2,244,531	2,312,451	2,116,776	2,296,375	2,694,281	2,826,890
Other charges for services.....	1,240,800	1,133,394	1,221,860	1,502,313	1,401,151	1,732,923	2,219,533	1,282,396	1,901,709	1,564,983
Operating grants and contributions.....	20,359,125	20,587,459	23,299,779	24,670,911	28,058,414	27,133,578	28,396,710	30,536,034	30,178,585	31,552,139
Capital grant and contributions.....	2,457,096	4,703,314	4,008,692	7,578,724	8,209,397	6,778,249	3,334,070	3,444,938	4,058,312	2,938,336
Total government activities program revenues.....	32,403,397	35,110,875	38,039,287	41,469,451	45,274,358	44,602,971	41,756,463	42,484,102	43,892,515	44,253,647
Business-type activities:										
Charges for services - Airport.....	4,500,057	4,286,121	4,935,184	5,945,718	6,434,413	7,160,730	6,810,056	5,490,285	6,506,669	6,585,493
Charges for services - Golf Course.....	1,792,439	1,816,543	1,798,858	1,761,676	2,516,328	2,993,201	3,027,102	2,891,917	3,395,629	2,774,195
Charges for services - Solid Waste.....	1,321,800	1,523,245	1,633,455	1,842,879	2,045,585	2,151,196	2,006,111	2,070,045	2,094,528	2,189,147
Charges for services - Wastewater.....	3,255,153	3,827,039	3,858,633	3,865,308	3,437,641	3,650,336	3,187,621	3,927,176	3,569,586	4,048,083
Charges for services - Water Supply.....	-	-	-	2,648,165	2,816,039	3,235,835	3,123,598	3,193,402	3,551,796	3,848,765
Charges for services - Marina.....	-	-	-	706,138	666,312	653,480	651,019	557,513	627,670	680,419
Charges for services - Sandy Neck recreation.....	-	-	-	489,144	512,590	583,545	569,561	616,104	693,869	839,323
Charges for services - Hyannis youth and community center.....	-	-	-	-	-	-	-	1,149,921	1,332,574	1,361,171
Operating grants and contributions.....	737,440	1,330,865	1,017,413	476,700	555,116	500,061	436,056	259,036	383,432	357,529
Capital grants and contributions.....	1,047,301	3,414,401	2,294,113	3,732,082	1,280,816	4,498,513	2,881,380	5,468,016	23,235,870	9,483,491
Total business-type activities program revenues.....	12,654,190	16,198,214	15,537,656	21,467,810	20,264,840	25,426,897	22,692,504	25,623,415	45,391,623	32,167,616
Total primary government program revenues.....	\$ 45,057,587	\$ 51,309,089	\$ 53,576,943	\$ 62,937,261	\$ 65,539,198	\$ 70,029,868	\$ 64,448,967	\$ 68,107,517	\$ 89,284,138	\$ 76,421,263

(Continued)

Changes in Net Assets

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental activities.....	\$ (85,129,219)	\$ (82,607,152)	\$ (83,126,188)	\$ (85,889,190)	\$ (90,138,079)	\$ (105,783,386)	\$ (112,538,812)	\$ (104,744,399)	\$ (106,448,272)	\$ (109,233,803)
Business-type activities.....	2,645,469	4,873,449	3,299,803	5,663,358	2,704,690	5,860,913	3,374,400	5,024,022	24,125,416	8,957,940
Total primary government net expense.....	\$ (82,483,750)	\$ (77,733,703)	\$ (79,826,385)	\$ (80,225,832)	\$ (87,433,389)	\$ (99,922,473)	\$ (109,164,412)	\$ (99,720,377)	\$ (82,322,856)	\$ (100,275,863)
General Revenues and other Changes in Net Assets										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 69,697,450	\$ 73,674,105	\$ 77,051,302	\$ 80,072,721	\$ 82,597,461	\$ 84,936,744	\$ 88,253,725	\$ 90,663,777	\$ 93,673,200	\$ 97,222,576
Motor vehicle and other excise taxes.....	6,203,157	6,165,945	7,037,163	6,286,515	6,756,143	6,350,453	5,625,147	5,206,615	6,051,330	5,416,330
Hotel/motel tax.....	1,639,620	1,613,228	1,688,423	1,649,084	1,612,004	1,665,130	1,604,723	1,489,471	1,866,536	2,470,674
Meals tax.....	-	-	-	-	-	-	-	-	619,193	1,206,380
Penalties and interest on taxes.....	723,473	752,812	799,569	741,586	795,696	852,148	905,602	778,660	897,236	1,019,421
Community preservation surtax.....	2,052,512	2,195,096	2,277,056	2,335,045	2,453,874	2,474,265	2,619,643	2,651,234	2,734,079	2,863,995
Grants and contributions not restricted to specific programs.....	4,772,070	2,769,094	3,974,443	6,225,836	4,203,225	4,055,268	3,742,347	2,698,754	2,665,950	2,645,768
Unrestricted investment income.....	2,082,442	1,027,266	1,927,041	2,526,549	6,461,005	2,555,986	746,614	3,722,928	3,421,534	1,866,929
Gain on sale of capital assets.....	-	-	283,500	1,722,672	25,000	-	-	31,831	-	-
Miscellaneous.....	2,176	249,434	535,151	-	110,367	-	-	25,968	448,500	30,765
Legal settlements.....	-	-	-	-	-	-	3,492,881	262,307	-	-
Transfers.....	1,347,745	1,174,851	(4,857,372)	(1,172,656)	1,271,322	1,177,317	512,103	(8,071,724)	(2,193,983)	(1,084,489)
Total governmental activities.....	88,520,645	89,621,831	90,716,276	100,387,352	106,286,097	104,067,311	107,502,785	99,459,821	110,183,575	113,658,349
Business-type activities:										
Unrestricted investment income.....	277,481	173,202	559,433	1,119,622	1,480,924	1,136,095	484,857	163,604	316,300	188,452
Gain on sale of capital assets.....	-	-	-	52,356	3,524	-	-	-	-	-
Transfers.....	(1,347,745)	(1,174,851)	4,857,372	1,172,656	(1,271,322)	(1,177,317)	(512,103)	8,071,724	2,193,983	1,084,489
Total business-type activities.....	(1,070,264)	(1,001,649)	5,416,805	2,344,634	213,126	(41,222)	(27,246)	8,235,328	2,510,283	1,272,941
Total primary government.....	\$ 87,450,381	\$ 88,620,182	\$ 96,133,081	\$ 102,731,986	\$ 106,499,223	\$ 104,026,089	\$ 107,475,539	\$ 107,695,149	\$ 112,693,858	\$ 114,931,290
Changes in Net Assets										
Governmental activities.....	\$ 3,391,426	\$ 7,014,679	\$ 7,590,888	\$ 14,498,162	\$ 16,148,018	\$ (1,716,075)	\$ (5,036,027)	\$ (5,284,578)	\$ 3,735,303	\$ 4,424,546
Business-type activities.....	1,575,205	3,871,800	8,716,608	8,007,992	2,917,816	5,819,691	3,347,154	13,259,350	26,635,699	10,230,881
Total primary government.....	\$ 4,966,631	\$ 10,886,479	\$ 16,306,696	\$ 22,506,154	\$ 19,065,834	\$ 4,103,616	\$ (1,688,873)	\$ 7,974,772	\$ 30,371,002	\$ 14,655,427

(Concluded)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved.....	\$ 4,474,557	\$ 5,001,609	\$ 1,726,344	\$ 2,009,316	\$ 1,512,248	\$ 1,888,999	\$ 1,241,639	\$ 2,816,525	\$ -	\$ -
Unreserved.....	12,450,524	12,496,127	21,963,775	26,988,088	28,200,523	19,740,194	15,179,667	14,901,926	-	-
Restricted.....	-	-	-	-	-	-	-	-	2,863,023	2,660,805
Assigned.....	-	-	-	-	-	-	-	-	6,122,506	2,007,306
Unassigned.....	-	-	-	-	-	-	-	-	21,612,742	28,734,188
Total general fund.....	\$ 16,925,081	\$ 17,497,736	\$ 23,690,119	\$ 28,997,404	\$ 29,712,771	\$ 21,629,193	\$ 16,421,306	\$ 17,718,451	\$ 30,598,271	\$ 33,402,299
All Other Governmental Funds										
Reserved.....	\$ 9,325,101	\$ 9,480,537	\$ 9,634,502	\$ 9,625,989	\$ 10,228,805	\$ 10,287,552	\$ 8,847,452	\$ 9,504,307	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	24,611,675	24,939,370	24,320,865	28,427,537	30,311,236	36,842,393	38,643,071	36,566,719	-	-
Capital projects funds.....	10,598,513	9,971,416	9,158,632	8,724,569	28,615,260	34,643,214	15,845,729	15,837,839	-	-
Permanent funds.....	859,776	866,039	441,646	565,998	903,589	96,544	1,092,032	1,022,510	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	10,326,319	10,467,992
Restricted.....	-	-	-	-	-	-	-	-	41,212,995	37,936,503
Total all other governmental funds.....	\$ 45,395,065	\$ 45,257,362	\$ 43,555,645	\$ 47,344,093	\$ 70,058,890	\$ 81,869,703	\$ 64,428,284	\$ 62,931,375	\$ 51,539,314	\$ 48,404,495

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

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 69,727,770	\$ 73,526,645	\$ 77,391,784	\$ 79,020,367	\$ 82,783,866	\$ 84,855,790	\$ 88,165,857	\$ 89,592,295	\$ 92,202,438	\$ 97,818,235
Motor vehicle and other excise taxes.....	5,944,110	6,297,172	6,537,273	6,316,691	6,704,665	6,617,601	5,646,089	5,249,626	5,938,937	5,510,517
Hotel/motel tax.....	1,667,205	1,613,228	1,667,469	1,644,352	1,612,004	1,670,130	1,624,723	1,481,471	1,739,536	2,468,674
Meals tax.....	-	-	-	-	-	-	-	-	490,193	1,197,380
Charges for services.....	5,631,162	5,721,290	5,984,915	6,093,501	5,296,145	6,710,275	6,792,198	4,808,371	5,068,114	4,976,473
Penalties and interest on taxes.....	723,473	752,812	799,569	741,661	1,335,052	1,210,709	1,206,383	1,070,307	1,199,934	1,359,907
Fees and rentals.....	1,597,200	1,712,699	1,622,252	898,311	1,003,400	1,210,892	1,107,126	1,199,488	1,452,502	1,492,829
Licenses and permits.....	1,735,932	1,746,132	2,047,639	2,139,204	2,088,864	2,170,128	2,092,985	2,131,386	2,855,284	3,010,391
Intergovernmental.....	29,562,367	28,922,799	34,186,154	37,930,900	36,751,218	35,426,249	35,349,630	36,622,958	37,544,400	39,349,380
Departmental and other.....	794,716	1,099,676	1,832,449	1,410,779	1,956,268	1,603,490	1,929,525	1,238,096	1,093,917	982,707
Special assessments.....	208,658	171,815	132,650	98,262	191,884	151,983	143,209	220,269	305,021	345,820
Community preservation surtax.....	2,052,512	2,195,096	2,277,056	2,335,045	2,453,874	2,474,265	2,619,643	2,651,234	2,734,079	2,863,995
Contributions.....	125,257	145,980	93,250	100,871	196,313	99,882	153,455	123,891	297,281	296,185
Investment income.....	2,084,846	1,027,613	1,928,006	2,528,861	6,464,023	2,558,229	747,670	3,723,219	3,422,381	1,863,501
Miscellaneous.....	-	1,855	184,065	-	-	-	-	262,658	460,016	6,885
Legal settlements.....	-	-	-	-	-	-	3,492,881	262,307	-	-
Total Revenues.....	121,855,208	124,934,812	136,684,531	141,258,805	148,837,576	146,759,623	151,071,374	150,637,576	156,804,033	163,542,879
Expenditures:										
Charter commission.....	-	-	-	-	-	2,065	46,380	15,000	-	-
Town council.....	220,882	246,071	267,243	278,559	231,825	289,995	296,316	321,346	315,151	309,303
Town manager.....	730,239	464,983	531,329	521,535	518,618	574,215	541,963	600,291	540,036	596,044
Administrative services.....	5,437,536	5,553,635	5,826,143	5,566,097	5,223,523	5,816,199	5,721,376	6,022,630	6,390,572	6,265,047
Growth management.....	-	-	-	864,871	1,908,052	3,162,311	3,023,167	2,255,806	1,876,994	1,837,388
Public safety.....	10,136,517	10,148,280	10,385,370	10,974,924	11,372,831	11,423,726	11,562,679	11,877,172	11,945,147	12,583,679
Education.....	60,751,278	62,561,166	63,111,637	68,092,203	71,994,705	73,768,453	74,154,718	69,418,073	71,603,329	72,947,953
Public works.....	7,894,484	7,374,652	9,043,063	8,071,026	7,067,157	8,766,085	12,507,268	5,801,985	8,697,677	7,999,323
Community services.....	3,285,347	3,219,318	3,352,642	3,012,255	3,026,874	3,031,730	3,731,611	3,269,069	3,323,697	3,542,911
Regulatory services.....	2,170,109	2,121,573	2,170,733	2,844,921	2,354,396	2,537,742	1,498,642	2,602,377	2,690,984	2,951,035
Culture and recreation.....	1,454,454	1,412,413	1,451,247	1,687,360	1,621,122	1,715,718	1,727,069	1,689,753	1,673,945	2,047,950
Pension and employee benefits.....	8,449,434	9,501,689	10,534,400	11,202,820	12,363,057	13,793,046	15,287,773	17,096,982	18,953,642	19,880,251
Property and liability insurance.....	827,975	866,088	1,133,249	1,066,222	1,175,345	1,202,223	1,151,284	1,205,171	1,281,890	1,312,879
Claims and judgments.....	-	-	-	-	-	450,972	-	-	-	-
Other assessments.....	77,211	246,942	218,638	271,886	270,401	325,747	424,848	492,852	423,836	375,478
State and county charges.....	2,662,802	2,789,438	2,981,154	4,619,631	5,179,582	5,283,974	5,500,040	5,670,113	5,864,464	6,443,074
Capital outlay.....	11,852,515	19,903,863	9,631,980	6,363,859	9,828,269	12,063,864	22,486,003	9,398,699	12,727,196	10,637,388
Debt service										
Principal.....	8,932,552	8,322,609	8,438,821	7,978,726	8,074,177	9,007,988	9,841,839	8,908,613	9,404,339	9,931,989
Interest.....	4,744,440	4,778,832	4,828,154	4,643,055	4,689,917	4,619,652	4,729,807	3,691,341	3,305,081	3,290,957
Total Expenditures.....	129,627,775	139,511,552	133,905,803	138,059,950	146,899,851	157,835,705	174,232,783	150,337,273	161,017,980	162,952,649
Excess of revenues over (under) expenditures.....	(7,772,567)	(14,576,740)	2,778,728	3,198,855	1,937,725	(11,076,082)	(23,161,409)	300,303	(4,213,947)	590,230
Other Financing Sources (Uses)										
Issuance of bonds and notes.....	7,014,000	13,633,000	6,280,000	2,550,000	19,893,000	13,626,000	-	4,959,000	7,535,000	-
Issuance of refunding bonds.....	-	-	-	-	38,101,000	-	-	-	8,641,000	10,037,900
Premium from issuance of bonds.....	-	203,841	5,810	-	240,059	-	-	-	360,689	30,765
Premium from issuance of refunding bonds.....	-	-	-	-	1,076,268	-	-	-	641,187	966,394
Sale of capital assets.....	-	-	283,500	3,000,000	25,000	-	-	31,831	-	-
Payment to bond escrow agent.....	-	-	-	-	(39,114,210)	-	-	-	(9,282,187)	(10,871,591)
Transfers in.....	14,208,776	13,813,434	14,063,605	15,971,349	18,461,664	23,252,992	21,271,536	20,474,644	6,854,634	7,015,052
Transfers out.....	(12,861,031)	(12,638,583)	(18,920,977)	(15,624,471)	(17,190,342)	(22,075,675)	(20,759,433)	(25,965,542)	(9,048,617)	(8,099,541)
Total other financing sources (uses).....	8,361,745	15,011,692	1,711,938	5,896,878	21,492,439	14,803,317	512,103	(500,067)	5,701,706	(921,021)
Net change in fund balance.....	\$ 589,178	\$ 434,952	\$ 4,490,666	\$ 9,095,733	\$ 23,430,164	\$ 3,727,235	\$ (22,649,306)	\$ (199,764)	\$ 1,487,759	\$ (330,791)
Debt service as a percentage of noncapital expenditures.....	11.61%	10.95%	10.68%	9.58%	9.31%	9.35%	9.60%	8.94%	8.57%	8.68%

Notes:

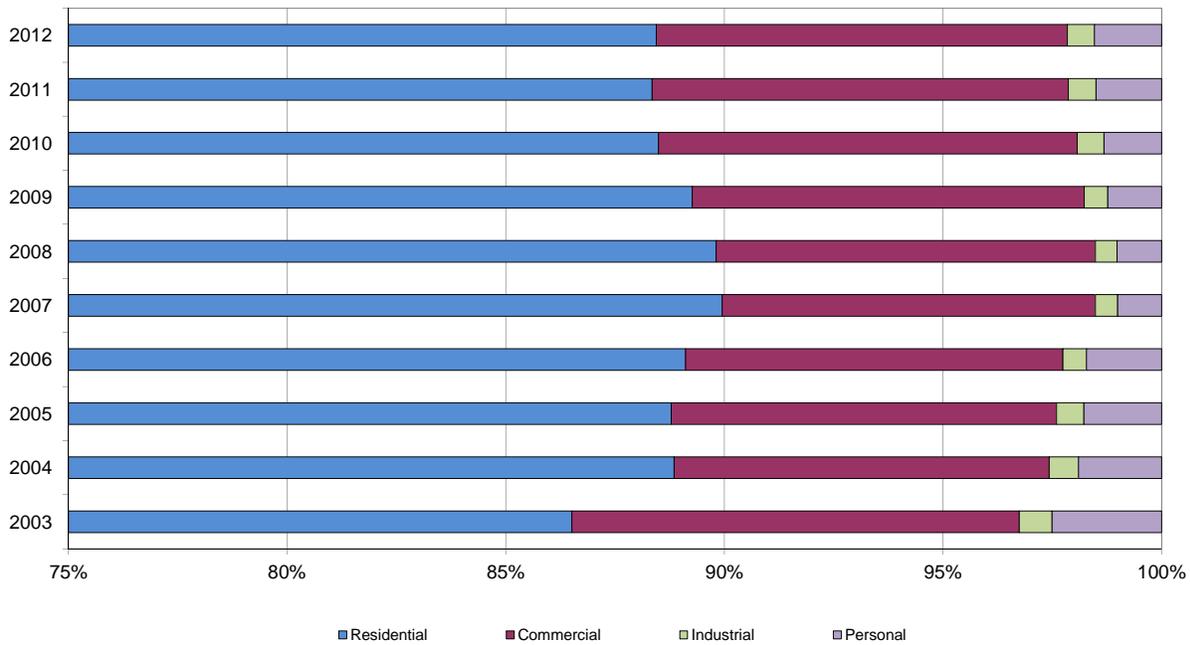
Some functional expenses are reported in different lines in older years.

Assessed Value of Taxable Property by Classification and Tax Rates

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates									
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Total Commercial Value	Commercial Tax Rate	Personal Property	Personal Property Tax Rate	Total Direct Rate (4)	Total Town Value
2003	\$ 6,496,915,232	\$ 9.40	\$ 767,960,498	\$ 56,678,770	\$ 824,639,268	\$ 9.40	\$ 188,114,795	\$ 9.40	\$ 9.40	\$ 7,509,669,295
2004 (1)	10,023,257,151	6.61	967,131,329	75,686,020	1,042,817,349	6.61	214,717,352	6.61	6.61	11,280,791,852
2005	11,381,231,761	6.05	1,129,516,623	80,250,820	1,209,767,443	6.05	228,014,240	6.05	6.05	12,819,013,444
2006 (2)	12,710,161,443	6.31	1,230,557,567	77,084,090	1,307,641,657	6.54	245,409,010	6.49	6.34	14,263,212,110
2007 (1),(3)	13,443,704,362	6.32	1,275,048,264	77,011,100	1,352,059,364	5.57	149,981,380	5.57	6.24	14,945,745,106
2008 (3)	13,323,872,172	6.58	1,286,489,328	73,265,400	1,359,754,728	5.80	151,079,850	5.80	6.50	14,834,706,750
2009 (3)	12,983,016,619	6.90	1,303,893,716	78,598,400	1,382,492,116	6.12	179,274,450	6.12	6.82	14,544,783,185
2010 (1),(3)	11,822,832,710	7.77	1,279,251,935	81,780,400	1,361,032,335	6.87	176,352,980	6.87	7.67	13,360,218,025
2011 (3)	11,474,497,625	8.05	1,235,696,120	82,267,300	1,317,963,420	7.28	194,882,820	7.28	7.96	12,987,343,865
2012 (3)	11,343,180,287	8.42	1,205,426,293	79,571,600	1,284,997,893	7.59	196,937,290	7.59	8.32	12,825,115,470

Percentage of Total Assessed Value By Classification



(1) Revaluation year.
 (2) In FY2006 the Town adopted a split tax rate (factor of 1.15), a residential exemption (20%), and a small business exemption (10%) resulting in different tax rates between classes.
 (3) In FY2007 through FY2012 the Town adopted a 20% residential exemption and no split tax rate factor resulting in a higher residential rate.
 (4) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.
 Source: Assessor's Department, Town of Barnstable
 All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

Town of Barnstable, Massachusetts

Principal Taxpayers

Current Year and Nine Years Ago

Name	Nature of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Mayflower Cape Cod, LLC	Cape Cod Mall	\$ 100,023,400	1	0.78%	\$ 74,997,600	1	1.00%
NSTAR	Public Utility	71,850,180	2	0.56%			
Individual	Residential Properties	46,879,210	3	0.37%	42,417,700	2	0.57%
Verizon	Public Utility	37,178,730	4	0.29%	19,610,800	6	0.26%
National Grid	Public Utility	32,189,600	5	0.25%			
Oyster Harbors Club, Inc.	Social Club & Residential Properties	28,526,510	6	0.22%	22,000,880	4	0.29%
Individual	Residential Properties	25,146,700	7	0.20%	21,041,000	5	0.28%
Wianno Club, Inc.	Recreation	24,827,200	8	0.19%	18,891,990	8	0.25%
OCW Retail Hyannis, LLC	Shopping Center	24,940,400	9	0.19%			
Festival of Hyannis, LLC	Shopping Center	22,830,500	10	0.18%			
Commonwealth Electric Co.	Public Utility and Real Estate				32,352,110	3	0.43%
KPERS Realty Holdings Inc.	Shopping Center				19,195,100	7	0.26%
Cape Harbor Association	Shopping Center				17,708,500	9	0.24%
Indian Point	Residential Properties				15,574,500	10	0.21%
	Totals	\$ 414,392,430		3.23%	\$ 283,790,180		3.79%

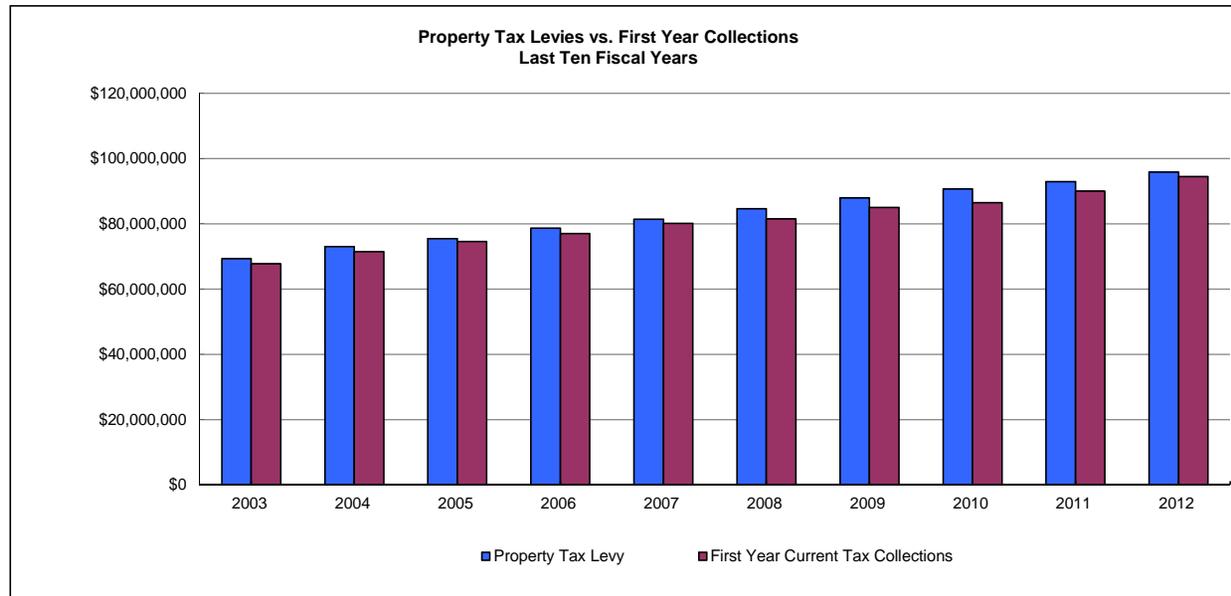
Source: Assessor's Department, Town of Barnstable

Town of Barnstable, Massachusetts

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Less Reserve for Abatements & Exemptions	Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Subsequent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (2)
2003	\$ 70,590,891	\$ 1,308,255	\$ 69,282,636	98.15%	\$ 67,755,698	97.80%	\$ 1,922,369	\$ 69,678,067	100.57%
2004	(1) 74,566,035	1,581,758	72,984,277	97.88%	71,457,482	97.91%	1,835,610	73,293,092	100.42%
2005	77,555,031	2,126,902	75,428,129	97.26%	74,559,345	98.85%	2,011,418	76,570,763	101.51%
2006	80,475,762	1,830,406	78,645,356	97.73%	77,045,176	97.97%	2,073,537	79,118,713	100.60%
2007	(1) 83,218,734	1,872,849	81,345,885	97.75%	80,162,980	98.55%	1,863,455	82,026,435	100.84%
2008	86,040,891	1,428,590	84,612,301	98.34%	81,481,702	96.30%	3,231,630	84,713,332	100.12%
2009	89,064,457	1,139,801	87,924,656	98.72%	85,039,042	96.72%	1,975,318	87,014,360	98.96%
2010	(1) 91,769,862	1,089,775	90,680,087	98.81%	86,505,210	95.40%	2,426,140	88,931,350	98.07%
2011	94,579,103	1,676,671	92,902,432	98.23%	89,989,123	96.86%	2,226,985	92,216,108	99.26%
2012	97,325,379	1,494,713	95,830,666	98.46%	94,416,773	98.52%	-	94,416,773	98.52%



(1) Revaluation year.

(2) If the actual abatements and exemptions are lower than the reserve, the actual collections can exceed the net levy.

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

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2003	48,907	\$ 1,247,844,000	\$ 7,509,669,295	\$ 101,918,971	\$ -	\$ 2,084	8.17%	1.36%
2004	48,535	1,312,601,000	11,280,791,852	107,548,113	-	2,216	8.19%	0.95%
2005	47,826	1,392,438,000	12,819,013,444	105,426,797	-	2,204	7.57%	0.82%
2006	47,380	1,361,228,000	14,263,212,110	97,283,071	3,875	2,053	7.15%	0.68%
2007	46,738	1,462,886,000	14,945,745,106	110,017,892	3,053	2,354	7.52%	0.74%
2008	46,184	1,347,449,000	14,834,706,750	114,635,906	793	2,482	8.51%	0.77%
2009	46,297	1,268,027,000	14,544,783,185	104,794,067	-	2,264	8.26%	0.72%
2010	45,193	1,593,731,000	13,360,218,025	84,883,454	-	1,878	5.33%	0.64%
2011	45,167	1,600,000,000	12,987,343,865	83,385,804	-	1,846	5.21%	0.64%
2012	45,167	1,605,000,000	12,825,115,470	73,345,104	-	1,624	4.57%	0.57%

Fiscal Year	Business-type Activities (1)		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2003	\$ 19,144,445	\$ -	\$ 121,063,416	\$ 2,475	9.70%	1.61%
2004	20,568,453	-	128,116,566	2,640	9.76%	1.14%
2005	18,963,224	-	124,390,021	2,601	8.93%	0.97%
2006	19,170,509	-	116,457,455	2,458	8.56%	0.82%
2007	33,214,444	-	143,235,389	3,065	9.79%	0.96%
2008	38,527,427	-	153,164,126	3,316	11.37%	1.03%
2009	36,484,603	-	141,278,670	3,052	11.14%	0.97%
2010	54,779,449	-	139,662,903	3,090	8.76%	1.05%
2011	54,016,356	-	137,402,160	3,042	8.59%	1.06%
2012	56,250,217	-	129,595,321	2,869	8.07%	1.01%

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

Town of Barnstable, Massachusetts
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

<u>Town of Barnstable, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes and user charges:			
Barnstable County.....	\$ 11,700,000	18.16%	\$ 2,124,720
Barnstable Fire District.....	17,775,000	100.00%	17,775,000
Centerville-Osterville-Marston Mills Fire District.....	6,210,377	100.00%	6,210,377
Cotuit Fire District.....	1,930,000	100.00%	1,930,000
West Barnstable Fire District.....	108,000	100.00%	<u>108,000</u>
Subtotal, overlapping debt.....			28,148,097
Town direct debt.....			<u>73,345,104</u>
Total direct and overlapping debt.....			\$ <u><u>101,493,201</u></u>

Source: Official Statements

Note: The Town obtains the debt outstanding and percentages directly from the entities.

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

Town of Barnstable, Massachusetts

Computation of Legal Debt Margin

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Valuation.....	\$ 9,187,485,800	\$ 11,747,239,700	\$ 11,747,239,700	\$ 14,974,792,700	\$ 14,974,792,700	\$ 16,142,285,200	\$ 16,142,285,200	\$ 14,945,861,000	\$ 14,945,861,000	\$ 13,864,305,700
Debt Limit -5% of Equalized Valuation.....	\$ 459,374,290	\$ 587,361,985	\$ 587,361,985	\$ 748,739,635	\$ 748,739,635	\$ 807,114,260	\$ 807,114,260	\$ 747,293,050	\$ 747,293,050	\$ 693,215,285
Less:										
Outstanding debt applicable to limit.....	\$ 36,444,704	\$ 39,061,056	\$ 36,675,159	\$ 54,947,745	\$ 75,630,971	\$ 82,388,673	\$ 76,565,997	\$ 74,641,706	\$ 81,933,812	\$ 79,039,510
Authorized and unissued debt.....	\$ 48,929,455	\$ 61,504,455	\$ 83,635,855	\$ 62,055,743	\$ 67,601,365	\$ 57,540,513	\$ 57,540,513	\$ 83,934,854	\$ 73,597,717	\$ 71,016,010
Legal debt margin.....	\$ 374,000,131	\$ 486,796,474	\$ 467,050,971	\$ 631,736,147	\$ 605,507,299	\$ 667,185,074	\$ 673,007,750	\$ 588,716,490	\$ 591,761,521	\$ 543,159,765
Total debt applicable to the limit as a percentage of debt limit	18.58%	17.12%	20.48%	15.63%	19.13%	17.34%	16.62%	21.22%	20.81%	21.65%

Source: Official Statements, Town of Barnstable

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

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	48,907	\$1,247,844,000	\$25,515	42	6,886	4.8%
2004	48,535	\$1,312,601,000	\$27,044	42	6,609	4.3%
2005	47,826	\$1,392,438,000	\$29,115	42	6,333	4.1%
2006	47,380	\$1,361,228,000	\$28,730	42	6,247	4.0%
2007	46,738	\$1,462,886,000	\$31,300	42	6,135	3.7%
2008	46,184	\$1,347,449,000	\$29,176	42	5,851	4.6%
2009	46,297	\$1,268,027,000	\$27,389	42	5,799	5.1%
2010	45,193	\$1,593,731,000	\$35,265	47	5,461	8.6%
2011	45,167 *	\$1,600,000,000 *	\$35,424 *	48 *	5,165	7.0%
2012	45,000 *	\$1,605,000,000 *	\$35,667 *	49 *	5,267	6.8%

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

Town of Barnstable, Massachusetts

Principal Employers

Current Year and Nine Years Ago

Employer	Nature of Business	2012			2003		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Cape Cod Health Care, Inc.	Hospital	2,400	1	8.59%	2,545	1	10.25%
Town of Barnstable	Municipal Government	1,284	2	4.60%	1,361	2	5.48%
Cape Cod Times	Newspaper	289	3	1.03%	280	4	1.13%
Cape Air/Nantucket Airlines	Airline	248	4	0.89%			
Cape Codder Resort	Hotel	230	5	0.82%	200	7	0.81%
Barnstable County	County Government	224	6	0.80%	470	3	1.89%
Macy's (2 stores)	Retail Sales - General	210	7	0.75%	190	8	0.77%
Sears Roebuck & Company	Retail Store	173	8	0.62%	240	5	0.97%
Stop and Shop - Marston Mills	Grocers - Retail	161	9	0.58%			
Super Stop and Shop - Hyannis	Grocers - Retail	148	10	0.53%	188	9	0.76%
Star Market (2 stores)	Grocers - Retail				212	6	0.85%
Infinium Software, Inc.	Marketing & Training				176	10	0.71%

Source: Massachusetts Department of Labor and Workforce Development

Town of Barnstable, Massachusetts

Full-time Equivalent Town Employees by Function

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function:										
Town council.....	2	2	2	2	2	2	2	2	2	2
Town manager.....	6	6	5	5	5	5	5	5	5	5
Growth management.....	-	-	-	14	16	14	14	13	12	12
Administrative services.....	71	83	79	65	65	65	63	61	61	61
Public safety.....	134	134	134	139	139	139	137	126	126	124
Education.....	831	944	912	912	911	904	891	812	813	813
Public works.....	123	119	117	116	120	120	120	116	116	116
Community services.....	53	44	43	43	50	51	53	57	55	53
Regulatory services.....	31	31	30	32	32	32	35	33	31	32
Airport.....	25	26	26	26	26	26	26	26	25	25
Total	<u>1,276</u>	<u>1,389</u>	<u>1,348</u>	<u>1,354</u>	<u>1,366</u>	<u>1,358</u>	<u>1,346</u>	<u>1,251</u>	<u>1,246</u>	<u>1,243</u>

Source: Annual town reports

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

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrative services										
Legal matters.....	1,805	1,729	1,740	1,392	1,633	1,258	1,392	1,529	1,728	1,531
Registered voters.....	32,270	33,738	32,918	31,325	30,999	30,885	32,381	30,872	31,259	32,959
Employment applications processed.....	1,368	1,234	1,255	1,658	1,191	2,050	1,600	1,575	2,060	2,078
Work related injuries processed.....	169	173	129	152	125	157	160	80	159	127
Unemployment claims.....	122	n/a	n/a	58	56	100	85	165	210	114
Tax bills processed.....	128,755	143,281	144,369	179,267	222,049	194,796	195,182	201,322	201,275	197,106
Police										
Call for service.....	49,890	42,779	41,026	41,015	45,009	45,347	42,758	42,870	47,183	52,392
Physical arrests.....	1,912	n/a	n/a	1,670	3,315	3,126	n/a	1,925	1,655	1,910
Education										
Cobb Trust Fund awards.....	\$104,815	n/a	\$144,550	\$114,000	\$109,390	\$158,500	\$65,078	\$39,841	\$109,283	\$124,848
Zoning										
Zoning Board appeals filed.....	144	n/a	113	81	126	142	107	81	40	82
Building Inspections										
New dwellings constructed.....	125	125	98	73	67	50	40	58	27	50
Health										
Routine health inspections.....	2,503	2,836	2,669	2,780	2,948	3,909	5,988	7,113	7,059	6,178
Complaint investigations.....	661	655	607	683	784	615	541	424	434	268
Consumer Affairs										
Parking violations.....	2,659	4,839	5,294	5,990	5,249	4,307	4,534	4,192	4,341	6,707
Weights and measure devices tested.....	2,748	3,161	5,017	5,879	4,807	3,572	3,593	4,535	5,244	4,982
Ordinance citations.....	707	1,076	1,657	1,603	972	816	1,034	1,426	1,425	1,441
Community Services										
Mooring permits issued.....	2,401	n/a	2,383	2,393	2,416	2,483	2,429	2,468	2,552	2,535
Shellfish permits issued.....	1,859	n/a	1,528	1,715	1,990	2,234	2,363	2,608	2,670	2,818
Animal control service calls.....	3,641	n/a	5,327	3,436	2,956	2,244	3,080	2,854	4,261	3,113
Veterans served.....	4,504	n/a	4,256	6,336	7,201	492 (1)	7,661	8,326	14,439	15,126
Roads										
Catch basins cleaned.....	3,800	4,500	4,500	4,100	3,246	3,456	3,142	1,618	2,120	2,181
Miles of crack seal applied.....	17.0	17.0	18.0	n/a	10.5	10	15	7	5	10
Miles of roadside mowed.....	n/a	n/a	n/a	150	186	290	580	448	405	314
Miles of road swept.....	390	390	405	405	430	314	335	531	487	552
Sewer										
Gallons of septage treated.....	9,957,400	9,795,700	9,933,600	11,695,000	10,716,500	10,852,200	11,523,000	11,011,300	10,597,900	12,557,500
Daily average collection.....	1,681,710	1,793,795	1,689,965	1,730,730	1,711,100	1,347,400 (2)	1,495,300 (2)	1,540,500	1,453,600	1,421,800
Solid Waste										
Tons shipped to SEMASS.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	9,532	9,465	8,975
Tons received at Flint Street station.....	8,715	8,190	n/a	9,539	9,505	9,985	9,437	9,016	8,972	9,474
Tons of construction and demolition material received.....	3,982	3,742	n/a	4,399	3,730	3,658	2,771	3,193	2,789	2,776
Libraries										
Total volumes borrowed.....	534,515	534,515	n/a	617,182	567,731	546,556	570,947	632,137	612,700	600,143
Library holdings.....	266,406	266,406	n/a	n/a	n/a	n/a	n/a	164,309	n/a	373,752
Program attendance.....	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	28,893	34,583

Source: Various Town Departments

n/a: Information not available

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

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

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Administrative services										
Number of Buildings.....	144	144	148	148	148	148	149	150	150	150
Police										
Number of Stations.....	2	2	2	2	2	2	2	2	2	2
Police personnel and officers.....	134	134	134	139	139	139	139	126	126	126
Education										
Number of elementary schools.....	9	10	10	10	10	10	9	6	6	6
Number of middle schools.....	2	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Number of teachers.....	463	539	553	527	774	763	751	686	686	686
Number of students.....	6,827	6,742	6,501	6,310	5,980	5,814	5,714	5,461	5,304	5,267
Public Works										
Number of town roads.....	571	633	633	633	633	633	633	633	633	633
Number of private roads.....	1,150	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,088	1,091
Number of state roads.....	6	6	6	6	6	6	6	6	6	6
Center lane miles of roads.....	490	490	490	490	490	490	490	490	490	490
Cemeteries.....	16	16	16	16	16	16	16	16	16	16
Culture and Recreation										
Libraries.....	7	7	7	7	7	7	7	7	7	7
Boat launches.....	13	18	17	17	17	17	17	17	17	16
Parks and playgrounds.....	70	70	71	71	71	71	71	71	71	71
Park and playground (acreage).....	218	218	222	222	222	222	222	222	222	222
Golf courses.....	1	1	2	2	2	2	2	2	2	2
Public beaches.....	18	18	18	18	18	18	18	18	18	18
Ball fields.....	6	6	6	6	6	6	6	6	6	6
Tennis courts.....	5	5	5	5	5	5	5	5	5	5

Source: Various Town Departments



View of the new airport terminal looking East with the old terminal just to the left prior to demolition.