

**TOWN OF RAYNHAM, MASSACHUSETTS**

**REPORT ON EXAMINATION OF  
BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2007**

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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Board of Selectmen  
Town of Raynham, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Raynham, Massachusetts as of and for the year ended June 30, 2007, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Town of Raynham, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 the 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Raynham, Massachusetts, as of June 30, 2007, and the respective changes in financial position, and, where applicable, cash flow thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America

The management's discussion and analysis on pages 2 through 8, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it

***R. E. Brown & Company***

July 24, 2008

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

As management of the Town of Raynham, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented in this report.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Raynham's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

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

The *statement of net assets* presents information on all assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position 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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions and activities that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions and activities that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, sanitation, human services, culture and recreation, pension benefits, health and life insurance, employee benefits, state and county charges, and interest. The business-type activities include costs relating to the Town's sewer operations.

**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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds 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 the 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 funds balance sheet and the governmental funds 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 Raynham 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.** Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. This allows the community to recover total service costs through user fees if it chooses. It also enables a community to reserve the "surplus" or retained earnings generated by the enterprise. The Town of Raynham has one enterprise fund. The Sewer Enterprise Fund is used to account for the Town's sewer operations.

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

**Notes to the basic 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 table on the following page is a summary of the condensed financial data for the fiscal years ended June 30, 2007 and June 30, 2006.

**Town of Raynham - Financial Highlights**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>FY 2007</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2006</b>
<b>Assets:</b>						
Current assets	\$ 8,742,250	\$ 10,230,578	\$ 4,742,566	\$ 5,595,377	\$ 13,484,816	\$ 15,825,955
Noncurrent assets (excluding capital)	-	-	1,019,056	1,392,021	1,019,056	1,392,021
Capital Assets (net of accumulated depreciation)	21,259,585	15,283,461	31,320,713	29,441,077	52,580,298	44,724,538
<b>Total assets</b>	<b>30,001,835</b>	<b>25,514,039</b>	<b>37,082,335</b>	<b>36,428,475</b>	<b>67,084,170</b>	<b>61,942,514</b>
<b>Liabilities:</b>						
Current liabilities (excluding debt)	1,607,319	1,493,108	491,254	620,964	2,098,573	2,114,072
Noncurrent liabilities (excluding debt)	925,318	968,624	328,261	393,260	1,253,579	1,361,884
Current debt	3,287,405	2,437,405	5,741,660	4,572,708	9,029,065	7,010,113
Noncurrent debt	629,790	737,695	15,843,799	16,984,959	16,473,589	17,722,654
<b>Total liabilities</b>	<b>6,449,832</b>	<b>5,636,832</b>	<b>22,404,974</b>	<b>22,571,891</b>	<b>28,854,806</b>	<b>28,208,723</b>
<b>Net Assets:</b>						
Capital assets net of related debt	17,464,934	14,226,611	9,404,956	7,533,202	26,869,890	21,759,813
Restricted	3,804,034	3,012,798	-	-	3,804,034	3,012,798
Unrestricted	2,283,035	2,637,798	5,272,405	6,323,382	7,555,440	8,961,180
<b>Total net assets</b>	<b>\$ 23,552,003</b>	<b>\$ 19,877,207</b>	<b>\$ 14,677,361</b>	<b>\$ 13,856,584</b>	<b>\$ 38,229,364</b>	<b>\$ 33,733,791</b>
<b>Revenues</b>						
<i>Program Revenues:</i>						
Charges for services	\$ 1,909,449	\$ 2,262,640	\$ 1,340,231	\$ 1,426,693	\$ 3,249,680	\$ 3,689,333
Operating grants and contributions	1,379,546	1,862,064	363,038	30,695	1,742,584	1,892,759
Capital grants and contributions	3,558,385	1,255,282	558,318	667,708	4,116,703	1,922,990
<i>General Revenues:</i>						
Real Estate and personal property taxes	21,227,759	19,076,483	-	-	21,227,759	19,076,483
Motor vehicle and other excise taxes	1,797,418	1,912,377	-	-	1,797,418	1,912,377
Nonrestricted grants and contributions	1,971,224	1,619,274	-	-	1,971,224	1,619,274
Hotel/motel occupancy tax	230,771	221,714	-	-	230,771	221,714
Unrestricted investment income	246,392	285,791	-	-	246,392	285,791
Other revenues	281,722	105,292	-	-	281,722	105,292
<b>Total Revenues</b>	<b>32,602,666</b>	<b>28,600,917</b>	<b>2,261,587</b>	<b>2,125,096</b>	<b>34,864,253</b>	<b>30,726,013</b>
<b>Expenses:</b>						
General Government	1,811,420	1,674,583	-	-	1,811,420	1,674,583
Public Safety	6,643,551	6,183,520	-	-	6,643,551	6,183,520
Education	12,853,600	11,848,901	-	-	12,853,600	11,848,901
Public Works	1,966,966	1,692,034	-	-	1,966,966	1,692,034
Human Services	262,075	458,719	-	-	262,075	458,719
Culture and Recreation	888,805	911,019	-	-	888,805	911,019
Employee Benefits	2,745,463	2,618,375	-	-	2,745,463	2,618,375
State and County Assessments	317,890	284,354	-	-	317,890	284,354
Interest	222,822	50,118	-	-	222,822	50,118
Sewer	-	-	2,656,088	2,407,204	2,656,088	2,407,204
<b>Total Expenses</b>	<b>27,712,592</b>	<b>25,721,623</b>	<b>2,656,088</b>	<b>2,407,204</b>	<b>30,368,680</b>	<b>28,128,827</b>
<b>Increase (decrease) in Net Assets before transfers</b>	<b>4,890,074</b>	<b>2,879,294</b>	<b>(394,501)</b>	<b>(282,108)</b>	<b>4,495,573</b>	<b>2,597,186</b>
<b>Transfers</b>	<b>(1,215,278)</b>	<b>(1,989,870)</b>	<b>1,215,278</b>	<b>1,989,870</b>	<b>-</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>3,674,796</b>	<b>889,424</b>	<b>820,777</b>	<b>1,707,762</b>	<b>4,495,573</b>	<b>2,597,186</b>
<b>Net Assets - beginning</b>	<b>19,877,207</b>	<b>18,987,783</b>	<b>13,856,584</b>	<b>12,148,822</b>	<b>33,733,791</b>	<b>31,136,605</b>
<b>Net Assets - ending</b>	<b>\$ 23,552,003</b>	<b>\$ 19,877,207</b>	<b>\$ 14,677,361</b>	<b>\$ 13,856,584</b>	<b>\$ 38,229,364</b>	<b>\$ 33,733,791</b>

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$38,229,364 at the close of fiscal year 2007.

Net assets of \$26,869,890 (70.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net assets totaling \$3,804,034 (10.0%) represents resources that are subject to external restrictions on how they may be used. The restricted net assets relate to governmental activities. The remaining balance of unrestricted net assets of \$7,555,440 (19.7%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the town is able to report positive balances in net assets for both the governmental activities and the business-type activities.

The total net assets increased from \$33,733,791 to \$38,229,364 from the prior fiscal year, an increase of \$4,495,573. Of this change in net assets, an increase of \$3,674,796 was attributable to governmental activities and an increase of \$820,777 was attributable to business-type activities. An increase in net assets means that the change in total assets exceeded the change in total liabilities.

The governmental activities net assets increase of \$3,674,796 during the current fiscal year was attributable to budgeting revenues sufficient to cover current operating costs. The business-type activities net assets increase of \$820,777 was attributable to net transfers of \$1,215,278 from the general fund.

## Financial Analysis of the Government's Funds

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

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

Total fund balance of the governmental funds at June 30, 2007 was \$2,501,052, a decrease of \$2,436,535. This decrease is due to expenditures in excess of revenues for the fiscal year.

The general fund is the chief operating fund. At the end of fiscal year 2007, undesignated fund balance of the general fund was \$1,005,364, while total fund balances were \$2,204,382. Reservations of Fund Balance for Encumbrances and Continuing Appropriations totaled \$1,199,018 and there were no funds Designated for Subsequent Years' Expenditures. As a measure of the general fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total general fund expenditures. Undesignated fund balance represents 3.68% of total general fund expenditures, while total fund balance represents 8.07% of that same amount.

## General Fund Budgetary Highlights

The \$103,908 increase in expenditures between the original budget and the final amended budget was primarily due to additional appropriations voted upon in a subsequent special town meeting.

## Capital Asset and Debt Administration

In conjunction with the annual operating budget, the Town annually prepares a capital budget for the upcoming fiscal year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The Town's investment in capital assets for governmental and business-type activities as of June 30, 2007, amounts to \$52.6 million, net of accumulated depreciation. The investment in capital assets includes land, buildings and improvements, capital improvements (other than buildings), machinery and equipment, vehicles, construction in process, and infrastructure.

Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-type Activities		Total Primary Government	
	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006
Land	\$ 6,870,953	\$ 6,727,796	\$ 1,844,915	\$ 1,844,615	\$ 8,715,868	\$ 8,572,411
Buildings	1,524,392	1,594,385	-	-	1,524,392	1,594,385
Capital Improvements (other than buildings)	518,192	863,140	78,625	180,375	596,817	1,043,515
Machinery and Equipment	313,315	330,840	112,396	30,307	425,711	361,147
Vehicles	1,410,888	1,435,338	18,798	30,797	1,429,686	1,466,135
Infrastructure	3,931,033	2,629,725	14,762,600	15,050,100	18,693,633	17,679,825
Construction in Progress	6,690,812	1,702,237	14,503,379	12,304,883	21,194,191	14,007,120
<b>Total Capital Assets</b>	<b>\$ 21,259,585</b>	<b>\$ 15,283,461</b>	<b>\$ 31,320,713</b>	<b>\$ 29,441,077</b>	<b>\$ 52,580,298</b>	<b>\$ 44,724,538</b>

The Town of Raynham currently maintains an A2 Bond Rating with Moody's Investors Service. The towns' outstanding long-term debt of the general government, as of June 30, 2007, totaled \$17,722,654, of which \$16,984,959 is related to sewer projects, 300,000 is related to land acquisition, \$37,695 represents Title V, \$150,000 is related to school equipment, and \$250,000 is related to the Senior Center construction.

The Town issued \$7,905,000 in bond anticipation notes (BANS) in fiscal year 2007; \$304,500 to fund the town hall and police department construction project, \$3,000,000 to fund the Town Hall/Sullivan School construction project, \$800,000 to fund the sewer maintenance facility, and \$3,800,500 to fund sewer construction.

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



**Outstanding Debt at Year End**

<b>Governmental Activities</b>	<b>Outstanding June 30, 2007</b>	<b>Outstanding June 30, 2006</b>
SENIOR CENTER 7/15/01	\$ 250,000	\$ 300,000
EQUIPMENT - SCHOOL BOILER 7/15/01	150,000	185,000
LAND ACQUISITION 4/1/99	300,000	325,000
MWPAT - SEPTIC - TITLE V 8/1/01	37,695	40,600
<b>Total Governmental Activities</b>	<b>\$ 737,695</b>	<b>\$ 850,600</b>
<b>Business-type Activities</b>	<b>Outstanding June 30, 2007</b>	<b>Outstanding June 30, 2006</b>
MWPAT - SEWER PHASE IV 11/1/98	\$ 97,600	\$ 104,700
MWPAT - SEWER PHASE IV 11/1/98	3,836,500	4,115,200
MWPAT - SEWER PHASE III 4/1/97 RESTRUCTURED 8/1/01	1,360,796	1,476,328
MWPAT - SEWER PHASE III 4/1/97 RESTRUCTURED 8/1/01	2,165,580	2,349,438
MWPAT - SEWER PHASE V 11/6/03	5,560,802	5,805,694
MWPAT - SEWER PHASE V 11/6/03 RESTRUCTURED	158,681	165,807
SEWER PHASE V 7/15/01	2,325,000	2,480,000
SEWER - PHASE III 4/1/99	660,000	720,000
SEWER - PHASE IV 4/1/99	820,000	890,000
<b>Total Business-type Activities</b>	<b>\$ 16,984,959</b>	<b>\$ 18,107,167</b>
<b>Total Outstanding Debt</b>	<b>\$ 17,722,654</b>	<b>\$ 18,957,767</b>

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

The Town is facing tougher economic times ahead for the following reasons:

- As expected, FY 2008 is shaping up to be a difficult year. Local aid from the State was level funded. Local receipts so far are below FY 2007 levels. A drop in new car sales will lead to a reduction in motor vehicle excise taxes in coming years. The housing market too has shown a steep decline. The Building Department has issued only 7 permits for new home construction versus an average of about 70 per year during the period 2000-2006. This will result in a sharp decline in new growth revenues in the budget year FY 09.
- Although the Town passed a Proposition 2 ½ override to increase funding to the Bridgewater-Raynham Regional School District in FY 08, further increases in the assessment, already approved by the voters for FY 09, will have to be funded from the Town's dwindling General Stabilization account.
- Health insurance costs moderated slightly for the year ahead due to bidding by the joint purchasing group to which the Town belongs (Southeastern Massachusetts Health Group). Fixed retirement costs continued to outpace inflation by a large margin.
- Expenditures moderated in FY08 and will have to be cut further in FY09. Departments will generally be faced with a 2% cut in their budgets which may result in cuts in services to residents.

### **Requests for Information**

This financial report is designed to provide a general overview of the Town of Raynham'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 financial information should be addressed to the Town Administrator, Raynham Veterans Memorial Hall, 558 South Main Street, Raynham Massachusetts 02767.

**TOWN OF RAYNHAM, MASSACHUSETTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2007**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b><u>ASSETS</u></b>			
CURRENT:			
CASH AND SHORT-TERM INVESTMENTS	\$ 6,073,917	\$ 4,425,107	\$ 10,499,024
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES	779,532	-	779,532
TAX LIENS	306,898	-	306,898
MOTOR VEHICLE EXCISE TAXES	175,076	-	175,076
USER FEES	-	138,912	138,912
DEPARTMENTAL AND OTHER	150,167	-	150,167
INTERGOVERNMENTAL	1,256,660	-	1,256,660
SPECIAL ASSESSMENTS	-	178,547	178,547
NONCURRENT:			
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:			
SPECIAL ASSESSMENTS	-	1,019,056	1,019,056
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	21,259,585	31,320,713	52,580,298
<b>TOTAL ASSETS</b>	<b>30,001,835</b>	<b>37,082,335</b>	<b>67,084,170</b>
<b><u>LIABILITIES</u></b>			
CURRENT:			
ACCOUNTS PAYABLE	1,248,362	109,554	1,357,916
ACCRUED LIABILITIES	102,383	-	102,383
OTHER LIABILITIES	11,397	-	11,397
UNAMORTIZED BOND PREMIUM	-	19,911	19,911
ACCRUED INTEREST	130,419	331,147	461,566
CAPITAL LEASE PAYABLE	13,365	-	13,365
BONDS AND NOTES PAYABLE	3,287,405	5,741,660	9,029,065
LANDFILL POSTCLOSURE CARE COSTS	20,000	-	20,000
COMPENSATED ABSENCES	81,393	30,642	112,035
NONCURRENT:			
CAPITAL LEASE PAYABLE	12,943	-	12,943
BONDS AND NOTES PAYABLE	629,790	15,843,799	16,473,589
UNAMORTIZED BOND PREMIUM	-	310,387	310,387
LANDFILL POSTCLOSURE CARE COSTS	440,000	-	440,000
COMPENSATED ABSENCES	472,375	17,874	490,249
<b>TOTAL LIABILITIES</b>	<b>6,449,832</b>	<b>22,404,974</b>	<b>28,854,806</b>
<b><u>NET ASSETS</u></b>			
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	17,464,934	9,404,956	26,869,890
RESTRICTED FOR:			
STREETS	450,408	-	450,408
PERMANENT FUNDS:			
EXPENDABLE	269,236	-	269,236
NONEXPENDABLE	15,100	-	15,100
OTHER PURPOSES	3,069,290	-	3,069,290
UNRESTRICTED	2,283,035	5,272,405	7,555,440
<b>TOTAL NET ASSETS</b>	<b>\$ 23,552,003</b>	<b>\$ 14,677,361</b>	<b>\$ 38,229,364</b>

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2007**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
GENERAL GOVERNMENT	\$ 1,811,420	\$ 484,371	\$ 43,566	\$ 143,157	\$ (1,140,326)
PUBLIC SAFETY	6,643,551	733,653	336,931	-	(5,572,967)
EDUCATION	12,853,600	-	28	-	(12,853,572)
PUBLIC WORKS	1,966,966	451,371	62,494	3,415,228	1,962,127
HUMAN SERVICES	262,075	80,312	96,464	-	(85,299)
CULTURE & RECREATION	888,805	159,742	274,360	-	(454,703)
EMPLOYEE BENEFITS	2,745,463	-	565,703	-	(2,179,760)
STATE & COUNTY ASSESSMENTS	317,890	-	-	-	(317,890)
INTEREST	222,822	-	-	-	(222,822)
TOTAL GOVERNMENTAL ACTIVITIES	27,712,592	1,909,449	1,379,546	3,558,385	(20,865,212)
BUSINESS-TYPE ACTIVITIES:					
SEWER	2,656,088	1,340,231	363,038	558,318	(394,501)
TOTAL BUSINESS-TYPE ACTIVITIES	2,656,088	1,340,231	363,038	558,318	(394,501)
TOTAL PRIMARY GOVERNMENT	\$ 30,368,680	\$ 3,249,680	\$ 1,742,584	\$ 4,116,703	\$ (21,259,713)

See accompanying notes to the basic financial statements

(continued)

**TOWN OF RAYNHAM, MASSACHUSETTS  
STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2007**

	<b>PRIMARY GOVERNMENT</b>		
	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>CHANGES IN NET ASSETS:</b>			
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	\$ (20,865,212)	\$ (394,501)	\$ (21,259,713)
GENERAL REVENUES:			
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS PAYABLE	21,159,412	-	21,159,412
TAX LIENS	68,347	-	68,347
MOTOR VEHICLE EXCISE TAXES	1,797,418	-	1,797,418
HOTEL/MOTEL TAX	230,771	-	230,771
PENALTIES AND INTEREST ON TAXES	139,501	-	139,501
GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PROGRAMS	1,971,224	-	1,971,224
UNRESTRICTED INVESTMENT INCOME	246,392	-	246,392
MISCELLANEOUS	142,221	-	142,221
TRANSFERS, NET	(1,215,278)	1,215,278	-
TOTAL GENERAL REVENUES AND TRANSFERS	24,540,008	1,215,278	25,755,286
CHANGE IN NET ASSETS	3,674,796	820,777	4,495,573
<b>NET ASSETS:</b>			
<b>BEGINNING OF YEAR</b>	19,877,207	13,856,584	33,733,791
<b>END OF YEAR</b>	\$ 23,552,003	\$ 14,677,361	\$ 38,229,364

See accompanying notes to the basic financial statements

(concluded)

**TOWN OF RAYNHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2007**

<b><u>ASSETS</u></b>	<b><u>GENERAL</u></b>	<b><u>TOWN OFFICES</u></b>	<b><u>STABILIZATION</u></b>	<b><u>NONMAJOR GOVERNMENTAL FUNDS</u></b>	<b><u>TOTAL GOVERNMENTAL FUNDS</u></b>
CASH AND SHORT-TERM INVESTMENTS	\$ 2,529,081	\$ 11,848	\$ 1,197,090	\$ 2,335,898	\$ 6,073,917
RECEIVABLES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:					
REAL ESTATE AND PERSONAL PROPERTY TAXES	779,532	-	-	-	779,532
TAX LIENS	306,898	-	-	-	306,898
MOTOR VEHICLE EXCISE TAXES	175,076	-	-	-	175,076
DEPARTMENTAL AND OTHER	33,625	-	-	116,542	150,167
INTERGOVERNMENTAL	-	-	-	1,256,660	1,256,660
<b>TOTAL ASSETS</b>	<b>\$ 3,824,212</b>	<b>\$ 11,848</b>	<b>\$ 1,197,090</b>	<b>\$ 3,709,100</b>	<b>\$ 8,742,250</b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
LIABILITIES:					
ACCOUNTS PAYABLE	\$ 373,444	\$ -	\$ -	\$ 874,918	\$ 1,248,362
ACCRUED LIABILITIES	102,383	-	-	-	102,383
OTHER LIABILITIES	11,397	-	-	-	11,397
DEFERRED REVENUES	1,132,606	-	-	566,950	1,699,556
NOTES PAYABLE	-	3,000,000	-	179,500	3,179,500
<b>TOTAL LIABILITIES</b>	<b>1,619,830</b>	<b>3,000,000</b>	<b>-</b>	<b>1,621,368</b>	<b>6,241,198</b>
FUND BALANCES:					
RESERVED FOR:					
ENCUMBRANCES AND CONTINUING APPROPRIATIONS	1,199,018	-	-	-	1,199,018
PERPETUAL PERMANENT FUNDS	-	-	-	15,100	15,100
UNRESERVED					
UNDESIGNATED, REPORTED IN:					
GENERAL FUND	1,005,364	-	-	-	1,005,364
SPECIAL REVENUE FUNDS	-	-	1,197,090	1,872,200	3,069,290
CAPITAL PROJECTS FUNDS	-	(2,988,152)	-	(68,804)	(3,056,956)
PERMANENT FUNDS	-	-	-	269,236	269,236
<b>TOTAL FUND BALANCES</b>	<b>2,204,382</b>	<b>(2,988,152)</b>	<b>1,197,090</b>	<b>2,087,732</b>	<b>2,501,052</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 3,824,212</b>	<b>\$ 11,848</b>	<b>\$ 1,197,090</b>	<b>\$ 3,709,100</b>	<b>\$ 8,742,250</b>

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FISCAL YEAR ENDED JUNE 30, 2007**

	GENERAL	TOWN OFFICES	STABILIZATION	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b><u>REVENUES:</u></b>					
REAL ESTATE AND PERSONAL PROPERTY TAXES,					
NET OF TAX REFUNDS	\$ 21,009,748	\$ -	\$ -	\$ -	\$ 21,009,748
MOTOR VEHICLE EXCISE TAXES	1,777,603	-	-	-	1,777,603
PENALTIES AND INTEREST ON TAXES	139,501	-	-	-	139,501
INTERGOVERNMENTAL	2,590,927	-	-	2,752,753	5,343,680
HOTEL/MOTEL OCCUPANCY TAX	230,771	-	-	-	230,771
CHARGES FOR SERVICES	-	-	-	1,421,905	1,421,905
INVESTMENT INCOME	203,098	-	38,332	19,270	260,700
CONTRIBUTIONS & DONATIONS	-	-	-	94,691	94,691
DEPARTMENTAL AND OTHER	1,155,334	-	-	36,546	1,191,880
TOTAL REVENUES	27,106,982	-	38,332	4,325,165	31,470,479
<b><u>EXPENDITURES:</u></b>					
CURRENT:					
GENERAL GOVERNMENT	1,660,446	2,103,279	-	146,402	3,910,127
PUBLIC SAFETY	6,456,590	-	-	161,039	6,617,629
EDUCATION	12,826,271	-	-	-	12,826,271
PUBLIC WORKS	2,205,097	-	-	2,679,042	4,884,139
HUMAN SERVICES	250,907	-	-	28,886	279,793
CULTURE & RECREATION	434,670	-	-	409,744	844,414
EMPLOYEE BENEFITS	2,793,072	-	-	-	2,793,072
STATE & COUNTY ASSESSMENTS	317,890	-	-	-	317,890
DEBT SERVICE					
PRINCIPAL	257,905	-	-	-	257,905
INTEREST	101,595	-	-	3,901	105,496
TOTAL EXPENDITURES	27,304,443	2,103,279	-	3,429,014	32,836,736
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(197,461)	(2,103,279)	38,332	896,151	(1,366,257)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
PROCEEDS FROM BONDS AND NOTES	-	-	-	145,000	145,000
OPERATING TRANSFERS IN	1,654,838	-	7,605	161,151	1,823,594
OPERATING TRANSFERS OUT	(1,384,034)	-	(876,901)	(777,937)	(3,038,872)
TOTAL OTHER FINANCING SOURCES (USES)	270,804	-	(869,296)	(471,786)	(1,070,278)
NET CHANGE IN FUND BALANCES	73,343	(2,103,279)	(830,964)	424,365	(2,436,535)
FUND BALANCES AT BEGINNING OF YEAR	2,131,039	(884,873)	2,028,054	1,663,367	4,937,587
FUND BALANCES AT END OF YEAR	\$ 2,204,382	\$ (2,988,152)	\$ 1,197,090	\$ 2,087,732	\$ 2,501,052

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TOTAL FUND BALANCES TO THE STATEMENT OF NET ASSETS  
FISCAL YEAR ENDED JUNE 30, 2007**

<b>TOTAL GOVERNMENTAL FUND BALANCES</b>		<b>\$ 2,501,052</b>
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS		21,259,585
ACCOUNTS RECEIVABLE ARE NOT AVAILABLE TO PAY FOR CURRENT-PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS		1,699,556
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE		(130,419)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS		
BONDS AND NOTES PAYABLE	(737,695)	
CAPITAL LEASE PAYABLE	(26,308)	
COMPENSATED ABSENCES	(553,768)	
LANDFILL POSTCLOSURE CARE COSTS	<u>(460,000)</u>	
NET EFFECT OF REPORTING LONG-TERM LIABILITIES		<u>(1,777,771)</u>
<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 23,552,003</u></b>

See accompanying notes to the basic financial statements



**TOWN OF RAYNHAM, MASSACHUSETTS  
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, 2007**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUND** **\$ (2,436,535)**

GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE.

CAPITAL OUTLAY	6,720,488	
DEPRECIATION EXPENSE	<u>(744,364)</u>	
NET EFFECT OF REPORTING CAPITAL ASSETS		5,976,124

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

98,327

THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) 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 ISSUANCE COSTS, PREMIUMS, DISCOUNTS, AND SIMILAR ITEMS WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE DEFERRED AND AMORTIZED IN THE STATEMENT OF ACTIVITIES.

PROCEEDS FROM BONDS AND NOTES	(145,000)	
DEBT SERVICE PRINCIPAL PAYMENTS	<u>257,905</u>	
NET EFFECT OF REPORTING LONG-TEM DEBT		112,905

SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS.

NET CHANGE IN CAPITAL LEASE	(26,308)	
NET CHANGE IN ACCRUED COMPENSATED ABSENCES	47,609	
NET CHANGE IN LANDFILL POSTCLOSURE CARE ACCRUAL	20,000	
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	<u>(117,326)</u>	
NET EFFECT OF RECORDING LONG-TERM LIABILITIES		<u>(76,025)</u>

**CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 3,674,796**

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FISCAL YEAR ENDED JUNE 30, 2007**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>BUDGETARY</b>	<b>OVER(UNDER)</b>
	<b>BUDGET</b>	<b>BUDGET</b>	<b>AMOUNTS</b>	
<b>REVENUES:</b>				
REAL ESTATE AND PERSONAL PROPERTY TAXES, NET OF TAX REFUNDS	\$ 20,809,960	\$ 20,809,960	\$ 21,009,748	\$ 199,788
INTERGOVERNMENTAL	2,033,884	2,033,884	2,023,113	(10,771)
MOTOR VEHICLE EXCISE TAXES	1,943,777	1,943,777	1,777,603	(166,174)
HOTEL/MOTEL OCCUPANCY TAX	221,714	221,714	230,771	9,057
PAYMENTS IN LIEU OF TAXES	17,731	17,731	-	(17,731)
PENALTIES & INTEREST ON TAXES	94,138	94,138	139,501	45,363
INVESTMENT INCOME	130,000	130,000	203,098	73,098
DEPARTMENTAL AND OTHER	938,189	938,189	1,155,334	217,145
<b>TOTAL REVENUES</b>	<b>26,189,393</b>	<b>26,189,393</b>	<b>26,539,168</b>	<b>349,775</b>
<b>EXPENDITURES:</b>				
CURRENT:				
GENERAL GOVERNMENT	1,951,295	1,889,433	1,660,446	228,987
PUBLIC SAFETY	6,636,001	6,636,949	6,456,590	180,359
EDUCATION	13,095,413	13,095,518	12,826,271	269,247
PUBLIC WORKS	2,959,594	3,082,794	2,205,098	877,696
HUMAN SERVICES	239,796	260,021	250,907	9,114
CULTURE & RECREATION	473,071	473,998	434,670	39,328
EMPLOYEE BENEFITS	2,227,258	2,247,623	2,227,369	20,254
STATE & COUNTY ASSESSMENTS	301,047	301,047	317,890	(16,843)
DEBT SERVICE:				
PRINCIPAL	257,905	257,905	257,905	-
INTEREST	58,732	58,732	99,484	(40,752)
<b>TOTAL EXPENDITURES</b>	<b>28,200,112</b>	<b>28,304,020</b>	<b>26,736,630</b>	<b>1,567,390</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,010,719)	(2,114,627)	(197,462)	1,917,165
<b>OTHER FINANCING SOURCES (USES):</b>				
OPERATING TRANSFERS IN	1,604,838	1,654,838	1,654,838	-
OPERATING TRANSFERS OUT	(1,216,666)	(1,216,666)	(1,384,033)	(167,367)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>388,172</b>	<b>438,172</b>	<b>270,805</b>	<b>(167,367)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,622,547)</b>	<b>(1,676,455)</b>	<b>73,343</b>	<b>1,749,798</b>
<b>BUDGETARY FUND BALANCE, BEGINNING OF YEAR</b>	<b>2,131,039</b>	<b>2,131,039</b>	<b>2,131,039</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, END OF YEAR</b>	<b>\$ 508,492</b>	<b>\$ 454,584</b>	<b>\$ 2,204,382</b>	<b>\$ 1,749,798</b>

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
PROPRIETARY FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES SEWER ENTERPRISE FUND</b>
<b><u>ASSETS</u></b>	
CURRENT:	
CASH AND SHORT-TERM INVESTMENTS	\$ 4,425,107
USER FEES, NET OF ALLOWANCE FOR UNCOLLECTIBLES:	138,912
SPECIAL ASSESSMENTS	178,547
	<hr/>
TOTAL CURRENT ASSETS	4,742,566
	<hr/>
NONCURRENT:	
SPECIAL ASSESSMENTS	1,019,056
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	31,320,713
	<hr/>
TOTAL NONCURRENT ASSETS	32,339,769
	<hr/>
TOTAL ASSETS	37,082,335
	<hr/>
<b><u>LIABILITIES</u></b>	
CURRENT:	
ACCOUNTS PAYABLE	109,554
UNAMORTIZED BOND PREMIUM	19,911
ACCRUED INTEREST	331,147
BONDS AND NOTES PAYABLE	5,741,660
COMPENSATED ABSENCES	30,642
	<hr/>
TOTAL CURRENT LIABILITIES	6,232,914
	<hr/>
NONCURRENT:	
BONDS AND NOTES PAYABLE	15,843,799
UNAMORTIZED BOND PREMIUM	310,387
COMPENSATED ABSENCES	17,874
	<hr/>
TOTAL NONCURRENT LIABILITIES	16,172,060
	<hr/>
TOTAL LIABILITIES	22,404,974
	<hr/>
<b><u>NET ASSETS</u></b>	
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	9,404,956
UNRESTRICTED	5,272,405
	<hr/>
TOTAL NET ASSETS	\$ 14,677,361
	<hr/>

**See accompanying notes to the basic financial statements**

**TOWN OF RAYNHAM, MASSACHUSETTS  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 FISCAL YEAR ENDED JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES</b>
	<b>SEWER ENTERPRISE FUND</b>
<b><u>OPERATING REVENUES:</u></b>	
CHARGES FOR SERVICES	\$ 1,340,231
DEPARTMENTAL AND OTHER	259,026
TOTAL OPERATING REVENUES	<u>1,599,257</u>
<b><u>OPERATING EXPENSES:</u></b>	
GENERAL SERVICES	1,215,402
DEPRECIATION	408,927
TOTAL OPERATING EXPENSES	<u>1,624,329</u>
OPERATING INCOME (LOSS)	<u>(25,072)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES):</u></b>	
INTERGOVERNMENTAL	558,318
INVESTMENT INCOME	104,012
INTEREST EXPENSE	(1,031,759)
TOTAL NON-OPERATING REVENUES (EXPENSES), NET	<u>(369,429)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(394,501)
<b><u>OPERATING TRANSFERS:</u></b>	
OPERATING TRANSFERS IN	<u>1,215,278</u>
CHANGE IN NET ASSETS	820,777
NET ASSETS AT BEGINNING OF YEAR	13,856,584
NET ASSETS AT END OF YEAR	<u>\$ 14,677,361</u>

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FISCAL YEAR ENDED JUNE 30, 2007**

	<b>BUSINESS-TYPE ACTIVITIES SEWER ENTERPRISE FUND</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
RECEIPTS FROM CUSTOMERS AND USERS	\$ 1,704,667
PAYMENTS TO SUPPLIERS	(855,239)
PAYMENTS TO EMPLOYEES	(357,666)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	491,762
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>	
OPERATING TRANSFERS IN	1,215,278
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	1,215,278
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>	
PROCEEDS FROM THE ISSUANCE OF BONDS AND NOTES	1,150,000
PRINCIPAL PAYMENTS ON BONDS AND NOTES	(983,687)
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(2,531,031)
INTEREST EXPENSE	(566,700)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES:	(2,931,418)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
INTEREST RECEIVED	104,012
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES:	104,012
NET INCREASE (DECREASE) IN CASH AND SHORT TERM INVESTMENTS	(1,120,366)
<b>CASH AND SHORT TERM INVESTMENTS - BEGINNING OF YEAR</b>	5,545,473
<b>CASH AND SHORT TERM INVESTMENTS - END OF YEAR</b>	\$ 4,425,107
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</u></b>	
<b>OPERATING INCOME (LOSS)</b>	\$ (25,072)
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
DEPRECIATION	408,927
(INCREASE) DECREASE IN ACCOUNTS RECEIVABLE	105,410
INCREASE (DECREASE) IN ACCOUNTS PAYABLE	28,200
INCREASE (DECREASE) IN COMPENSATED ABSENCES PAYABLE	(25,703)
TOTAL ADJUSTMENTS	516,834
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ 491,762

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2007**

	<b>PRIVATE PURPOSE TRUST FUNDS</b>	<b>AGENCY FUNDS</b>
<b><u>ASSETS</u></b>		
CASH AND SHORT-TERM INVESTMENTS	\$ 562	\$ 1,842,961
DEPARTMENTAL RECEIVABLE	<u>-</u>	<u>53,463</u>
TOTAL ASSETS	<u>562</u>	<u>1,896,424</u>
<b><u>LIABILITIES</u></b>		
ACCOUNTS PAYABLE	-	92,999
OTHER LIABILITIES	<u>-</u>	<u>1,803,425</u>
TOTAL LIABILITIES	<u>-</u>	<u>1,896,424</u>
<b><u>NET ASSETS</u></b>		
HELD IN TRUST FOR OTHER PURPOSES	<u>\$ 562</u>	<u>\$ -</u>

**See accompanying notes to the basic financial statements**

**TOWN OF RAYNHAM, MASSACHUSETTS  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FISCAL YEAR ENDED JUNE 30, 2007**

	<b>PRIVATE PURPOSE TRUST FUNDS</b>
<b><u>ADDITIONS:</u></b>	
NET INVESTMENT INCOME (LOSS):	
INVESTMENT INCOME	\$ 28
<b><u>DEDUCTIONS:</u></b>	-
CHANGE IN NET ASSETS	28
<b>NET ASSETS AT BEGINNING OF YEAR</b>	534
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 562</b>

See accompanying notes to the basic financial statements

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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

The accompanying basic financial statements of the Town of Raynham, 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 following is a summary of the more significant Town accounting policies:

**A. Reporting Entity**

Primary Government

The Town is a municipal corporation that is governed by a three member Board of Selectmen (the Board). The Board is responsible for appointing a Town Administrator whose responsibility is to manage the day to day operations. For financial reporting purposes, the Town has included all funds, organizations, account groups, agencies, boards, commissions and institutions. The Town has also considered all potential component units, blended or discretely presented, 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. Blended component units, although legally separate entities, are, in substance, part of the government's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

Joint Ventures

Municipal joint ventures pool resources to share the costs, risks and rewards of providing services to their participants, the general public or others. The Town is a participant in the following joint ventures:

<u>Name</u>	<u>Purpose</u>	<u>Address</u>	<u>Annual Assessment</u>
Bridgewater-Raynham Regional School District	To provide grades K-12 educational services	777 Pleasant Street Raynham, MA 02767	\$ 12,130,710
Bristol-Plymouth Regional Vocational Technical School District	To provide grades 9-12 vocational and technical educational services	940 County Street Taunton, MA 02780	\$ 687,441

The Bridgewater-Raynham Regional School District (the District) is governed by a eight (8) member school committee consisting of four (4) elected representatives from each Town. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an equity interest of approximately 36.7% in the joint venture.



**TOWN OF RAYNHAM, MASSACHUSETTS**  
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The Bristol-Plymouth Vocational Technical School District (the District) is governed by a six (6)-member school committee consisting of one (1) elected representative from the Town of Raynham. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. Separate financial statements may be obtained by writing to the Treasurer of the District at the above address. The Town has an equity interest of approximately 14.0% in the joint venture.

**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 activities) report information on all of the non-fiduciary activities of the primary government. 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*

A fund is considered major if it is the primary operating fund of the Town or it meets the following criteria:

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

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

Fiduciary funds are reported by fund type.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**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:

- a. *Charges to customers* or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- b. *Grants and contributions* that are restricted to meeting the operational requirements of a particular function or segment.
- c. *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. Exceptions are charges between the general fund and the various enterprise funds. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

*Fund Financial Statements*

**Governmental Fund Financial Statements**

Governmental fund financial statements are reported using the 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., when they become both 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 interest on general long-term debt which is recognized when due, and the non current portion of compensated absences, capital lease, and landfill post-closure care costs, which are recognized when the obligations are expected to be liquidated with current expendable available resources.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
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The Town considers property taxes as available if they are due and collected within 60 days after fiscal year-end. Licenses and permits, user charges, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received. Investment earnings are recorded as earned.

The Town reports the following major governmental funds:

- The *General fund* is the primary operating fund of the Town. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- The *Town Offices fund* is a capital project fund used to account for the construction costs of the new town hall.
- The *Stabilization fund* is a special revenue fund used to account for the accumulation of resources to provide general and/or capital reserves.
- The *Nonmajor Governmental funds* consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of these fund types:
  - The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.
  - The *Capital Projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by enterprise and trust funds).
  - The *Permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

### **Proprietary Fund 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 fund is reported:

- The *Sewer Enterprise fund* is used to account for sewer activities.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Fiduciary Fund Financial Statements**

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

The following fiduciary fund types are reported:

- The *Private-Purpose Trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund (nonmajor governmental funds), under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Agency fund* is used to account for assets held in a purely custodial capacity.

**Government-Wide and Fund Financial Statements**

For the government-wide financial statements, and proprietary and fiduciary fund accounting, all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or prior to November 30, 1989, are applied, unless those pronouncements conflict with or contradict GASB pronouncements.

**D. Cash and Investments**

*Government-Wide and Fund Financial Statements*

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

**E. Accounts Receivable**

*Government-Wide and Fund Financial Statements*

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

*Real Estate, Personal Property Taxes and Tax Liens*

Real estate and personal property taxes are based on values assessed as of each January 1 and are normally due on the subsequent August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges. By law, all taxable property in the Commonwealth must be assessed at 100% of fair market value. Once levied, which is required to be at least 30 days prior to the due date, these taxes are recorded as receivables in the fiscal year of levy. Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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A statewide property tax limitation statute known as "Proposition 2 ½" limits the amount of increase in property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½ % of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½ % of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2 ½ can be overridden by a Town-wide referendum.

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

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

*Motor Vehicle Excise*

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

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

*Sewer*

User fees are levied semi-annually based on residential and commercial rates and are subject to interest if they are not paid by the respective due date. Sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Sewer charges and related liens are recorded as receivables in the fiscal year of the levy.

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

*Departmental and Other*

Departmental and other receivables consist primarily of ambulance receivables and are recorded as receivables in the fiscal year accrued. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

*Intergovernmental*

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

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**F. Inventories**

*Government-Wide and Fund Financial Statements*

Inventories of the governmental funds and the sewer enterprise fund are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

**G. Capital Assets**

*Government-Wide and Proprietary Fund Financial Statements*

Capital assets, which include land, vehicles, buildings and improvements, capital improvements (other than buildings), machinery and equipment, infrastructure (e.g., sewer mains, roadways, and similar items), and construction in progress, are reported in the applicable governmental or business-type activities column of the government-wide financial statements, and the proprietary fund 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 if material.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of five years or greater.

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>Asset Class</u>	<u>Estimated Useful Life (in years)</u>
Buildings and Improvements	20-40
Capital improvements (other than buildings)	20-30
Machinery and equipment	5-10
Vehicles	5-15
Infrastructure	40-50

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 fiscal year of purchase for the various funds.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**H. Interfund Receivables and Payables**

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

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "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 operating transfers in and operating transfers out.

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**J. Deferred Revenue**

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

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**K. Net Assets and Fund Equity**

*Government-Wide Financial Statements (Net Assets)*

Net assets are classified into three components:

- a. *Invested in capital assets, net of related debt* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net assets* – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Net assets have been “restricted” for the following:

- *Streets* represent amounts committed by the Commonwealth for the repair and/or construction of streets.
  - *Permanent funds – expendable* represents amounts held in trust for which the expenditures are restricted by various trust agreements.
  - *Permanent funds – nonexpendable* represents amounts held in trust for which only investment earnings may be expended.
  - *Other specific purposes* represents restrictions placed on assets from outside parties.
- c. *Unrestricted net assets* – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

*Fund Financial Statements (Fund Balances)*

- a. Fund balances consist of funds that are reserved for amounts, that are not available for appropriation, that are legally restricted by outside parties for a specific future use, and designations of fund balances that represent tentative management plans that are subject to change.

Fund balances have been reserved for the following:

- *Encumbrances and continuing appropriations* represents amounts obligated under purchase orders, contracts and other commitments for expenditures that are being carried over to the ensuing fiscal year.
  - *Perpetual permanent funds* represent amounts held in trust for which only investment earnings may be expended.
- b. *Undesignated fund balances* – all other fund balances that do not meet the definition of “reserved” or “designated.”



**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**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 major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

**N. Compensated Absences**

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused sick and vacation leave (subject to certain limitations) at their then current rates of pay.

*Government-Wide and Proprietary Fund Financial Statements*

The total amount to be paid in future years is presented in the government-wide and proprietary fund statement of net assets. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method).

*Governmental Fund Financial Statements*

The portion of the liability related to unused sick and vacation time that has matured or is due as of June 30, 2007 is recorded in the governmental fund financial statement.

**O. Post Retirement Benefits**

*Government-Wide and Fund Financial Statements*

In addition to providing pension benefits, health and life insurance coverage is provided for retired employees and their survivors in accordance with, Chapter 32B, of Massachusetts General Laws, under various contributory plans. The cost of providing health and life insurance is recognized by recording the employer's share of 75% for medical and 50% for life insurance premiums in the general fund in the fiscal year paid. For the fiscal year ended June 30, 2007, this expense/expenditure totaled approximately \$372,717. Currently, 69 retirees and/or spouses receiving health insurance benefits at June 30, 2007.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**P. Use of Estimates**

*Government-Wide and Fund Financial Statements*

The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could vary from estimates that were used.

**Q. Total Column**

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

*A. Budgetary Basis of Accounting*

Pursuant to Chapter 44, Section 32 of the Massachusetts General Laws, the Town adopts an annual budget for the general fund. The budgets for all departments and operations of the Town, except that of the public school districts, are prepared under the direction of the Town Administrator. The School District's budgets are prepared under the direction of the School Committees. The level of expenditures may not legally exceed appropriations for each department or undertaking in the following categories: (1) salaries and wages; (2) ordinary maintenance; and (3) capital outlays.

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 carryforwards are included as part of the subsequent fiscal year's original budget.

Original and supplemental appropriations are enacted upon by a Town Meeting vote. Management may not amend the budget without seeking the approval of the governing body. The Town's Finance Committee can legally transfer funds from its reserve fund to other appropriations within the budget without seeking Town Meeting approvals. The original fiscal year 2007 approved budget authorized \$26,834,421 in current year appropriations and other amounts to be raised and \$1,365,691 in encumbrances and appropriations carried over from previous fiscal years. Supplemental appropriations of \$103,908 were approved at one Special Town Meeting for fiscal year 2007.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The Town Accountant has the responsibility to ensure that budgetary controls are maintained and monitored through the accounting system.

*B. Budgetary – GAAP Reconciliation*

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2007, is presented below:

Net change in fund balance - budgetary basis	\$ 73,343
Basis of accounting differences:	
Increase in revenue for on-behalf payments - MTRS	565,703
Increase in expenditures for on-behalf payments - MTRS	(565,703)
Increase in revenue for the MWPAT subsidy	2,111
Increase in expenditures for the MWPAT subsidy	<u>(2,111)</u>
Net change in fund balance - GAAP basis	<u><u>\$ 73,343</u></u>

*C. Deficit Fund Balances*

Several individual fund deficits exist within the governmental capital projects funds and one capital project in the sewer enterprise fund. These individual deficits will be eliminated through subsequent fiscal year budget transfers, grants, or proceeds of long-term debt during fiscal year 2008.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain levels unless collateralized by the financial institutions involved.

*Custodial Credit Risk - Deposits*

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a policy for custodial credit risk. As of June 30, 2007, \$10,987,996 of the Town's bank balances of \$12,762,247 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Town's name.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*Investments*

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, towns, and other state and local agencies within the Commonwealth. The Town's fair value of its investment in MMDT represents their value of the pool's shares. The Town's Trust Funds have expanded investment powers including the ability to invest in equity securities, corporate bonds, annuities and other specified investments.

The composition of the Town's bank recorded deposits and investments fluctuates depending primarily on the timing of property tax receipts, proceeds from borrowings, collections of state and federal aid, and capital outlays throughout the year.

The Town did not hold or own any fixed income securities as of June 30, 2007.

*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 possession of an outside party. The Town does not have an investment policy for custodial credit risk.

*Credit Risk*

The Town has not adopted a formal policy related to Credit Risk.

**NOTE 4 – RECEIVABLES**

The receivables at June 30, 2007 for the Town's individual major and nonmajor governmental funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Real estate and personal property taxes	\$ 790,532	\$ (11,000)	\$ 779,532
Tax liens	306,898	-	306,898
Motor vehicle & other excise taxes	249,215	(74,139)	175,076
Departmental and other	203,630		203,630
Intergovernmental	1,256,660	-	1,256,660
Total	<u>\$ 2,806,935</u>	<u>\$ (85,139)</u>	<u>\$ 2,721,796</u>

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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The receivables at June 30, 2007 for the Sewer Enterprise fund consists of the following:

Receivables:	Gross Amount	Allowance for Uncollectibles	Net Amount
Sewer - User Fees	\$ 138,912	\$ -	\$ 138,912
Sewer - Special Assessments	1,197,603	-	1,197,603
Total	<u>\$ 1,336,515</u>	<u>\$ -</u>	<u>\$ 1,336,515</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. Governmental funds also defer revenue recognition in connection with revenues that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

Deferred Revenue Analysis			
Receivable Type:	General Fund	Nonmajor Governmental Funds	Total
Property taxes	\$ 652,426	\$ -	\$ 652,426
Tax Liens	305,104	-	305,104
Motor vehicle excise taxes	175,076	-	175,076
Departmental and other	-	116,542	116,542
Intergovernmental	-	450,408	450,408
Total	<u>\$ 1,132,606</u>	<u>\$ 566,950</u>	<u>\$ 1,699,556</u>

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2007, was as follows:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 6,727,796	\$ 143,157	\$ -	\$ 6,870,953
Construction in progress	1,702,237	4,988,575	-	6,690,812
Total capital assets not being depreciated	8,430,033	5,131,732	-	13,561,765
Capital assets being depreciated:				
Buildings and Improvements	4,379,110	-	-	4,379,110
Capital Improvements (other than buildings)	1,172,967	-	(317,000)	855,967
Machinery and equipment	1,406,220	56,245	-	1,462,465
Vehicles	4,470,895	311,550	(328,346)	4,454,099
Infrastructure	8,092,976	1,220,961	317,000	9,630,937
Total capital assets being depreciated	19,522,168	1,588,756	(328,346)	20,782,578
Less accumulated depreciation for:				
Buildings and Improvements	(2,784,725)	(69,993)	-	(2,854,718)
Capital Improvements (other than buildings)	(309,827)	(35,873)	7,925	(337,775)
Machinery and equipment	(1,075,380)	(73,770)	-	(1,149,150)
Vehicles	(3,035,557)	(336,000)	328,346	(3,043,211)
Infrastructure	(5,463,251)	(228,728)	(7,925)	(5,699,904)
Total accumulated depreciation	(12,668,740)	(744,364)	328,346	(13,084,758)
Total capital assets being depreciated, net	6,853,428	844,392	-	7,697,820
Total governmental activities capital assets, net	\$ 15,283,461	\$ 5,976,124	\$ -	\$ 21,259,585

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

<b>Business-Type Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<u>Capital assets not being depreciated:</u>				
Land	\$ 1,844,615	\$ 300	\$ -	\$ 1,844,915
Construction in progress	12,304,883	2,198,495	-	14,503,378
Total capital assets not being depreciated	14,149,498	2,198,795	-	16,348,293
<u>Capital assets being depreciated:</u>				
Improvements (other than Buildings)	185,000	-	(100,000)	85,000
Machinery & Equipment	31,902	89,768	-	121,670
Vehicles	142,676	-	-	142,676
Infrastructure	19,000,000	-	100,000	19,100,000
Total capital assets being depreciated	19,359,578	89,768	-	19,449,346
<u>Less accumulated depreciation for:</u>				
Improvements (other than Buildings)	(4,625)	(1,750)	-	(6,375)
Machinery & Equipment	(1,595)	(7,678)	-	(9,273)
Vehicles	(111,879)	(11,999)	-	(123,878)
Infrastructure	(3,949,900)	(387,500)	-	(4,337,400)
Total accumulated depreciation	(4,067,999)	(408,927)	-	(4,476,926)
Total capital assets being depreciated, net	15,291,579	(319,159)	-	14,972,420
Total business-type activities capital assets, net	\$ 29,441,077	\$ 1,879,636	\$ -	\$ 31,320,713

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 4,573
Public safety	282,709
Education	27,329
Public works	367,410
Human services	17,952
Culture and recreation	<u>44,391</u>
Total depreciation expense - governmental activities	<u><u>\$ 744,364</u></u>

**Business-Type Activities:**

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Sewer	<u><u>\$ 408,927</u></u>
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**Construction Commitments**

The Town has various active construction projects as of June 30, 2007. At year end the Town's commitments are as follows:

Project	Spent to Date	Remaining Commitment
Street Improvement - North Main St.	\$ 3,225,904	\$ 1,061,435
Phase VI Sewer Expansion	<u>2,044,682</u>	<u>405,621</u>
Total	<u><u>\$ 5,270,586</u></u>	<u><u>\$ 1,467,056</u></u>

The Street Improvement project is being funded by a Massachusetts Highway grant, and the commitment for the Sewer Expansion Project is being funded by long term debt.



**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**NOTE 6 – CAPITAL LEASE**

The Town has entered into a lease agreement as lessee for financing the acquisition of a John Deere mower. The lease agreement qualifies as capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through capital lease is as follows:

	Governmental Activities
Assets:	
Machinery & Equipment	\$ 39,907
Less: Accumulated depreciation	<u>(1,995)</u>
	<u><u>\$ 37,912</u></u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2007, are as follows:

Year Ending June 30	Governmental Activities
2008	\$ 14,529
2009	<u>13,318</u>
Total minimum lease payments	27,847
Less: amounts representing interest	<u>(1,539)</u>
Present value of minimum lease payments	<u><u>\$ 26,308</u></u>

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 7 – INTERFUND TRANSFERS**

Interfund transfers for the fiscal year ended June 30, 2007, are summarized as follows:

Operating Transfers Out:	Operating Transfers In:				Total
	General Fund	Stabilization Fund	Nonmajor Governmental Funds	Sewer Enterprise Fund	
General Fund	\$ -	\$ 7,605	\$ 60,000	\$ 1,215,278	\$ 1,282,883 (1)
General Fund	-	-	101,151	-	101,151 (3)
Stabilization Fund	876,901	-	-	-	876,901 (2)
Nonmajor Governmental Funds	<u>777,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,937 (2)</u>
Total	<u>\$ 1,654,838</u>	<u>\$ 7,605</u>	<u>\$ 161,151</u>	<u>\$ 1,215,278</u>	<u>\$ 3,038,872</u>

(1) Represents budgeted transfers to the sewer enterprise fund and other nonmajor governmental funds.

(2) Represents various budgeted transfers to supplement the operating budget.

(3) Represents other transfers.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
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**JUNE 30, 2007**

**NOTE 8 – SHORT -TERM FINANCING**

Under state law, and with the appropriate authorization, the Town is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).
- To fund current projects costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth, through the issuance of State Aid anticipated notes (SANS).

Short-term loans are general obligations of the Town and maturity dates are governed by statute. Interest expenditures/expenses for short-term borrowings are accounted for in the general fund and sewer enterprise fund respectively.

The following is a summary of changes in short-term debt for the year ended June 30, 2007:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2006	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2007
<u>Governmental Funds</u>							
BAN	Town Hall Renovations	3.25	8/24/2006	\$ 324,500	\$ -	\$ (324,500)	\$ -
BAN	Town Hall/Police Renovations	4.50	8/24/2006	2,000,000	-	(2,000,000)	-
BAN	Town Hall Renovations	4.35	8/24/2007	-	179,500	-	179,500
BAN	Town Hall/Police Renovations	4.35	8/24/2007	-	3,000,000	-	3,000,000
Total Governmental Funds				<u>2,324,500</u>	<u>3,179,500</u>	<u>(2,324,500)</u>	<u>3,179,500</u>
<u>Sewer Enterprise Fund</u>							
BAN	Sewer Phase V	3.25	8/24/2006	350,000	-	(350,000)	-
BAN	Sewer Maintenance Facility	3.25	8/24/2006	3,100,500	-	(3,100,500)	-
BAN	Sewer Phase V	4.35	8/24/2007	-	350,000	-	350,000
BAN	Sewer Maintenance Facility	4.35	8/24/2007	-	4,250,500	-	4,250,500
Total Sewer Enterprise Fund				<u>3,450,500</u>	<u>4,600,500</u>	<u>(3,450,500)</u>	<u>4,600,500</u>
Total				<u>\$ 5,775,000</u>	<u>\$ 7,780,000</u>	<u>\$ (5,775,000)</u>	<u>\$ 7,780,000</u>

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 9 – LONG-TERM DEBT**

The Town is subject to a dual-level, general debt limit: the normal debt limit and the double debt limit. Such limits are equal to 5% and 10%, respectively, of the valuation of taxable property in the Town as last equalized by the Commonwealth's Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit however require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general long-term debt which are exempt from the debt limit but are subject to other limitations.

The following is a summary of the changes in long-term debt for the year ended June 30, 2007:

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

Project	Interest Rate (%)	Outstanding at June 30, 2006	Issued	Redeemed	Outstanding at June 30, 2007
Land Acquisition	4.63	\$ 325,000	\$ -	\$ 25,000	\$ 300,000
Senior Center	4.06	300,000	-	50,000	250,000
Equipment - School Boiler	4.04	185,000	-	35,000	150,000
MWPAT Title V #97-1053	5.33	40,600	-	2,905	37,695
Total		<u>\$ 850,600</u>	<u>\$ -</u>	<u>\$ 112,905</u>	<u>\$ 737,695</u>

The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2007 are as follows:

Fiscal Year	Principal	Interest	Total
2008	\$ 107,905	\$ 31,623	\$ 139,528
2009	107,905	26,977	134,882
2010	107,905	22,262	130,167
2011	107,924	17,482	125,406
2012	107,924	12,645	120,569
2013-2017	139,516	34,348	173,864
2018-2020	58,616	4,325	62,941
Total	<u>\$ 737,695</u>	<u>\$ 149,662</u>	<u>\$ 887,357</u>

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**Bonds and Notes Payable Schedule - Sewer Enterprise Fund**

Project	Interest Rate (%)	Outstanding at June 30, 2006	Issued	Redeemed	Outstanding at June 30, 2007
Sewer Phase III - MWPAT #96-22	Var.	\$ 2,349,438	\$ -	\$ 183,858	\$ 2,165,580
Sewer Phase III - MWPAT #96-23	Var.	1,476,328	-	115,532	1,360,796
Sewer Phase IV - MWPAT #98-11	Var.	4,115,200	-	278,700	3,836,500
Sewer - MWPAT #98-26	Var.	104,700	-	7,100	97,600
Sewer Phase V - MWPAT #02-26	Var.	5,805,694	-	244,892	5,560,802
Sewer Phase V - MWPAT #02-26A	Var.	165,807	-	7,126	158,681
Sewer Phase III	4.62	720,000	-	60,000	660,000
Sewer Phase IV	4.62	890,000	-	70,000	820,000
Sewer	4.67	2,480,000	-	155,000	2,325,000
Total		<u>\$ 18,107,167</u>	<u>\$ -</u>	<u>\$ 1,122,208</u>	<u>\$ 16,984,959</u>

The annual debt service requirements for principal and interest for sewer enterprise fund bonds and notes outstanding at June 30, 2007 are as follows:

Fiscal Year	Principal	Interest	Total
2008	\$ 1,141,160	\$ 817,327	\$ 1,958,487
2009	1,158,865	768,679	1,927,544
2010	1,181,366	706,702	1,888,068
2011	1,206,945	659,744	1,866,689
2012	1,234,061	583,459	1,817,520
2013-2017	6,469,311	2,221,447	8,690,758
2018-2022	3,725,751	611,878	4,337,629
2023-2024	867,500	43,500	911,000
Total	<u>\$ 16,984,959</u>	<u>\$ 6,412,736</u>	<u>\$ 23,397,695</u>

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Loans Authorized and Unissued**

As of June 30, 2007, the Town has loans authorized and unissued as follows:

<b>Description</b>	<b>Date Authorized</b>	<b>Amount</b>
Title V Septic	5/19/1997	\$ 142,972
Sewer	5/17/1999	4,881,556
Town Hall Addition	5/15/2000	179,500
School Equipment	5/15/2000	50,000
Sewer Maintenance Facility	5/13/2003	400,000
Sewer Maintenance Facility	6/7/2004	400,000
Town Hall Renovations	05/16/05	3,000,000
Total		<u>\$ 9,054,028</u>

**Changes in Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2007:

<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Bonds and notes payable	\$ 850,600	\$ -	\$ (112,905)	\$ 737,695	\$ 107,905
Compensated absences	601,377	-	(47,609)	553,768	81,393
Capital lease payable	-	39,907	(13,599)	26,308	13,365
Landfill postclosure care costs	480,000	-	(20,000)	460,000	20,000
Total governmental activities long-term liabilities	<u>\$ 1,931,977</u>	<u>\$ 39,907</u>	<u>\$ (194,113)</u>	<u>\$ 1,777,771</u>	<u>\$ 222,663</u>
<b>Business-Type Activities:</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Current Portion</b>
Bonds and notes payable	\$ 18,107,167	\$ -	\$ (1,122,208)	\$ 16,984,959	\$ 1,141,160
Compensated absences	74,219	-	(25,703)	48,516	30,642
Total business-type activities long-term liabilities	<u>\$ 18,181,386</u>	<u>\$ -</u>	<u>\$ (1,147,911)</u>	<u>\$ 17,033,475</u>	<u>\$ 1,171,802</u>

The governmental activities long-term liabilities are generally liquidated by the general fund.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**Overlapping Debt**

The Town pays assessments under formulas which include debt service payments to other governmental agencies providing services to the Town, (commonly referred to as overlapping debt). The following summary sets forth the long-term debt of such governmental agencies and the estimated share being financed by the Town as of June 30, 2007:

Agency	Total Long- Term Debt Outstanding	Town's Estimated Share	Town's Indirect Debt
Bridgewater-Raynham Regional School District			
<u>Long-term debt (bonds)</u>			
School Construction	\$ 19,775,000	100.00%	\$ 19,775,000
Laliberte School	1,610,000	100.00%	1,610,000
Merrill School	1,130,000	100.00%	1,130,000
High School	<u>22,070,000</u>	36.70%	<u>8,099,690</u>
Total long-term debt	<u>44,585,000</u>		<u>30,614,690</u>
Short-term debt (BANS)			
Williams School (issued 9/1/06)	12,700,000	0.00%	-
Williams School (issued 3/27/07)	520,822	0.00%	-
Laliberte/Merrill Schools (issued 7/5/06)	2,286,000	100.00%	2,286,000
Renovate existing High School (issued 9/1/06)	<u>3,700,000</u>	36.70%	<u>1,357,900</u>
Total short-term debt	<u>19,206,822</u>		<u>3,643,900</u>
Total Bridgewater Raynham Regional School District	<u><u>63,791,822</u></u>		<u><u>34,258,590</u></u>
Bristol-Plymouth Regional Technical High School			
Bonds	<u>2,400,000</u>	14.00%	<u>336,000</u>
Total overlapping debt	<u><u>\$ 66,191,822</u></u>		<u><u>\$ 34,594,590</u></u>

**NOTE 10 – STABILIZATION FUND**

At June 30, 2007, \$1,197,090 has been set aside in the stabilization fund, which is classified as a major fund in the governmental funds financial statements. The stabilization fund balance can be used for general and/or capital purposes as approved by Town Meeting vote.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

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**NOTE 11 – RISK FINANCING**

The Town is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee's health and life; and natural disasters.

Buildings are fully insured against fire, theft, and natural disaster to the extent that losses exceed \$1,000 per incident. The fully insurable value of Town buildings is \$12,241,150.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2007. The Town's workers compensation program is premium-based. The policy is limited to Massachusetts Statutory Benefits.

The Town purchases accident insurance policies for all uniformed police and fire personnel which has a limit of \$150,000 per injury. Accident claims paid to uniformed police and fire personnel was not material in fiscal year 2007.

The Town has two contributory health care options for its employees. There are 99 employees who participate in the Town's health care programs. The Town contributes 75% of the premium costs for indemnity plans, 86% of the premium costs for HMO family plans, and 90% of the premium costs for HMO individual plans.

**NOTE 12 – PENSION PLANS**

*A. Plan Descriptions*

The Town contributes to the Bristol County Contributory Retirement System (the "System"), a cost sharing, multiple-employer, defined benefit pension plan administered by the Bristol County Retirement Board. Substantially, all employees are members of the "System" except for public school teachers and certain school administrators who are members of the Massachusetts Teachers' Retirement System (MTRS) to which the Town does not contribute.

The "System" and the MTRS are contributory defined benefit plans and membership in both the "System" and the MTRS is mandatory upon commencement of employment for all permanent, full-time employees. The "System" and the MTRS provide retirement, disability and death benefits to plan members and beneficiaries.

Chapter 32 of the Massachusetts General Laws assigns authority to establish and amend benefit provisions of the plan, and grant cost-of-living increases, to the State legislature. The "System" issues a publicly available financial report, which can be obtained through the Commonwealth of Massachusetts, Public Employee Retirement Administration Commission ("PERAC"), One Ashburton Place, Boston, Massachusetts 02108.



**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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*B. Funding Policies*

*Bristol County Contributory Retirement System*

Plan members are required to contribute to the "System" at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the "System", its share of the remaining system-wide, actuarially determined, contribution plus administration costs, which are apportioned among the employers, based on active covered payroll. The Commonwealth of Massachusetts reimburses the "system" for a portion of the benefit payments for the cost of living increases. The contributions to the "System" for years ended June 30, 2007, 2006, and 2005 were \$968,793, \$807,721, and \$751,228 respectively, which were equal to its required contributions for each of these years.

*Massachusetts Teachers' Retirement System*

Plan members (at varying rates of annual covered compensation) and the Commonwealth of Massachusetts fund contributions to the MTRS. The Commonwealth of Massachusetts contributed "on-behalf" payments to the MTRS totaling \$565,703 for fiscal year 2007. In accordance with GASB Statement No. 24, these "on-behalf" payments have been recorded in the general fund as intergovernmental revenues and pension expenditures.

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

The Town participates in a number of federal award programs. However the Town is not subject to the provisions of the Single Audit Act Amendments of 1996, since the Town did not expend more than \$500,000 of federal awards during the period ended June 30, 2007. These programs may still be subject to financial and compliance audits. Accordingly, the amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

The Town's landfill was closed in 2000 by order of the Massachusetts Department of Environmental Protection (DEP). The DEP approved the capping construction of the landfill which was completed by the end of the year. The Town is responsible for post-closure monitoring of the site for thirty years (23 years remaining), and the estimated liability has been recorded in the Statement of Net Assets, Governmental Activities. The \$460,000 reported as landfill post-closure liability at June 30, 2007 is based on what it would cost to perform all post-closure care at June 30, 2007. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

The DEP identified another potential site known as the Thrasher burn dump which was capped 30 years ago. In order for the Town to use the land, a new cap will have to be added to the site which will also need DEP approval.

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, 2007, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2007.

**TOWN OF RAYNHAM, MASSACHUSETTS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 14 – SUBSEQUENT EVENT**

On August 15, 2007, the Town issued general obligation bonds of \$8,819,000. Principal is payable annually in variable amounts beginning on August 15, 2008 through August 15, 2027. Interest is payable semi-annually on February 15 and August 15 beginning on February 15, 2008. The coupon interest rate varies from 4% to 5.5% through the term of the loan.

**NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2007, the following GASB pronouncements were implemented:

The GASB issued **Statement #47**, *Accounting for Termination Benefits*, which is required to be implemented in Fiscal 2007. The Town has a very limited termination benefits program that is budgeted for and is not material to the basic financial statements.

*Future GASB Pronouncements:*

The GASB issued **Statement #43**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in Fiscal 2008. Since there is no legally established separate trust for the postemployment benefit plan this pronouncement will not impact the basic financial statements.

The GASB issued **Statement #45**, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which is required to be implemented in Fiscal 2009. Management believes this pronouncement will require additional disclosure and impact the basic financial statements.

The GASB issued **Statement #48**, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* which is required to be implemented in FY2008. Since the Town does not sell or pledge receivable or future revenues, this pronouncement will not impact the basic financial statements.

The GASB issued **Statement #49**, *Accounting and Financial Reporting for Pollution Remediation Obligations* which is required to be implemented in FY2009. Management does not believe that there are any pollution remediation obligations that will require disclosure and this pronouncement will not have an impact on the basic financial statements.

The GASB issued **Statement #50**, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, which is required to be implemented in FY2008. Since the Town does not operate its' own pension plan, this pronouncement will not impact the basic financial statements.

The GASB issued **Statement #51**, *Accounting and Financial Reporting for Intangible Assets* which is required to be implemented in FY2010. Management believes this pronouncement will require additional disclosure, but will not have a material impact on the basic financial statements.