

TOWN OF DUXBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2012**

On the cover:

Plymouth (Gurnet) Light Station established 1768. The present surviving 39' shingled tower is the nation's oldest free standing lighthouse built only of wood. Hannah Thomas, America's first female lighthouse keeper, attended the light circa 1776.

Photo by Kevin LaLonde



Photo by Maria Hopkins

Cranberries ready to be harvested.

*The Town of
Duxbury, Massachusetts*



**Comprehensive
Annual Financial Report**

**For the Fiscal Year
July 1, 2011 through June 30, 2012**

Prepared by the Finance Department

Town of Duxbury, Massachusetts

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012**

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Introductory Section



Photo by Maria Hopkins

A winter's welcome to Duxbury Beach.



Finance Director
John Madden

Town of Duxbury, Massachusetts

ACCOUNTING DEPARTMENT

878 Tremont Street
Duxbury, MA 02332
Telephone 781-934-1100
e-mail: madden@town.duxbury.ma.us

January 16, 2013

Letter of Transmittal

To the Honorable Board of Selectmen and Citizens of the Town of Duxbury:

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

The report is designed to be used by the elected and appointed officials of the Town and others who are concerned with its management and progress such as bond analysts, banking institutions and credit raters. Just as important, the design and format of this report is aimed at providing the residents and taxpayers of Duxbury a more easily readable and, therefore, a more easily understandable financial report.

This report consists of management's representations concerning the finances of the Town of Duxbury. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. In order to provide a reasonable basis for making these financial representations, management continues to review and improve its established comprehensive internal controls. The framework for these controls is designed to protect, to the extent possible, the government's assets from loss, theft or misuse. The cost of internal controls should not outweigh their benefits. As a result, the Town of Duxbury's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP.

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

The independent audit of the financial statements of the Town of Duxbury was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal

requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town of Duxbury's separately issued Single Audit Report.

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

Profile of the Town

Duxbury, incorporated on June 17, 1637, was the home of Captain Myles Standish and John Alden. The Town was originally established as a community with plentiful lands for harvesting crops and other natural resources as well as providing a livelihood for many in the shellfish and fishing industries. Because of its proximity to the ocean and its natural harbor, the harbor became one of the busiest in the world during the "Golden Age of Shipbuilding" (approximately 1800-1874) and the Town enjoyed a period of great prosperity. During the late 1800's other industries began to develop including shoe manufacturing, cranberry harvesting, charcoal production and the production of textiles. The first department store in America, "Ford's Store" was established in 1826 and the Franco-American cable was pulled ashore at Duxbury Beach on July 23, 1869, uniting Europe and the United States in the first trans-Atlantic telegraph connection. Duxbury is also home to the famous Island Creek oyster. Known for their quality and distinctive flavor, these oysters are in great demand and are shipped to points throughout the United States as well as Bermuda, the Caribbean, and Hong Kong. Duxbury is a town of quiet dignity and stability, with beautiful beaches, tides and marshes combined with Cape Cod homes and Sea Captain's Colonials.

The Town is governed by an open Town Meeting form of government and is located in Southeastern Massachusetts in Plymouth County approximately 33 miles from Boston. Duxbury is accessible by Route 3, a major highway, as well as secondary roads including Routes 3A and 114. The Town is bordered by the Towns of Pembroke on the west, Marshfield on the north, Kingston on the south and the Atlantic Ocean on the east and southeast. Duxbury occupies an area of approximately 23.76 square miles and its population is 15,290 based on the most recent town census.

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, public education in grades kindergarten through twelve, water, street maintenance, parks, beaches and other recreational facilities.

The Greater Attleboro Taunton Regional Transit Authority provides bus coverage throughout Duxbury to surrounding communities. The Duxbury Housing Authority provides public housing for eligible low income families, the elderly and the handicapped.

Local legislative decisions are made by an open Town Meeting. Subject to the legislative decisions made by the Town Meeting, the affairs for the Town are generally administered by a board of three selectmen who are supported by the Town Manager.

Local school affairs are administered by a school committee of five persons, elected for staggered three-year terms on an at large basis. The Water and Sewer Departments are managed by the same three-person Board of Selectmen. Local taxes are assessed by a board of three assessors, elected for staggered three-year terms.

Budgetary Controls

The Finance Director is responsible for preparing the budget and reviewing it with the various departments, boards and committees. This budget is then presented to the Town Manager who, in turn, after review, presents the budget to the Board of Selectmen. The Selectmen review all requests and town-wide issues and present a budget to Town Meeting for approval. A nine member Finance Committee made up of citizen volunteers appointed by the Town Moderator reviews the budget and makes recommendations to Town Meeting. A separate Fiscal Advisory Committee also made up of nine citizen volunteers appointed by the Town Moderator reviews capital expenditure plans.

The level of budgetary control is established by Town Meeting and this approval defines the level at which expenditures may not exceed appropriations. This level is typically at the individual department salary and expense level. The Town Accountant is responsible for ensuring all payroll and invoices are within the budgetary control level before authorizing payment. Additional appropriations may be approved at subsequent Town Meetings. The Finance Committee, upon request of the Town Manager, may approve during the year a transfer from a reserve fund established at Town Meeting. These controls ensure compliance with the budget approved by Town Meeting.

Factors Affecting Economic Condition

Local Economy

The Town of Duxbury continues to reflect a strong economic condition. The per capita income is significantly higher than state averages, and the unemployment rate has always been extremely low. Duxbury has a primarily residential tax base which has grown through rapidly rising home values.

In 2012 the average price of a home in Duxbury was \$556,900 (based upon 2011 sales data), a decrease of slightly less than 4.7% from the previous year. While the current economic environment remains challenging, home sales in Duxbury remain strong. The community has preserved large amounts of open space and has a pristine coastline, as well as having an excellent reputation for academics, athletics and many cultural and natural amenities. Easy access to the commuter rail in neighboring Kingston facilitates the commute to Boston. All of this has made Duxbury a highly desirable location.

The Town continues to be faced with financial challenges. State funding, which was cut dramatically in 2004, has slowly risen to exceed levels not seen since 2002. The Town took advantage of changes in the law regarding Health Insurance Plan Design. It is expected that these changes will result in savings exceeding \$2,300,000 over the next three years. This will help to control rising health care costs, but still, these and other fixed costs continue to add to the economic pressures. Proposition 2½ caps the Town's ability to raise taxes and excess levy capacity is limited. The Town last approved a Proposition 2½ operating override (in the amount of \$1,000,000) in 1989 and it is unclear whether this will be a viable solution in the near future.

Fortunately, the Town has long enjoyed a cooperative approach to problem solving among its many boards, departments, unions and citizens. This cooperation has led to solid fund balances. Constant oversight is given to the Health Claims Trust, resulting in an equity position that more than covers the 'incurred but not reported' claims accrual at the end of fiscal 2012. A town-wide approach to problem solving in this area has resulted in a five year average of nearly level funding in the health insurance budget.

During the 2012 budget cycle, departments continued to work together to create a budget that did not rely heavily on long term reserves. The Town further addressed revenue needs with increased fees wherever practical. The community continues to support a 3% Community Preservation surcharge and voted to fund numerous

community housing initiatives as well as preserve open space and historical properties at the March 2010 Town Meeting.

Long Term Financial Planning

The Town's long term financial planning is focused on addressing the numerous needs of the community, particularly in view of the revenue constraints of Proposition 2½. Discussions are ongoing concerning issues regarding how to provide the community with the level of services it has come to expect under difficult financial conditions. Town Departments, the School Committee, Finance Committee, Fiscal Advisory Committee and the Government Study Committee have all provided input.

The Town has begun in earnest to develop a sustainable long-term financial plan. Management recognizes that in order to continue to provide services to the community, while at the same time maintaining its existing infrastructure, a formalized plan is necessary. Issues being discussed include long range capital planning, appropriate reserve levels and new revenue sources. The Town has identified debt usage and increasing reserves such as Stabilization as areas requiring greater attention. During fiscal year 2012, the Town continued the construction and/or replacement of several large facilities including a Police Station, Fire Station, Crematory and High School.

During fiscal year 2012, the Town dedicated over \$1,240,000 in Free Cash and other one-time revenues to fund the portion of the capital plan related to building and equipment replacement and repair. Going forward, it is the goal of the Town to provide at least one million dollars in "cash" funding on an annual basis. Additionally, \$400,000 was voted to increase reserves such as the Stabilization Fund and Pension Reserve Fund.

Relevant Financial Policies

The Town uses reserves to balance the current budget only as necessary with the goal of replenishing reserves through conservative budgeting.

Major Initiatives

The Town currently has authorized and unissued debt totaling \$129.7 million. This debt is related to police station construction, and the construction of a junior/senior high school and sports field house, repairs to the Powder Point Bridge and water mains. The Town, through its long range planning development and strong financial position, saw its bond rating reach AAA status. We are all very proud of this achievement. It was through these efforts that the Town secured such a lofty bond rating.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Duxbury for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the eighth year that the Town submitted a CAFR to the GFOA. Based on information available on the GFOA website, eighteen municipalities in Massachusetts received this distinction. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparing a document of this magnitude requires a significant investment of time and resources. I am grateful to the Finance Department for achieving and maintaining this prestigious honor. This document reflects well upon the professionalism of our organization and provides a wealth of information to the community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Madden", with a long horizontal flourish extending to the right.

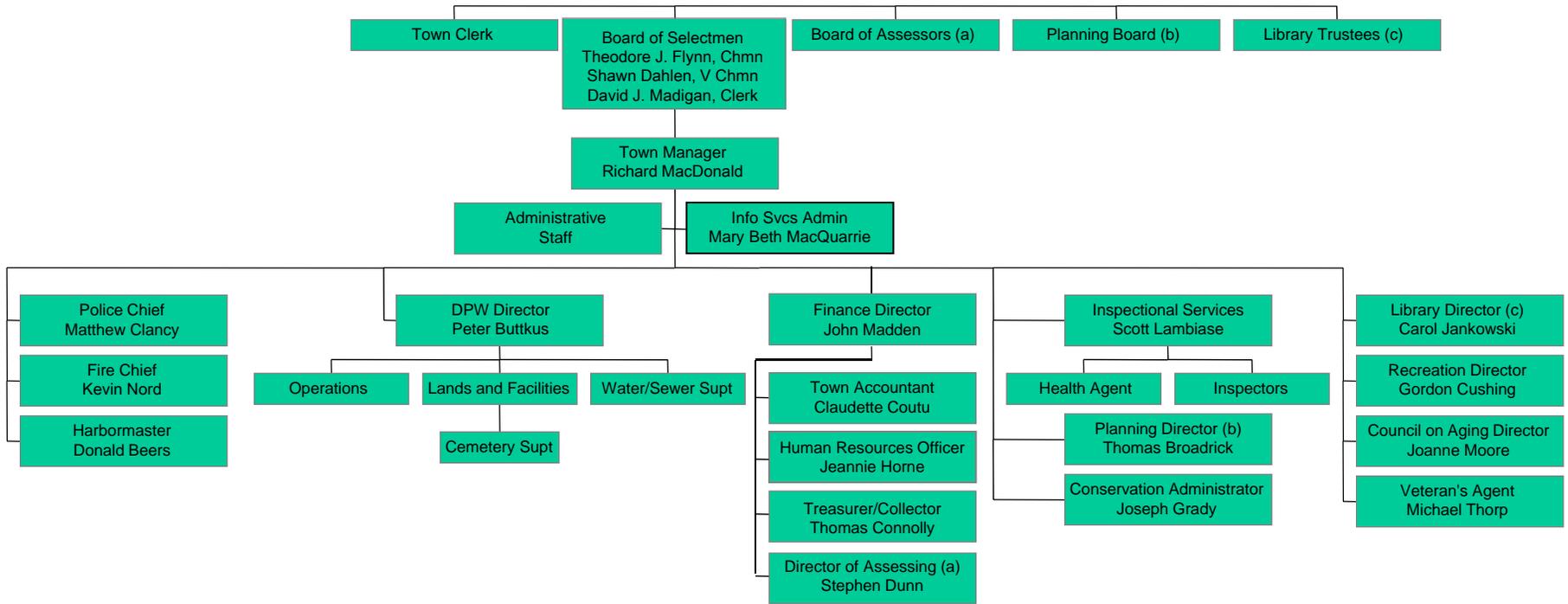
John Madden
Finance Director

Town of Duxbury, Massachusetts

Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Length of Term</u>	<u>Expiration of Term</u>
Chairman-Board of Selectmen	Theodore J. Flynn	Elected	3 Years	2014
Vice Chairman-Board of Selectmen	Shawn Dahlen	Elected	3 Years	2013
Selectman	David J. Madigan	Elected	3 Years	2015
Town Manager	Richard MacDonald	Appointed	Indefinite	N/A
Finance Director	John M. Madden	Appointed	Indefinite	N/A
Town Accountant	Claudette Coutu	Appointed	Indefinite	N/A
Treasurer/Collector	Thomas Connolly	Appointed	Indefinite	N/A
Town Clerk	Nancy M. Oates	Elected	3 Years	2013
Assessor-Chairman	James G. MacNab	Elected	3 Years	2013
Assessor-Vice Chairman	June E. Albritton, MAA	Elected	3 Years	2014
Assessor	Linda M. Collari	Elected	3 Years	2015
Superintendent of Schools	Dr. Benedict Tantillo, III	Appointed	Indefinite	N/A
School Business Manager	Susan Nauman	Appointed	Indefinite	N/A
Director of Public Works	Peter Buttkus	Appointed	Indefinite	N/A
Town Moderator	Friend Weiler	Elected	1 Year	2013
Town Counsel	Arthur P. Kreiger	Appointed	Indefinite	N/A

Town of Duxbury, Massachusetts Organizational Chart



(a), (b) and (c) positions report also to elected boards

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Town of Duxbury
Massachusetts**

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

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



Linda C. Danson

President

Jeffrey R. Emer

Executive Director

Financial Section



Photo by Barbara Scholberg

The mid-September sun sets over Duxbury Bay.



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

Independent Auditors' Report

To the Honorable Board of Selectmen
Town of Duxbury, Massachusetts

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Duxbury, Massachusetts, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Duxbury, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 Duxbury, Massachusetts, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2013 on our consideration of the Town of Duxbury, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

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

Powers & Sullivan LLC

January 16, 2013

Management's Discussion and Analysis

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

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Duxbury's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 or decreases in net assets may serve as a useful indicator of whether the Town's 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 that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, education construction, public works, human services, culture and recreation, community preservation and interest. The business-type activities include the activities of the municipal water department and the Percy Walker pool.

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 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Duxbury adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided as required supplementary information for the general fund to demonstrate compliance with this budget.

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

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its municipal water department and activity of the Percy Walker pool.

Internal service funds are an accounting device used to accumulate and allocate costs internally among various functions. The Town uses internal service funds to account for health insurance activities. Because these services primarily benefit governmental rather than business-type activities, they have been included within *governmental activities* in the government-wide financial statements.

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

Notes to 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.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Duxbury's government-wide assets exceeded liabilities by \$100.3 million at the end of fiscal year 2012. The Town's total net assets decreased by \$711,000 during fiscal year 2012, this is an indication that the Town's overall financial position deteriorated from the prior fiscal year.

Comparative analysis of the assets, liabilities, net assets, revenues, expense and transfers of the governmental and business-type activities are discussed herein.

Governmental Activities

The results of operations of the governmental activities are discussed in the following paragraphs and tables. Net assets of \$81.5 million (94%) 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 governmental activities' net assets, \$3.6 million (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$1.7 million (2%), may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental activities net assets decreased by \$1.1 million during the current fiscal year. Increases in net assets were partially derived from community preservation taxes of \$1.3 million and state matching funds of \$381,000, which are used to finance capital expenditures; better than anticipated results in the operation of the Town's general fund; and \$1.8 million in school construction capital grants received from the state's school

building assistance program and \$182,000 in state highway capital grants, both used to finance capital expenditures. Decreases in net assets mainly resulted from non-budgeted depreciation expense exceeding budgeted debt principal expenditures by \$2.1 million, and the recording of an additional \$5.3 million in other postemployment benefit obligations (OPEB).

Capital assets and long-term debt both increased as the Town is in the process of constructing a new co-located school, crematory, police station, fire station, and the Town purchased land during fiscal year 2012. A portion of the projects was funded through the issuance of long-term debt. The projects were also funded through proceeds of the community preservation act funds and state grant programs.

Noncurrent liabilities (excluding debt) continue to increase as the Town amortizes the liability for OPEB. This is also the primary reason for the large decrease in unrestricted net assets.

	Balance at June 30, 2012	Balance at June 30, 2011
Assets:		
Current assets.....	\$ 38,348,895	\$ 34,341,294
Noncurrent assets (excluding capital).....	764,605	829,920
Capital assets.....	102,592,556	89,537,963
Total assets.....	141,706,056	124,709,177
Liabilities:		
Current liabilities (excluding debt).....	6,350,384	6,397,445
Noncurrent liabilities (excluding debt).....	20,857,000	15,509,000
Current debt.....	2,163,792	4,147,726
Noncurrent debt.....	25,489,435	10,755,227
Total liabilities.....	54,860,611	36,809,398
Net Assets:		
Invested in capital assets, net of related debt.....	81,520,404	76,170,781
Restricted.....	3,634,743	3,556,664
Unrestricted.....	1,690,298	8,172,334
Total net assets.....	\$ 86,845,445	\$ 87,899,779

Capital grant revenues were higher than the previous fiscal year due to the construction of the co-located school. The Town is reimbursed by the state program for a portion of eligible project costs.

	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011
	<u>2012</u>	<u>2011</u>
Program Revenues:		
Charges for services.....	\$ 13,465,006	\$ 12,805,509
Operating grants and contributions.....	13,958,828	14,269,178
Capital grants and contributions.....	2,371,488	1,128,082
General Revenues:		
Real estate and personal property taxes.....	43,943,583	41,964,019
Tax liens.....	20,397	133,744
Motor vehicle and other excise taxes.....	2,227,654	2,236,742
Community preservation taxes.....	1,285,151	1,204,247
Penalties and interest on taxes.....	239,386	157,119
Payments in lieu of taxes.....	10,950	4,250
Nonrestricted grants and contributions.....	904,812	994,936
Unrestricted investment income.....	529,788	852,850
Total revenues.....	<u>78,957,043</u>	<u>75,750,676</u>
Expenses:		
General government.....	5,128,146	4,293,359
Public safety.....	10,964,082	10,369,369
Education.....	53,522,811	52,156,368
Public works.....	5,724,373	5,453,666
Human services.....	1,054,046	945,904
Culture and recreation.....	2,642,103	2,692,071
Community preservation.....	376,498	349,793
Interest.....	489,622	477,255
Total expenses.....	<u>79,901,681</u>	<u>76,737,785</u>
Excess (deficiency) before transfers.....	(944,638)	(987,109)
Transfers.....	<u>(109,696)</u>	<u>149,908</u>
Change in net assets.....	\$ <u>(1,054,334)</u>	\$ <u>(837,201)</u>

Business-type Activities

The results of operations for the business-type activities are discussed in the following paragraphs and tables.

For the Town's water business-type activities, assets exceeded liabilities by \$13.2 million at the close of fiscal year 2012. Of this amount \$10.4 million (79%) is invested in capital assets, net of related debt and \$2.8 million (21%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

There was an increase of \$262,000 in net assets related to the Water Department's operations during the fiscal year, which is consistent with the prior fiscal year. Revenue decreased \$93,000 due to a decrease in usage. Increases in expenses included the recognition of an additional \$93,000 for the other postemployment benefit

obligation liability and an increase in depreciation expense of \$100,000 due to the increase in depreciable capital assets of \$4 million in fiscal year 2012 as a water tank, wells, and renovation projects were transferred in from construction in progress as they were put into service.

Net assets related to the Percy Walker pool increased \$82,000 during the fiscal year, which is due to the General Fund's subsidy to fund the pool's debt service.

	Balance at June 30, 2012	Balance at June 30, 2011
	<u>2012</u>	<u>2011</u>
Assets:		
Current assets.....	\$ 3,532,295	\$ 3,559,195
Capital assets.....	17,142,841	17,577,730
Total assets.....	<u>20,675,136</u>	<u>21,136,925</u>
Liabilities:		
Current liabilities (excluding debt).....	134,885	132,004
Noncurrent liabilities (excluding debt).....	397,000	311,000
Current debt.....	771,908	894,197
Noncurrent debt.....	5,957,505	6,729,413
Total liabilities.....	<u>7,261,298</u>	<u>8,066,614</u>
Net Assets:		
Invested in capital assets, net of related debt.....	10,672,429	10,300,382
Unrestricted.....	2,741,409	2,769,929
Total net assets.....	<u>\$ 13,413,838</u>	<u>\$ 13,070,311</u>
	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011
	<u>2012</u>	<u>2011</u>
Program revenues:		
Charges for services.....	\$ 3,321,723	\$ 3,405,661
Expenses:		
Water.....	2,628,618	2,350,547
Percy Walker Pool.....	459,274	380,020
Total expenses.....	<u>3,087,892</u>	<u>2,730,567</u>
Excess before transfers.....	233,831	675,094
Transfers.....	<u>109,696</u>	<u>(149,908)</u>
Change in net assets.....	<u>\$ 343,527</u>	<u>\$ 525,186</u>

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$24.3 million, an increase of \$6.5 million from the prior year.

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund totaled \$7.9 million, while total fund balance is \$10.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13% of total general fund expenditures, while total fund balance represents 17% of that same amount.

The fund balance of the general fund increased by \$1.2 million during fiscal year 2012. This was mainly a combination of positive budgetary results (\$927,000), and an increase in the Stabilization fund which is reported as part of the general fund (\$327,000).

The Community Preservation Act fund had a fund balance at June 30, 2012 of \$2 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation Act's fund balance decreased \$2.2 million in fiscal year 2012. This was the net result of \$1.7 million in taxes, state matching funds, and interest collected and \$3.9 million in expenditures on community preservation projects. The majority of the expenditures (over \$3 million) related to land purchases.

The Town passed, by special election, an override of Proposition 2½ allowing the construction of a new co-located school totaling \$128 million. The Town has been approved to receive assistance from the Massachusetts Building Authority for 45.13% of eligible construction costs. Activity for the design and construction of the new co-located school is accounted for in the co-located school fund. During fiscal year 2012, \$4.6 million had been expended on the project, and the Town has recorded revenue from the MSBA totaling \$2.1 million.

The fire station fund is used to account for the \$3.7 million rehabilitation of the fire station, which was authorized at the March 2011 Annual Town Meeting. As of June 30, 2012, the Town had expended a total of \$3.6 million on this project which is being funded primarily through the issuance of long-term debt.

Bonding of \$6.3 million for the construction of a new police station was authorized during the March 2011 Annual Town Meeting. Activity for this project is accounted for in the police station fund, which had total expenditures of \$1.2 million in fiscal year 2012.

At the March 2012 Annual Town Meeting, the Town authorized the construction of a crematory with bonding of \$2.6 million. As of June 30, 2012, the Town had expended \$2.4 million. Subsequent to year end, the project was completed.

General Fund Budgetary Highlights

The \$726,000 increase from the original budget to the final amended budget resulted from a Spring Special Town Meeting vote to release overlay of \$153,000 and use of free cash of \$515,000.

General Fund revenues came in approximately \$2 million more than budgeted. The largest area of the surplus was in departmental and other revenues which made up \$1.2 million of the total. This was mainly due to beach permit revenue coming in \$413,000 higher than budgeted, as well as inspectional service permits coming in \$207,000 higher than budgeted.

General fund expenditures were approximately \$916,000 less than budgeted. Key components of this surplus include the \$287,000 in employee benefits which was due primarily to lower than anticipated claims, as well as \$187,000 within the public works sub-departments.

Capital Asset and Debt Administration

In conjunction with the 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 major governmental capital asset activity in fiscal year 2012 includes additions of \$14.9 million in construction in progress related to the crematory, fire station, school renovations, police station and Blairhaven property; \$688,000 for vehicles; \$556,000 for computers; and \$434,000 for buildings.

Capital Assets

	Cost of Capital Assets at end of year	Accumulated Depreciation at end of year	Capital Assets, net
Governmental activities			
<i>Function:</i>			
General government.....	\$ 23,442,538	\$ (504,142)	\$ 22,938,396
Public safety.....	11,767,302	(4,411,168)	7,356,134
Education.....	63,992,793	(21,905,206)	42,087,587
Public works.....	21,374,461	(10,516,438)	10,858,023
Culture and recreation.....	11,367,262	(4,632,588)	6,734,674
Community preservation.....	12,950,056	(333,955)	12,616,101
Human services.....	1,823	(182)	1,641
Total governmental.....	<u>\$ 144,896,235</u>	<u>\$ (42,303,679)</u>	<u>\$ 102,592,556</u>
Business-type activities			
Water.....	\$ 24,855,267	\$ (10,003,387)	\$ 14,851,880
Percy Walker Pool.....	<u>2,380,219</u>	<u>(89,258)</u>	<u>2,290,961</u>
Total enterprise.....	<u>\$ 27,235,486</u>	<u>\$ (10,092,645)</u>	<u>\$ 17,142,841</u>

Debt

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$26.9 million at the end of the current fiscal year. Of this amount, \$13.2 million is related to school construction and equipment, \$2.6 million is related to the crematory, \$4.7 million is related to the police station construction, \$3.8 million is related to the fire station renovations, \$710,000 is related to the senior center project, \$900,000 is related to sewer projects and \$770,000 is related to renovation of the library. The remaining \$85,000 relates to land purchases and other capital related projects.

The water enterprise fund has \$4.7 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy. The Percy Walker pool enterprise fund has \$2 million in bonded debt outstanding at the end of the current fiscal year, related to the recent upgrades to the Pool facility.

For further discussion please refer to Note 4 for major capital activity and Notes 6 and 7 for debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Duxbury'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 Finance Director, Town Hall, 878 Tremont Street, Duxbury, Massachusetts 02332.

Basic Financial Statements

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STATEMENT OF NET ASSETS

JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 27,972,635	\$ 2,217,234	\$ 30,189,869
Investments.....	6,886,311	-	6,886,311
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	835,244	-	835,244
Tax liens.....	39,931	-	39,931
Motor vehicle and other excise taxes.....	120,040	-	120,040
User fees.....	15,032	1,315,061	1,330,093
Departmental and other.....	655,014	-	655,014
Special assessments.....	87,068	-	87,068
Intergovernmental.....	1,051,153	-	1,051,153
Tax foreclosures.....	686,467	-	686,467
Total current assets.....	38,348,895	3,532,295	41,881,190
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	463,123	-	463,123
Real estate tax deferrals.....	301,482	-	301,482
Capital assets:			
Nondepreciable.....	48,759,314	3,713,393	52,472,707
Depreciable.....	53,833,242	13,429,448	67,262,690
Total noncurrent assets.....	103,357,161	17,142,841	120,500,002
TOTAL ASSETS.....	141,706,056	20,675,136	162,381,192
LIABILITIES			
CURRENT:			
Warrants payable.....	1,210,459	38,126	1,248,585
Accrued payroll.....	2,509,050	11,428	2,520,478
Health claims payable.....	965,102	-	965,102
Accrued interest.....	178,827	50,331	229,158
Other liabilities.....	412,946	-	412,946
Compensated absences.....	1,074,000	35,000	1,109,000
Notes payable.....	800,000	-	800,000
Bonds payable.....	1,363,792	771,908	2,135,700
Total current liabilities.....	8,514,176	906,793	9,420,969
NONCURRENT:			
Compensated absences.....	279,000	8,000	287,000
Other postemployment benefits.....	20,578,000	389,000	20,967,000
Bonds payable.....	25,489,435	5,957,505	31,446,940
Total noncurrent liabilities.....	46,346,435	6,354,505	52,700,940
TOTAL LIABILITIES.....	54,860,611	7,261,298	62,121,909
NET ASSETS			
Invested in capital assets, net of related debt.....	81,520,404	10,672,429	92,192,833
Restricted for:			
Perpetual care and other permanent funds:			
Expendable.....	782,504	-	782,504
Nonexpendable.....	2,034,870	-	2,034,870
Gifts and grants.....	817,369	-	817,369
Unrestricted.....	1,690,298	2,741,409	4,431,707
TOTAL NET ASSETS.....	\$ 86,845,445	\$ 13,413,838	\$ 100,259,283

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 5,128,146	\$ 431,258	\$ 229,954	\$ -	\$ (4,466,934)
Public safety.....	10,964,082	2,814,732	212,782	-	(7,936,568)
Education.....	53,522,811	5,942,281	13,122,173	-	(34,458,357)
Education construction.....	-	-	-	1,807,916	1,807,916
Public works.....	5,724,373	1,801,734	35,879	182,360	(3,704,400)
Human services.....	1,054,046	168,895	158,111	-	(727,040)
Culture and recreation.....	2,642,103	2,306,106	170,962	-	(165,035)
Community preservation.....	376,498	-	-	381,212	4,714
Interest.....	489,622	-	28,967	-	(460,655)
Total Governmental Activities.....	<u>79,901,681</u>	<u>13,465,006</u>	<u>13,958,828</u>	<u>2,371,488</u>	(50,106,359)
<i>Business-Type Activities:</i>					
Water.....	2,628,618	3,008,160	-	-	379,542
Percy Walker Pool.....	<u>459,274</u>	<u>313,563</u>	-	-	<u>(145,711)</u>
Total Business-Type Activities.....	<u>3,087,892</u>	<u>3,321,723</u>	-	-	233,831
Total Primary Government.....	<u>\$ 82,989,573</u>	<u>\$ 16,786,729</u>	<u>\$ 13,958,828</u>	<u>\$ 2,371,488</u>	\$ (49,872,528)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net assets:			
Net (expense) revenue from previous page.....	\$ (50,106,359)	\$ 233,831	\$ (49,872,528)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	43,943,583	-	43,943,583
Tax liens.....	20,397	-	20,397
Motor vehicle and other excise taxes.....	2,227,654	-	2,227,654
Community preservation taxes.....	1,285,151	-	1,285,151
Penalties and interest on taxes.....	239,386	-	239,386
Payments in lieu of taxes.....	10,950	-	10,950
Grants and contributions not restricted to specific programs.....	904,812	-	904,812
Unrestricted investment income.....	529,788	-	529,788
<i>Transfers, net</i>	(109,696)	109,696	-
Total general revenues and transfers.....	49,052,025	109,696	49,161,721
Change in net assets.....	(1,054,334)	343,527	(710,807)
<i>Net Assets:</i>			
Beginning of year.....	87,899,779	13,070,311	100,970,090
End of year.....	\$ <u>86,845,445</u>	\$ <u>13,413,838</u>	\$ <u>100,259,283</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2012

ASSETS	General	Community Preservation Act	Co-located School	Fire Station
Cash and cash equivalents.....	\$ 12,089,881	\$ 2,085,961	\$ 1,929,707	\$ 444,882
Investments.....	2,842,902	-	-	-
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	812,618	22,626	-	-
Real estate tax deferrals.....	301,482	-	-	-
Tax liens.....	39,287	644	-	-
Motor vehicle and other excise taxes.....	120,040	-	-	-
User fees.....	15,032	-	-	-
Departmental and other.....	205,854	-	-	-
Special assessments.....	550,191	-	-	-
Intergovernmental.....	-	383,265	255,039	-
Tax foreclosures.....	686,467	-	-	-
Due from other funds.....	107,081	-	-	-
TOTAL ASSETS.....	\$ 17,770,835	\$ 2,492,496	\$ 2,184,746	\$ 444,882
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Warrants payable.....	\$ 934,431	\$ 41,517	\$ -	\$ 8,000
Accrued payroll.....	2,477,207	67	-	-
Other liabilities.....	132,258	3,376	-	-
Deferred revenues.....	2,527,977	406,535	-	-
Due to other funds.....	-	-	-	-
Notes payable.....	800,000	-	-	-
TOTAL LIABILITIES.....	6,871,873	451,495	-	8,000
FUND BALANCES:				
Nonspendable.....	-	-	-	-
Restricted.....	-	2,041,001	2,184,746	436,882
Committed.....	1,332,306	-	-	-
Assigned.....	1,698,230	-	-	-
Unassigned.....	7,868,426	-	-	-
TOTAL FUND BALANCES.....	10,898,962	2,041,001	2,184,746	436,882
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 17,770,835	\$ 2,492,496	\$ 2,184,746	\$ 444,882

See notes to basic financial statements.

	Police Station	Crematory	Nonmajor Governmental Funds	Total Governmental Funds
\$	3,514,736	\$ 235,705	\$ 2,682,391	\$ 22,983,263
	-	-	2,972,492	5,815,394
	-	-	-	835,244
	-	-	-	301,482
	-	-	-	39,931
	-	-	-	120,040
	-	-	-	15,032
	-	-	140,056	345,910
	-	-	-	550,191
	-	-	412,849	1,051,153
	-	-	-	686,467
	-	-	-	107,081
\$	<u>3,514,736</u>	<u>\$ 235,705</u>	<u>\$ 6,207,788</u>	<u>\$ 32,851,188</u>

\$	2,550	\$ 2,413	\$ 221,548	\$ 1,210,459
	-	-	31,265	2,508,539
	-	-	277,312	412,946
	-	-	535,408	3,469,920
	-	-	107,081	107,081
	-	-	-	800,000
	<u>2,550</u>	<u>2,413</u>	<u>1,172,614</u>	<u>8,508,945</u>
	-	-	2,034,870	2,034,870
	3,512,186	233,292	3,256,030	11,664,137
	-	-	-	1,332,306
	-	-	-	1,698,230
	-	-	(255,726)	7,612,700
	<u>3,512,186</u>	<u>233,292</u>	<u>5,035,174</u>	<u>24,342,243</u>
\$	<u>3,514,736</u>	<u>\$ 235,705</u>	<u>\$ 6,207,788</u>	<u>\$ 32,851,188</u>

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

JUNE 30, 2012

Total governmental fund balances.....		\$ 24,342,243
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		102,592,556
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		3,469,920
Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities.		
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.....		5,403,780
In the statement of net assets, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(178,827)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds payable.....	(26,853,227)	
Compensated absences.....	(1,353,000)	
Other postemployment benefits obligation.....	(20,578,000)	
Net effect of reporting long-term liabilities.....		(48,784,227)
Net assets of governmental activities.....		\$ 86,845,445

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	General	Community Preservation Act	Co-located School	Fire Station
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 43,933,438	\$ -	\$ -	\$ -
Tax and trash liens.....	90,207	1,741	-	-
Motor vehicle and other excise taxes.....	2,304,289	-	-	-
Sewer charges.....	304,243	-	-	-
Trash disposal.....	604,833	-	-	-
Intergovernmental.....	12,074,411	361,041	2,088,723	-
Departmental and other.....	4,838,058	-	-	-
Community preservation taxes.....	-	1,285,151	-	-
Contributions.....	-	-	-	-
Investment income.....	301,083	5,204	-	-
TOTAL REVENUES.....	64,450,562	1,653,137	2,088,723	-
EXPENDITURES:				
Current:				
General government.....	2,730,726	-	-	-
Public safety.....	6,539,381	-	-	3,153,431
Education.....	29,356,972	-	4,623,641	-
Public works.....	4,247,400	-	-	-
Human services.....	548,274	-	-	-
Culture and recreation.....	1,428,515	-	-	-
Community preservation.....	-	3,870,543	-	-
Pension benefits - Town.....	2,154,597	-	-	-
Pension benefits - School.....	6,666,279	-	-	-
Property and liability insurance.....	186,966	-	-	-
Employee benefits.....	6,806,418	-	-	-
State and county charges.....	327,762	-	-	-
Debt service:				
Principal.....	1,482,726	-	-	-
Interest.....	490,334	11,933	-	-
TOTAL EXPENDITURES.....	62,966,350	3,882,476	4,623,641	3,153,431
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,484,212	(2,229,339)	(2,534,918)	(3,153,431)
OTHER FINANCING SOURCES (USES):				
Issuance of long-term bonds.....	-	-	4,950,000	3,842,000
Premium from issuance of bonds and notes.....	29,606	-	-	-
Transfers in.....	187,422	-	-	150,000
Transfers out.....	(464,111)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	(247,083)	-	4,950,000	3,992,000
NET CHANGE IN FUND BALANCES.....	1,237,129	(2,229,339)	2,415,082	838,569
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR.....	9,661,833	4,270,340	(230,336)	(401,687)
FUND BALANCES AT END OF YEAR.....	\$ 10,898,962	\$ 2,041,001	\$ 2,184,746	\$ 436,882

See notes to basic financial statements.

Police Station	Crematory	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 43,933,438
-	-	-	91,948
-	-	-	2,304,289
-	-	-	304,243
-	-	-	604,833
-	-	2,480,425	17,004,600
-	-	5,269,221	10,107,279
-	-	-	1,285,151
-	-	348,240	348,240
-	-	158,242	464,529
-	-	8,256,128	76,448,550
-	-	610,086	3,340,812
1,193,814	-	913,020	11,799,646
-	-	5,371,453	39,352,066
-	2,220,119	403,641	6,871,160
-	-	218,713	766,987
-	-	367,132	1,795,647
-	-	-	3,870,543
-	-	4,565	2,159,162
-	-	-	6,666,279
-	-	-	186,966
-	-	-	6,806,418
-	-	-	327,762
-	-	-	1,482,726
-	-	-	502,267
1,193,814	2,220,119	7,888,610	85,928,441
(1,193,814)	(2,220,119)	367,518	(9,479,891)
4,706,000	2,600,000	-	16,098,000
-	-	-	29,606
-	66,955	-	404,377
-	-	(49,962)	(514,073)
4,706,000	2,666,955	(49,962)	16,017,910
3,512,186	446,836	317,556	6,538,019
-	(213,544)	4,717,618	17,804,224
\$ 3,512,186	\$ 233,292	\$ 5,035,174	\$ 24,342,243

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

FISCAL YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds.....	\$	6,538,019
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....		16,632,384
Depreciation expense.....		<u>(3,577,791)</u>
Net effect of reporting capital assets.....		13,054,593
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>		
		(630,677)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of bonds.....		(16,098,000)
Debt service principal payments.....		<u>1,482,726</u>
Net effect of reporting long-term debt.....		(14,615,274)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....		(53,000)
Net change in accrued interest on long-term debt.....		12,645
Net change in other postemployment benefits obligation.....		<u>(5,326,000)</u>
Net effect of recording long-term liabilities and amortizing deferred losses.....		(5,366,355)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with governmental activities.....		<u>(34,640)</u>
Change in net assets of governmental activities.....	\$	<u>(1,054,334)</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Enterprise	Percy Walker Pool Enterprise	Total	
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 2,217,234	\$ -	\$ 2,217,234	\$ 4,989,372
Investments.....	-	-	-	1,070,917
Receivables, net of allowance for uncollectibles:				
User fees.....	1,315,061	-	1,315,061	-
Departmental and other.....	-	-	-	309,104
Due from other funds.....	4,660	-	4,660	-
Total current assets.....	<u>3,536,955</u>	<u>-</u>	<u>3,536,955</u>	<u>6,369,393</u>
NONCURRENT:				
Capital assets:				
Nondepreciable.....	3,713,393	-	3,713,393	-
Depreciable.....	11,138,487	2,290,961	13,429,448	-
Total noncurrent assets.....	<u>14,851,880</u>	<u>2,290,961</u>	<u>17,142,841</u>	<u>-</u>
TOTAL ASSETS.....	<u>18,388,835</u>	<u>2,290,961</u>	<u>20,679,796</u>	<u>6,369,393</u>
LIABILITIES				
CURRENT:				
Warrants payable.....	27,523	10,603	38,126	-
Accrued payroll.....	9,929	1,499	11,428	511
Health claims payable.....	-	-	-	965,102
Accrued interest.....	32,499	17,832	50,331	-
Due to other funds.....	-	4,660	4,660	-
Compensated absences.....	35,000	-	35,000	-
Bonds payable.....	611,908	160,000	771,908	-
Total current liabilities.....	<u>716,859</u>	<u>194,594</u>	<u>911,453</u>	<u>965,613</u>
NONCURRENT:				
Compensated absences.....	8,000	-	8,000	-
Other postemployment benefits.....	368,000	21,000	389,000	-
Bonds payable.....	4,087,505	1,870,000	5,957,505	-
Total noncurrent liabilities.....	<u>4,463,505</u>	<u>1,891,000</u>	<u>6,354,505</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>5,180,364</u>	<u>2,085,594</u>	<u>7,265,958</u>	<u>965,613</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	10,393,854	278,575	10,672,429	-
Unrestricted.....	2,814,617	(73,208)	2,741,409	5,403,780
TOTAL NET ASSETS.....	<u>\$ 13,208,471</u>	<u>\$ 205,367</u>	<u>\$ 13,413,838</u>	<u>\$ 5,403,780</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Enterprise	Percy Walker Pool Enterprise	Total	
OPERATING REVENUES:				
Employee contributions	\$ -	\$ -	\$ -	\$ 3,071,408
Employer contributions	-	-	-	6,553,422
Charges for services	3,008,160	313,563	3,321,723	-
Intergovernmental.....	-	-	-	2,433
TOTAL OPERATING REVENUES	3,008,160	313,563	3,321,723	9,627,263
OPERATING EXPENSES:				
Cost of services and administration	1,609,833	336,293	1,946,126	9,697,626
Depreciation.....	875,319	59,505	934,824	-
TOTAL OPERATING EXPENSES	2,485,152	395,798	2,880,950	9,697,626
OPERATING INCOME (LOSS).....	523,008	(82,235)	440,773	(70,363)
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	-	-	-	35,723
Interest expense.....	(143,466)	(63,476)	(206,942)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(143,466)	(63,476)	(206,942)	35,723
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	379,542	(145,711)	233,831	(34,640)
TRANSFERS:				
Transfers in.....	-	247,156	247,156	-
Transfers out.....	(117,871)	(19,589)	(137,460)	-
TOTAL TRANSFERS.....	(117,871)	227,567	109,696	-
CHANGE IN NET ASSETS.....	261,671	81,856	343,527	(34,640)
NET ASSETS AT BEGINNING OF YEAR.....	12,946,800	123,511	13,070,311	5,438,420
NET ASSETS AT END OF YEAR.....	\$ 13,208,471	\$ 205,367	\$ 13,413,838	\$ 5,403,780

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Enterprise	Percy Walker Pool Enterprise	Total	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 2,950,193	\$ 313,563	\$ 3,263,756	\$ -
Receipts from interfund services provided.....	-	-	-	9,484,639
Receipts from other governments.....	-	-	-	2,433
Payments to vendors.....	(779,529)	(125,845)	(905,374)	(9,971,069)
Payments to employees.....	(733,874)	(212,070)	(945,944)	-
NET CASH FROM OPERATING ACTIVITIES.....	1,436,790	(24,352)	1,412,438	(483,997)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in.....	-	247,156	247,156	-
Transfers out.....	(117,871)	(19,589)	(137,460)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(117,871)	227,567	109,696	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets.....	(499,935)	-	(499,935)	-
Principal payments on bonds and notes.....	(729,197)	(165,000)	(894,197)	-
Interest expense.....	(148,431)	(64,438)	(212,869)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,377,563)	(229,438)	(1,607,001)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sales and maturities of investments.....	-	-	-	1,039,414
Purchase of investments.....	-	-	-	(1,070,917)
Investment income.....	-	-	-	35,723
NET CASH FROM INVESTING ACTIVITIES.....	-	-	-	4,220
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(58,644)	(26,223)	(84,867)	(479,777)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	2,275,878	26,223	2,302,101	5,469,149
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 2,217,234	\$ -	\$ 2,217,234	\$ 4,989,372
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ 523,008	\$ (82,235)	\$ 440,773	\$ (70,363)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	875,319	59,505	934,824	-
Changes in assets and liabilities:				
User fees.....	(57,967)	-	(57,967)	-
Departmental and other.....	-	-	-	(140,191)
Due from other funds.....	(4,660)	-	(4,660)	-
Warrants payable.....	3,554	1,669	5,223	-
Accrued payroll.....	2,536	(951)	1,585	-
Health claims payable.....	-	-	-	(273,443)
Due to other funds.....	-	4,660	4,660	-
Accrued compensated absences.....	2,000	-	2,000	-
Other postemployment benefits obligation.....	93,000	(7,000)	86,000	-
Total adjustments.....	913,782	57,883	971,665	(413,634)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,436,790	\$ (24,352)	\$ 1,412,438	\$ (483,997)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Intergovernmental debt subsidies.....	\$ 31,000	\$ -	\$ 31,000	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2012

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents.....	\$ 36,843	\$ 198,522
Investments.....	<u>2,254,908</u>	<u>-</u>
TOTAL ASSETS.....	<u>2,291,751</u>	<u>198,522</u>
LIABILITIES		
Warrants payable.....	-	1,923
Liabilities due depositors.....	<u>-</u>	<u>196,599</u>
TOTAL LIABILITIES.....	<u>-</u>	<u>198,522</u>
NET ASSETS		
Held in trust.....	<u>\$ 2,291,751</u>	<u>\$ -</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2012

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ <u>950,000</u>
Net investment income:	
Interest.....	<u>194,121</u>
TOTAL ADDITIONS.....	<u>1,144,121</u>
<u>DEDUCTIONS:</u>	
Scholarships and other.....	<u>22,628</u>
CHANGE IN NET ASSETS.....	1,121,493
NET ASSETS AT BEGINNING OF YEAR.....	<u>1,170,258</u>
NET ASSETS AT END OF YEAR.....	\$ <u><u>2,291,751</u></u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Town of Duxbury, Massachusetts is a municipal corporation governed by an elected three member Board of Selectmen and an appointed Town Manager.

For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the Primary Government) and its component units. The Town did not identify any component units requiring inclusion in the basic financial statements.

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

Internal service funds and fiduciary funds are reported by fund type.

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when the fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

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

The following major governmental funds are reported:

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

The *community preservation act fund* is a special revenue fund used to account for funds held for uses restricted by law for community preservation purposes. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

The *co-located school fund* is a capital project fund used to account for the design and construction of the new co-located school.

The *fire station fund* is a capital project fund used to account for the renovations to the fire station.

The *police station fund* is a capital project fund used to account for the construction of the new police station.

The *crematory fund* is a capital project fund used to account for the construction of the new crematory and various cemetery projects.

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

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

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

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

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

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

The following major proprietary funds are reported:

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

The *Percy Walker pool enterprise fund* is used to account for the operating activities at the Town's pool.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to employees' health insurance.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs. Agency funds have no measurement focus.

The following fiduciary fund types are reported:

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

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town's agency fund is comprised of performance bonds, special details, deposits, and fees and licenses.

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes

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

Real estate tax liens are processed yearly after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

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

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

Motor Vehicle and Other Excise Taxes

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

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

User Fees

Water and sewer user fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at fiscal year-end and are recorded as revenue in the current period. Water and Sewer liens are processed in December of every year and included as a lien on the property owner's tax bill. Water and Sewer charges and liens are recorded as receivables in the fiscal year of the levy.

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

Departmental and Other

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

Special Assessments

Special assessments in the general fund consist of apportioned and unapportioned road improvement and septic system betterments assessed to homeowners whose properties were improved through Town-run construction projects.

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

Intergovernmental

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

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

F. Inventories

Government-Wide and Fund Financial Statements

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, 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.

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 greater than one year. All major general infrastructure assets acquired or significantly reconstructed in fiscal years ending after June 30, 1980 have been recorded at estimated historical cost.

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

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Buildings.....	40
Plant, Facilities and Infrastructure.....	20-40
Vehicles.....	5-15
Computers.....	5
Furniture, Fixtures and Equipment.....	10
Improvements.....	10-20
Library books.....	7
School books.....	3-7

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

Governmental Fund Financial Statements

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

H. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

I. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Deferred Revenue

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

K. Net Assets and Fund Equity

Government-Wide Financial Statements (Net Assets)

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

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

Net assets have been “restricted for” the following:

“Perpetual care and other permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings.

“Perpetual care and other permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Gifts and grants” represents restrictions placed on assets from outside parties.

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

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

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

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

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

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

M. Investment Income

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

N. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

O. Use of Estimates

Government-Wide and Fund Financial Statements

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

P. Individual Fund Deficits

An individual fund deficit exists in the Town Revolving special revenue fund. This deficit will be funded through grants, available funds, and bond proceeds in future fiscal years.

Q. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (the Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth.

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

Custodial Credit Risk – Deposits

In the case of deposits, the custodial credit risk is the risk that, in the event of a bank failure the Town's deposits may not be recovered. At fiscal year-end, the carrying amount of deposits totaled \$25,318,394 and the bank balance totaled \$26,877,976. Of the bank balance, \$1,385,636 was covered by Federal Depository Insurance, \$434,546 was collateralized, and \$25,057,794 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) pre-qualifying banks, 2) diversifying its investments across several banks and 3) collateralizing deposits where practical.

The Town's investment policy states that bank deposits, including repurchase agreements; certificates of deposit; and demand deposits, that exceed the FDIC insured amount are to be made in banks or savings and loan associations with a Moody's Rating of A3 or above; a Standard & Poor's and Finch rating of A or above; or a Thompson Bond Watch Rating of A or B.

Investments

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

Investment Type	Fair Value	Maturity			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities:</u>					
Government Sponsored Enterprises.....	\$ 2,688,505	\$ 303,967	\$ 1,685,086	\$ 454,992	\$ 244,460
Corporate Bonds.....	287,352	-	207,646	79,706	-
U.S. Treasury Notes.....	1,294,965	293,477	889,852	111,636	-
Total Debt Securities.....	4,270,822	\$ 597,444	\$ 2,782,584	\$ 646,334	\$ 244,460
<u>Other Investments:</u>					
Equity Securities.....	4,870,397				
Money Market Mutual Funds.....	146,495				
MMDT.....	4,960,345				
Total Investments.....	\$ 14,248,059				

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

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 securities that are in the possession of an outside party. The Town's investments of \$4,270,822 in debt securities and \$4,870,397 in equity securities are exposed to custodial credit risk as the securities are uninsured. The shares of MMDT and open end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The securities are registered to Dunn & Co. as nominee for the Town of Duxbury. The Town of Duxbury's investment policy allows for custodial safekeeping in the name of a nominee. It also requires proof that securities purchased from any bank or dealer be provided to the Treasurer and recorded on the Town's books.

Interest Rate Risk

The Town's investment policy limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates and to match investment maturities with anticipated cash flow requirements. The Town's investment policy requires investments of operating funds to have a maturity of one year or less from the date of purchase. The Town limits their maximum final stated maturities for other investments to ten (10) years, unless specific authority is given to exceed this limit. Additionally, the policy does not permit the direct investment in securities maturing more than ten (10) years from date of purchase unless the maturities are matched to specific cash flow requirements. Reserve funds are permitted to be invested in securities exceeding ten (10) years if the maturities of such investments are made to coincide, as nearly as practicable, with the expected use of the funds.

Credit Risk

The Town's investments in Government Sponsored Enterprises were all rated AAA while the investments in corporate bonds held ratings of A- and BBB+. The Town's investment in money market mutual funds is unrated.

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Percentage of Total Investments</u>
Federal Home Loan Bank.....	5.88%
Federal National Mortgage Association.....	6.89%

NOTE 3 – RECEIVABLES

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

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Real estate and personal property taxes..... \$	845,803	\$ (10,559)	\$ 835,244
Real estate tax deferrals.....	301,482	-	301,482
Tax liens.....	39,931	-	39,931
Motor vehicle and other excise taxes.....	211,932	(91,892)	120,040
User fees.....	15,032	-	15,032
Departmental and other.....	808,686	(153,672)	655,014
Special assessments.....	550,191	-	550,191
Intergovernmental.....	1,051,153	-	1,051,153
Total..... \$	<u>3,824,210</u>	<u>\$ (256,123)</u>	<u>\$ 3,568,087</u>

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

<u>Receivables:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectibles</u>	<u>Net Amount</u>
Water user fees..... \$	<u>1,315,061</u>	<u>\$ -</u>	<u>\$ 1,315,061</u>

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

	General Fund	Community Preservation Act	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>				
Real estate and personal property taxes.....	\$ 609,624	\$ 22,626	\$ -	\$ 632,250
Real estate tax deferrals.....	301,482	-	-	301,482
Tax liens.....	39,287	644	-	39,931
Motor vehicle and other excise taxes.....	120,040	-	-	120,040
User fees.....	15,032	-	-	15,032
Departmental and other.....	205,854	-	140,056	345,910
Special assessments.....	550,191	-	-	550,191
Intergovernmental.....	-	383,265	395,352	778,617
Tax foreclosures.....	686,467	-	-	686,467
	<u>686,467</u>	<u>383,265</u>	<u>395,352</u>	<u>686,467</u>
Total.....	\$ <u>2,527,977</u>	\$ <u>406,535</u>	\$ <u>535,408</u>	\$ <u>3,469,920</u>

NOTE 4 – CAPITAL ASSETS

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

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 32,827,610	\$ 54,340	\$ -	\$ 32,881,950
Construction in progress.....	1,921,539	14,920,036	(964,211)	15,877,364
Total capital assets not being depreciated.....	<u>34,749,149</u>	<u>14,974,376</u>	<u>(964,211)</u>	<u>48,759,314</u>
<u>Capital assets being depreciated:</u>				
Buildings.....	53,581,114	434,210	-	54,015,324
Infrastructure.....	19,278,944	388,214	(288,967)	19,378,191
Vehicles.....	6,663,934	687,703	(408,483)	6,943,154
Computers.....	1,510,225	555,922	(171,284)	1,894,863
Furniture, fixtures and equipment.....	2,204,396	220,684	-	2,425,080
Improvements.....	10,261,269	74,002	-	10,335,271
Library books.....	746,570	116,457	(103,851)	759,176
School books.....	400,462	145,027	(159,627)	385,862
Total capital assets being depreciated.....	<u>94,646,914</u>	<u>2,622,219</u>	<u>(1,132,212)</u>	<u>96,136,921</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	(14,240,233)	(1,231,584)	-	(15,471,817)
Infrastructure.....	(10,989,751)	(797,165)	288,967	(11,497,949)
Vehicles.....	(4,381,161)	(520,936)	408,483	(4,493,614)
Computers.....	(500,321)	(340,509)	171,284	(669,546)
Furniture, fixtures and equipment.....	(1,564,257)	(181,723)	-	(1,745,980)
Improvements.....	(7,591,667)	(281,424)	-	(7,873,091)
Library books.....	(368,637)	(107,553)	103,851	(372,339)
School books.....	(222,073)	(116,897)	159,627	(179,343)
Total accumulated depreciation.....	<u>(39,858,100)</u>	<u>(3,577,791)</u>	<u>1,132,212</u>	<u>(42,303,679)</u>
Total capital assets being depreciated, net.....	<u>54,788,814</u>	<u>(955,572)</u>	<u>-</u>	<u>53,833,242</u>
Total governmental activities capital assets, net.....	<u>\$ 89,537,963</u>	<u>\$ 14,018,804</u>	<u>\$ (964,211)</u>	<u>\$ 102,592,556</u>

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water Enterprise Fund Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,849,437	\$ -	\$ -	\$ 2,849,437
Construction in progress.....	4,403,963	442,171	(3,982,178)	863,956
Total capital assets not being depreciated.....	<u>7,253,400</u>	<u>442,171</u>	<u>(3,982,178)</u>	<u>3,713,393</u>
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	16,742,278	3,982,178	-	20,724,456
Equipment and motor vehicles.....	384,600	57,764	(24,946)	417,418
Total capital assets being depreciated.....	<u>17,126,878</u>	<u>4,039,942</u>	<u>(24,946)</u>	<u>21,141,874</u>
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(8,489,260)	(852,490)	-	(9,341,750)
Equipment and motor vehicles.....	(663,754)	(22,829)	24,946	(661,637)
Total accumulated depreciation.....	<u>(9,153,014)</u>	<u>(875,319)</u>	<u>24,946</u>	<u>(10,003,387)</u>
Total capital assets being depreciated, net.....	<u>7,973,864</u>	<u>3,164,623</u>	<u>-</u>	<u>11,138,487</u>
Total Water Enterprise capital assets.....	<u>\$ 15,227,264</u>	<u>\$ 3,606,794</u>	<u>\$ (3,982,178)</u>	<u>\$ 14,851,880</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Percy Walker Pool Enterprise Fund Activities:				
<u>Capital assets being depreciated:</u>				
Buildings.....	\$ 2,380,219	\$ -	\$ -	\$ 2,380,219
<u>Less accumulated depreciation for:</u>				
Buildings.....	(29,753)	(59,505)	-	(89,258)
Total Percy Walker Pool Enterprise capital assets.....	<u>\$ 2,350,466</u>	<u>\$ (59,505)</u>	<u>\$ -</u>	<u>\$ 2,290,961</u>

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

Governmental Activities:

General government.....	\$ 70,441
Public safety.....	322,261
Education.....	1,734,385
Public works.....	1,003,711
Culture and recreation.....	354,639
Community preservation.....	92,172
Human services.....	<u>182</u>

Total depreciation expense - governmental activities..... \$ 3,577,791

Business-Type Activities:

Water.....	\$ 875,319
Percy Walker Pool.....	<u>59,505</u>

Total depreciation expense - business-type activities..... \$ 934,824

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<i>Governmental Activities:</i>		
General	Highway Improvements.....	\$ 17,498
General	Town Revolving.....	<u>89,583</u>
	Total Governmental.....	<u><u>\$ 107,081</u></u>
<i>Business-Type Activities:</i>		
Water	Percy Walker Pool Enterprise.....	<u><u>\$ 4,660</u></u>

As of June 30, 2012, the Town has governmental and business-type interfund receivables and payables totaling \$107,081 and \$4,660, respectively. The purpose of these balances is to cover short-term cash needs that will be funded by future grant proceeds.

Interfund transfers

Transfers Out:	Transfers In:				
	General Fund	Fire Station	Crematory	Percy Walker Pool Enterprise Fund	Total
General Fund.....	\$ -	\$ 150,000	\$ 66,955	\$ 247,156	\$ 464,111 (1)
Nonmajor Governmental Funds.....	49,962	-	-	-	49,962 (2)
Water Enterprise Fund.....	117,871	-	-	-	117,871 (3)
Percy Walker Pool Enterprise Fund..	19,589	-	-	-	19,589 (3)
Total.....	\$ 187,422	\$ 150,000	\$ 66,955	\$ 247,156	\$ 651,533

- (1) Represents a transfer of principal payments from the General Fund for debt related to the fire station capital project, a transfer from the stabilization fund to crematory capital projects, a transfer of principal and interest payments from the General Fund for debt related to the Percy Walker Pool Enterprise Fund.
- (2) Represents a budgeted transfer to the General Fund from the Pension Reserve account within the nonmajor governmental funds.
- (3) Represents budgeted transfers to the General Fund from the Water and Percy Walker Pool Enterprise funds for health insurance costs.

NOTE 6 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the fiscal year ended June 30, 2012, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2011	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2012
<i>Governmental Funds</i>							
BAN	Municipal Purpose.....	1.50%	6/28/2012	\$ 2,665,000	\$ -	\$ (2,665,000)	\$ -
BAN	Municipal Purpose.....	1.00%	9/14/2012	-	14,383,000	(14,383,000)	- (1)
BAN	Municipal Purpose.....	0.50%	9/14/2012	-	2,515,000	(1,715,000)	800,000 (1)
Total.....				\$ 2,665,000	\$ 16,898,000	\$ (18,763,000)	\$ 800,000

(1) On September 14, 2012 the Town issued long-term bonds totaling \$83,447,000, of which \$16,098,000 was used to retire outstanding BANS. The Town has recognized the \$16,098,000 in bond proceeds and has recorded the corresponding debt as long-term as of June 30, 2012. The remaining \$800,000 BAN was retired upon maturity with available funds.

NOTE 7 – LONG-TERM DEBT

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

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

General Obligation Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
MWPAT 1997.....	2017	\$ 650,000	5.27	\$ 233,885	\$ -	\$ (36,164)	\$ 197,721
MWPAT 2001 Title V.....	2019	195,676	4.50	86,956	-	(10,872)	76,084
MWPAT 2004 Title V.....	2021	192,582	3.30-5.25	107,112	-	(10,690)	96,422
Municipal Purpose Loans of 2002.....	2017	2,183,000	3.50-4.50	855,000	-	(145,000)	710,000
Municipal Purpose Loans of 2003.....	2023	1,338,000	3.10-4.00	630,000	-	(80,000)	550,000
Municipal Purpose Loans of 2006.....	2021	13,035,000	4.00	8,655,000	-	(870,000)	7,785,000
Municipal Purpose Loans of 2007.....	2012	84,000	4.00	5,000	-	(5,000)	-
Municipal Purpose Loans of 2009.....	2017	125,000	3.00-3.85	80,000	-	(15,000)	65,000
Municipal Purpose Refunding Loans of 2009..	2017	1,300,000	3.00-3.85	940,000	-	(170,000)	770,000
Municipal Purpose Loans of 2010.....	2023	787,000	3.10-4.00	645,000	-	(140,000)	505,000
Municipal Purpose Loans of 2013.....	2038	83,447,000	3.00-4.00	-	16,098,000	-	16,098,000
Total Bonds Payable.....				\$ 12,237,953	\$ 16,098,000	\$ (1,482,726)	\$ 26,853,227

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

Fiscal Year	Principal	Interest	Total
2013.....	\$ 1,363,792	\$ 416,853	\$ 1,780,645
2014.....	1,903,220	1,169,626	3,072,846
2015.....	2,101,563	836,229	2,937,792
2016.....	2,008,860	762,393	2,771,253
2017.....	2,005,111	688,621	2,693,732
2018.....	1,668,151	616,422	2,284,573
2019.....	1,662,186	549,807	2,211,993
2020.....	1,651,318	482,093	2,133,411
2021.....	1,651,530	413,935	2,065,465
2022.....	775,628	364,112	1,139,740
2023.....	770,628	333,133	1,103,761
2024.....	723,699	306,794	1,030,493
2025.....	723,699	281,509	1,005,208
2026.....	688,699	256,179	944,878
2027.....	688,699	235,518	924,217
2028.....	688,699	211,414	900,113
2029.....	607,676	185,486	793,162
2030.....	607,676	161,179	768,855
2031.....	607,676	136,872	744,548
2032.....	607,676	112,565	720,241
2033.....	607,676	91,296	698,972
2034.....	547,873	73,962	621,835
2035.....	547,873	57,526	605,399
2036.....	547,873	41,090	588,963
2037.....	547,873	24,654	572,527
2038.....	547,873	8,216	556,089
Totals.....	\$ <u>26,853,227</u>	\$ <u>8,817,484</u>	\$ <u>35,670,711</u>

General Obligation Bonds Payable Schedule – Water Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2011	Issued	Redeemed	Outstanding at June 30, 2012
Municipal Purpose Loans of 1998.....	2014	\$ 2,753,000	3.89	\$ 300,000	\$ -	\$ (100,000)	\$ 200,000
Municipal Purpose Loans of 2001.....	2012	225,000	3.50-4.50	20,000	-	(20,000)	-
Municipal Purpose Loans of 2003.....	2013	623,000	3.10	110,000	-	(55,000)	55,000
Municipal Purpose Loans of 2004.....	2014	1,500,000	2.00-4.00	450,000	-	(150,000)	300,000
Municipal Purpose Loans of 2006.....	2016	500,000	4.00	250,000	-	(50,000)	200,000
Municipal Purpose Loans of 2007.....	2012	476,000	4.00	95,000	-	(95,000)	-
Municipal Purpose Loans of 2008.....	2014	1,700,000	3.00-3.85	1,325,000	-	(125,000)	1,200,000
MWPAT 2009.....	2029	3,150,000	2.00	2,878,610	-	(134,197)	2,744,413
Total Bonds Payable.....				\$ <u>5,428,610</u>	\$ -	\$ <u>(729,197)</u>	\$ <u>4,699,413</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013.....	\$ 611,908	\$ 119,727	\$ 731,635
2014.....	559,674	99,905	659,579
2015.....	312,495	83,875	396,370
2016.....	315,374	75,097	390,471
2017.....	268,311	66,961	335,272
2018.....	266,307	59,702	326,009
2019.....	259,364	52,664	312,028
2020.....	262,482	45,556	308,038
2021.....	265,664	38,331	303,995
2022.....	263,909	31,139	295,048
2023.....	237,221	24,555	261,776
2024.....	170,599	19,828	190,427
2025.....	174,045	16,382	190,427
2026.....	177,561	12,866	190,427
2027.....	181,149	9,279	190,428
2028.....	184,808	5,619	190,427
2029.....	188,542	1,885	190,427
Totals.....	\$ <u>4,699,413</u>	\$ <u>763,371</u>	\$ <u>5,462,784</u>

General Obligation Bonds Payable Schedule – Percy Walker Pool Enterprise Fund

<u>Project</u>	<u>Maturities Through</u>	<u>Original Loan Amount</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2011</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2012</u>
Municipal Purpose Loans of 2010.....	2025	\$ 2,363,000	2.00-5.00	\$ <u>2,195,000</u>	\$ -	\$ <u>(165,000)</u>	\$ <u>2,030,000</u>

Debt service requirements for principal and interest for the Percy Walker pool enterprise fund bonds payable in future fiscal years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013.....	\$ 160,000	\$ 61,138	\$ 221,138
2014.....	160,000	57,938	217,938
2015.....	160,000	54,738	214,738
2016.....	155,000	51,538	206,538
2017.....	155,000	48,438	203,438
2018.....	155,000	40,688	195,688
2019.....	155,000	36,038	191,038
2020.....	155,000	29,838	184,838
2021.....	155,000	25,188	180,188
2022.....	155,000	20,538	175,538
2023.....	155,000	15,694	170,694
2024.....	155,000	10,656	165,656
2025.....	155,000	5,420	160,420
Totals.....	<u>\$ 2,030,000</u>	<u>\$ 457,850</u>	<u>\$ 2,487,850</u>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$56,904 and interest costs for \$74,532. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$319,068. Since the Town is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The fiscal year 2012 principal and interest subsidies totaled approximately \$9,800 and \$19,200, respectively.

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

<u>Purpose</u>	<u>Amount</u>
Police Station Construction.....	\$ 1,569,000
School Feasibility Study.....	1,950,000
School Construction.....	116,505,034
School Field House.....	5,866,127
School Central Office.....	435,000
Powder Point Bridge.....	2,400,000
Water Mains.....	<u>925,000</u>
Total.....	<u>\$ 129,650,161</u>

Changes in Long-term Liabilities

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

Long term liabilities related to both governmental and business-type activities are normally paid from the general fund and enterprise funds, respectively.

	Balance June 30, 2011	Bonds Issued	Bonds Redeemed	Other Increases	Other Decreases	Balance June 30, 2012	Due Within One Year
Governmental Activities:							
Long-Term Bonds.....	\$ 12,237,953	\$ 16,098,000	\$ (1,482,726)	\$ -	\$ -	\$ 26,853,227	\$ 1,363,792
Other Postemployment Benefits.....	15,252,000	-	-	7,584,000	(2,258,000)	20,578,000	-
Compensated Absences.....	1,300,000	-	-	1,096,000	(1,043,000)	1,353,000	1,074,000
Total governmental activity long-term liabilities.....	<u>\$ 28,789,953</u>	<u>\$ 16,098,000</u>	<u>\$ (1,482,726)</u>	<u>\$ 8,680,000</u>	<u>\$ (3,301,000)</u>	<u>\$ 48,784,227</u>	<u>\$ 2,437,792</u>
Business-Type Activities:							
Long-Term Bonds.....	\$ 7,623,610	\$ -	\$ (894,197)	\$ -	\$ -	\$ 6,729,413	\$ 771,908
Other Postemployment Benefits.....	303,000	-	-	87,000	(1,000)	389,000	-
Compensated Absences.....	41,000	-	-	35,000	(33,000)	43,000	35,000
Total business-type activity long-term liabilities.....	<u>\$ 7,967,610</u>	<u>\$ -</u>	<u>\$ (894,197)</u>	<u>\$ 122,000</u>	<u>\$ (34,000)</u>	<u>\$ 7,161,413</u>	<u>\$ 806,908</u>

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

As of June 30, 2012, the governmental fund balances consisted of the following:

	General	Community Preservation Act	Co-located School	Fire Station	Police Station	Crematory	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES								
Nonspendable:								
Town services fund.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	2,034,870	\$ 2,034,870
Restricted for:								
Community Preservation Act.....	-	2,041,001	-	-	-	-	-	2,041,001
Co-located School.....	-	-	2,184,746	-	-	-	-	2,184,746
Fire Station.....	-	-	-	436,882	-	-	-	436,882
Police Station.....	-	-	-	-	3,512,186	-	-	3,512,186
Crematory.....	-	-	-	-	-	233,292	-	233,292
School lunch.....	-	-	-	-	-	-	176,791	176,791
School gift and grant funds.....	-	-	-	-	-	-	667,677	667,677
School revolving.....	-	-	-	-	-	-	873,522	873,522
Recreation revolving.....	-	-	-	-	-	-	12,909	12,909
Receipts reserved for appropriations..	-	-	-	-	-	-	109,365	109,365
Town gifts and grants.....	-	-	-	-	-	-	272,363	272,363
Town revolving.....	-	-	-	-	-	-	31,765	31,765
Affordable housing.....	-	-	-	-	-	-	153,890	153,890
Special revenue trust funds.....	-	-	-	-	-	-	133,781	133,781
Miscellaneous small projects.....	-	-	-	-	-	-	41,463	41,463
Town services fund.....	-	-	-	-	-	-	782,504	782,504
Committed for:								
General government.....	159,902	-	-	-	-	-	-	159,902
Public safety.....	1,774	-	-	-	-	-	-	1,774
Education.....	2,050	-	-	-	-	-	-	2,050
Public works.....	124,708	-	-	-	-	-	-	124,708
Culture and recreation.....	35,948	-	-	-	-	-	-	35,948
Pension reserve.....	833,207	-	-	-	-	-	-	833,207
Unemployment.....	174,717	-	-	-	-	-	-	174,717
Assigned to:								
General government.....	40,506	-	-	-	-	-	-	40,506
Public safety.....	2,561	-	-	-	-	-	-	2,561
Education.....	224,110	-	-	-	-	-	-	224,110
Public works.....	38,385	-	-	-	-	-	-	38,385
Human services.....	21,460	-	-	-	-	-	-	21,460
Culture and recreation.....	4,820	-	-	-	-	-	-	4,820
Balance the FY2013 capital budget....	1,366,388	-	-	-	-	-	-	1,366,388
Unassigned.....	7,868,426	-	-	-	-	-	(255,726)	7,612,700
TOTAL FUND BALANCES.....	\$ 10,898,962	\$ 2,041,001	\$ 2,184,746	\$ 436,882	\$ 3,512,186	\$ 233,292	\$ 5,035,174	\$ 24,342,243

Massachusetts General Law Ch.40 §5B allows for the establishment of Stabilization funds for one or more different purposes on an as needed basis. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. The stabilization fund balance can be used for general and/or capital purposes upon approval of Town Meeting. Additions to and withdrawals from the funds can only be made upon Town Meeting approval. In accordance with Massachusetts General Law the Town has established a general stabilization fund, a pension reserve fund, and an unemployment trust fund.

At year end the balance of the general stabilization fund is \$2,273,256 and is reported as unassigned fund balance within the general fund; the balance of the pension trust stabilization fund is \$838,847 and is reported as committed fund balance within the general fund; the balance of the unemployment trust stabilization fund is \$176,061 and is reported as committed fund balance within the general fund. The pension trust fund is distinct and separate from the System information in Note 11. The purpose of the fund is to provide a reserve to meet future annual contributions to the Pension System.

NOTE 9 – COMMUNITY PRESERVATION FUNDS

In March of 2001, the Town approved the Community Preservation Act (CPA) which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The CPA requires that the Town spend or set aside for later spending a minimum of 10% of annual revenues for open space, a minimum of 10% of annual revenues for historic resources and a minimum of 10% of annual revenues for community housing.

In accordance with the CPA, the Town has approved a bylaw establishing a Community Preservation Committee (CPC) to study the needs, possibilities and resources of the Town regarding community preservation and to make recommendations for Town Meeting approval to fund eligible projects using CPA funds.

As of June 30, 2012, the CPA fund has a balance of \$2,041,001 and is reported as a major fund in the governmental funds financial statements.

NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is self-insured for employee health insurance and workers' compensation activities. These activities are accounted for in the Town's Internal Service Fund where revenues are recorded when earned and expenditures recorded when the liability is incurred.

(a) *Employee Health Insurance*

The Town estimates its Incurred But Not Reported (IBNR) claims based on a multiyear analysis of average claims paid. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$85,000 per claim. At June 30, 2012, the amount of the liability for health insurance claims totaled \$965,102. This liability is the Town's best estimate based on available information. The Town has elected to record a conservative estimate using the high range of the estimated potential liability. Changes in the reported liability since July 1, 2010, are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Fiscal Year-End
Fiscal Year 2011..... \$	919,050	\$ 9,437,949	\$ (9,437,949)	\$ 919,050
Fiscal Year 2012.....	919,050	9,697,066	(9,651,014)	965,102

(b) *Workers' Compensation*

Workers' compensation claims are administered by a third party administrator and are funded on a pay-as-you-go basis from annual appropriations. The estimated future workers' compensation liability is based on history and injury type.

At June 30, 2012, the amount of the liability for workers' compensation claims was immaterial and is therefore not reported.

NOTE 11 – PENSION PLAN

Plan Description - The Town contributes to the Plymouth County Contributory Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth County Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$6,666,000 for the fiscal year ended June 30, 2012, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Plymouth County Contributory Retirement Board and are borne by the System. The System issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth's PERAC. That report may be obtained by contacting the System located at 10 Cordage Park Circle, Suite 234, North Plymouth, Massachusetts 02360.

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town's contributions to the System for the fiscal years ended June 30, 2012, 2011, and 2010 were \$2,134,651, \$2,174,974, and \$1,905,038, respectively, which equaled its required contribution for each fiscal year.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and inflation. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Additionally, the schedule of employer contributions, presented as required supplementary information, following the notes to the basic financial statements, presents multiyear trend information for required and actual contributions relating to the cost-sharing plan as a whole, of which the Town is one participating employer, as well as the Town's proportionate share of the plan's annual contributions. This information is designed to be helpful for understanding the scale of the information presented relative to the Town.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Duxbury administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town's group health and life insurance plans, which covers both active and retired members.

Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50% of their premium costs. For fiscal year 2012, the Town contributed approximately \$2.3 million to the plan.

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

Annual Required Contribution.....	\$	7,683,000
Interest on net OPEB obligation.....		622,000
Adjustment to annual required contribution.....		<u>(634,000)</u>
Annual OPEB Cost (expense).....		7,671,000
Annual Employer Contributions.....		<u>(2,259,000)</u>
Increase/Decrease in net OPEB obligation.....		5,412,000
Net OPEB obligation - beginning of year.....		<u>15,555,000</u>
Net OPEB obligation - end of year.....	\$	<u><u>20,967,000</u></u>

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 7,671,000	29%	\$ 20,967,000
6/30/2011	6,488,000	32%	15,555,000
6/30/2010	6,083,000	32%	11,135,000

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

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2012	\$ -	\$ 87,999,907	\$ 87,999,907	0%	\$ 37,469,000	234.9%
7/1/2009	-	66,675,309	66,675,309	0%	36,043,157	185.0%
7/1/2007	-	86,336,643	86,336,643	0%	33,452,281	258.1%

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

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

In the June 30, 2012 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.00% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date; 3.25% projected salary increases; and an annual medical/drug cost trend rate of 8.5% initially, graded to 6% over 10 years and included a 3.25% inflation assumption. The UAAL is being amortized over a closed 30 year period using a level dollar amount with amortization payments increasing at 4.25% per year. The remaining amortization period at June 30, 2012 is 27 years.

NOTE 13 – COMMITMENTS

During fiscal year 2012, the Town voted to approve three new capital projects, one of which, the construction of the new High School/Middle School is outside of the limitations of Proposition 2½. In relation to these approvals, the Town has entered into, or is planning to enter into, contracts totaling \$130.1 million in relation to the rehabilitation of Powder Point Bridge (\$2.4 million), installation of water mains on Pine Street (\$925,000), and the construction of a new high school and middle school (\$126.1 million).

As of June 30, 2012, the Town also had ongoing contracts and commitments related to the construction of the new crematory and police station along with the renovations to the fire station. These projects are expected to be completed during fiscal year 2013.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2012, these

programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

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

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

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

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

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

- The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #65, *Items Previously Reported as Assets and Liabilities*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*, which is required to be implemented in fiscal year 2013.
- The GASB issued Statement #67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, which is required to be implemented in fiscal year 2014.
- The GASB issued Statement #68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*, which is required to be implemented in fiscal year 2015.
- The GASB issued Statement #69, *Government Combinations and Disposals of Government Operations*, which is required to be implemented in fiscal year 2015.

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

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts					Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget				
REVENUES:								
Real estate and personal property taxes,								
net of tax refunds.....	\$ -	\$ 43,853,939	\$ 43,853,939	\$ 43,868,128	\$ 43,971,470	\$ -	\$ -	103,342
Tax and trash liens.....	-	-	-	-	90,207	-	-	90,207
Motor vehicle and other excise taxes.....	-	1,835,000	1,835,000	1,835,000	2,304,289	-	-	469,289
Sewer charges.....	-	260,000	260,000	260,000	304,243	-	-	44,243
Trash disposal.....	-	540,000	540,000	540,000	604,833	-	-	64,833
Intergovernmental.....	-	5,362,909	5,362,909	5,362,909	5,408,132	-	-	45,223
Departmental and other.....	-	3,614,000	3,614,000	3,614,000	4,838,058	-	-	1,224,058
Investment income.....	-	160,000	160,000	160,000	159,341	-	-	(659)
TOTAL REVENUES.....	-	55,625,848	55,625,848	55,640,037	57,680,573	-	-	2,040,536
EXPENDITURES:								
Current:								
General government								
Town Meeting								
Expenditures.....	513	3,600	4,113	4,663	4,234	-	-	429
Town Moderator								
Salaries.....	-	40	40	40	-	-	-	40
Selectmen								
Salaries.....	-	247,859	247,859	253,001	250,298	-	-	2,703
Expenditures.....	35	19,200	19,235	24,035	14,277	708	708	9,050
Articles.....	15,375	410,000	425,375	425,375	410,100	15,275	15,275	-
Total.....	15,410	677,059	692,469	702,411	674,675	15,983	15,983	11,753
Finance Committee								
Expenditures.....	-	500	500	500	299	-	-	201
Information Systems								
Salaries.....	-	60,750	60,750	58,965	58,965	-	-	-
Expenditures.....	18,565	188,469	207,034	210,634	195,297	11,543	11,543	3,794
Articles.....	35,777	140,895	176,672	176,672	53,800	122,872	122,872	-
Total.....	54,342	390,114	444,456	446,271	308,062	134,415	134,415	3,794
Finance Director								
Salaries.....	-	97,625	97,625	100,045	100,045	-	-	-
Expenditures.....	-	2,675	2,675	2,675	2,657	-	-	18
Total.....	-	100,300	100,300	102,720	102,702	-	-	18
Accounting								
Salaries.....	-	204,316	204,316	206,064	205,641	-	-	423
Expenditures.....	-	8,230	8,230	8,230	6,328	-	-	1,902
Total.....	-	212,546	212,546	214,294	211,969	-	-	2,325
Audit								
Expenditures.....	-	41,700	41,700	41,700	41,700	-	-	-
Assessor								
Salaries.....	-	224,184	224,184	198,241	198,241	-	-	-
Expenditures.....	50	22,045	22,095	28,095	27,708	-	-	387
Articles.....	5,067	-	5,067	5,067	2,329	2,738	2,738	-
Total.....	5,117	246,229	251,346	231,403	228,278	2,738	2,738	387
Treasurer/Collector								
Salaries.....	-	255,478	255,478	253,060	252,075	-	-	985
Expenditures.....	-	55,750	55,750	55,750	51,932	2,630	2,630	1,188
Total.....	-	311,228	311,228	308,810	304,007	2,630	2,630	2,173
Legal								
Expenditures.....	850	262,000	262,850	323,226	301,667	21,559	21,559	-
Articles.....	-	-	-	423	423	-	-	-
Total.....	850	262,000	262,850	323,649	302,090	21,559	21,559	-

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts					Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget	Actual		
Human Resources							
Salaries.....	-	63,881	63,881	65,420	65,420	-	-
Expenditures.....	190	17,550	17,740	24,960	22,619	1,390	951
Articles.....	5,600	80,000	85,600	14,655	500	14,155	-
Total.....	5,790	161,431	167,221	105,035	88,539	15,545	951
Town Clerk							
Salaries.....	-	118,893	118,893	124,032	120,629	-	3,403
Expenditures.....	343	3,100	3,443	3,443	3,357	-	86
Total.....	343	121,993	122,336	127,475	123,986	-	3,489
Election/Registration							
Salaries.....	-	15,838	15,838	16,699	16,699	-	-
Expenditures.....	262	17,190	17,452	17,452	15,008	2,423	21
Total.....	262	33,028	33,290	34,151	31,707	2,423	21
Conservation							
Salaries.....	-	122,016	122,016	124,991	123,229	-	1,762
Expenditures.....	3,325	12,260	15,585	15,585	15,521	-	64
Total.....	3,325	134,276	137,601	140,576	138,750	-	1,826
Planning Board							
Salaries.....	-	105,314	105,314	105,314	105,305	-	9
Expenditures.....	144	10,850	10,994	10,994	8,269	253	2,472
Articles.....	4,862	-	4,862	4,862	-	4,862	-
Total.....	5,006	116,164	121,170	121,170	113,574	5,115	2,481
Tax Title							
Expenditures.....	-	15,000	15,000	15,000	3,271	-	11,729
Articles.....	-	-	-	155	155	-	-
Total.....	-	15,000	15,000	15,155	3,426	-	11,729
Historical Commission							
Expenditures.....	-	200	200	200	84	-	116
Total General Government.....	90,958	2,827,408	2,918,366	2,920,223	2,678,082	200,408	41,733
Public safety							
Police							
Salaries.....	155,249	2,857,562	3,012,811	2,965,408	2,817,225	-	148,183
Expenditures.....	4,274	231,750	236,024	439,963	435,351	634	3,978
Articles.....	3,000	12,414	15,414	15,414	12,075	-	3,339
Total.....	162,523	3,101,726	3,264,249	3,420,785	3,264,651	634	155,500
Fire							
Salaries.....	-	2,157,713	2,157,713	2,210,389	2,170,267	104	40,018
Expenditures.....	1,734	251,200	252,934	297,172	294,491	79	2,602
Articles.....	-	41,600	41,600	41,600	41,594	-	6
Total.....	1,734	2,450,513	2,452,247	2,549,161	2,506,352	183	42,626
Inspectional Services							
Salaries.....	-	388,343	388,343	388,343	378,252	-	10,091
Expenditures.....	140	25,200	25,340	25,340	22,552	1,283	1,505
Total.....	140	413,543	413,683	413,683	400,804	1,283	11,596
Harbormaster/Beach Management							
Salaries.....	-	217,829	217,829	227,105	212,172	-	14,933
Expenditures.....	-	21,800	21,800	22,516	20,976	461	1,079
Articles.....	7,629	42,253	49,882	49,882	46,025	1,774	2,083
Total.....	7,629	281,882	289,511	299,503	279,173	2,235	18,095
Total Public Safety.....	172,026	6,247,664	6,419,690	6,683,132	6,450,980	4,335	227,817
Education							
Expenditures.....	259,199	28,946,458	29,205,657	29,199,911	28,927,289	224,110	48,512
Articles.....	-	434,275	434,275	440,021	429,683	2,050	8,288
Total.....	259,199	29,380,733	29,639,932	29,639,932	29,356,972	226,160	56,800

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts					Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget				
Public Works								
DPW Management								
Salaries.....	-	251,053	251,053	254,776	254,737	-	39	
Expenditures.....	150	27,350	27,500	27,500	25,103	-	2,397	
Articles.....	80,738	-	80,738	80,738	6,176	74,562	-	
Total.....	80,888	278,403	359,291	363,014	286,016	74,562	2,436	
Vehicle Maintenance								
Salaries.....	-	152,164	152,164	146,508	137,993	30	8,485	
Expenditures.....	-	118,000	118,000	118,000	117,471	18	511	
Total.....	-	270,164	270,164	264,508	255,464	48	8,996	
Highway Department								
Salaries.....	-	427,118	427,118	437,508	434,260	-	3,248	
Expenditures.....	-	65,000	65,000	65,000	57,781	3,035	4,184	
Articles.....	-	322,000	322,000	322,000	319,659	-	2,341	
Total.....	-	814,118	814,118	824,508	811,700	3,035	9,773	
Snow & Ice								
Salaries.....	-	60,000	60,000	60,000	28,540	-	31,460	
Expenditures.....	-	110,000	110,000	110,000	92,017	-	17,983	
Total.....	-	170,000	170,000	170,000	120,557	-	49,443	
Fuel Depot								
Expenditures.....	-	212,500	212,500	292,500	288,642	-	3,858	
Land & Natural Resources								
Salaries.....	-	366,862	366,862	340,459	329,643	128	10,688	
Expenditures.....	390	42,000	42,390	42,390	41,087	87	1,216	
Articles.....	8,706	149,500	158,206	158,207	151,474	-	6,733	
Total.....	9,096	558,362	567,458	541,056	522,204	215	18,637	
Street Lights								
Expenditures.....	-	38,000	38,000	38,000	35,297	-	2,703	
Transfer Station								
Salaries.....	-	218,225	218,225	219,968	207,226	-	12,742	
Expenditures.....	35,232	546,100	581,332	581,332	538,173	27,886	15,273	
Total.....	35,232	764,325	799,557	801,300	745,399	27,886	28,015	
Sewer Department								
Salaries.....	-	15,311	15,311	15,523	15,423	-	100	
Expenditures.....	8,500	210,500	219,000	219,000	185,658	2,451	30,891	
Total.....	8,500	225,811	234,311	234,523	201,081	2,451	30,991	
Cemetery								
Salaries.....	-	368,015	368,015	378,978	378,878	-	100	
Expenditures.....	5,642	158,820	164,462	164,462	157,644	1,950	4,868	
Articles.....	95,552	15,000	110,552	110,552	64,250	44,444	1,858	
Total.....	101,194	541,835	643,029	653,992	600,772	46,394	6,826	
Central Building								
Salaries.....	-	58,227	58,227	58,777	56,559	-	2,218	
Expenditures.....	5,553	257,500	263,053	263,053	248,601	1,600	12,852	
Articles.....	18,368	55,000	73,368	73,368	67,166	5,702	500	
Total.....	23,921	370,727	394,648	395,198	372,326	7,302	15,570	
Animal Control								
Salaries.....	-	54,092	54,092	58,245	57,920	-	325	
Expenditures.....	-	9,250	9,250	9,250	7,481	29	1,740	
Articles.....	-	23,000	23,000	23,000	23,000	-	-	
Total.....	-	86,342	86,342	90,495	88,401	29	2,065	
Building Maintenance								
Expenditures.....	391	-	391	391	391	-	-	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts					Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget				
Tarklin Building								
Expenditures.....	68	16,200	16,268	16,268	7,551	1,171	7,546	
Total Public Works.....	259,290	4,346,787	4,606,077	4,685,753	4,335,801	163,093	186,859	
Human services								
Council on Aging								
Salaries.....	-	342,372	342,372	345,889	344,655	-	1,234	
Expenditures.....	2,150	117,700	119,850	119,850	97,664	20,349	1,837	
Articles.....	-	7,000	7,000	7,000	6,971	-	29	
Total.....	2,150	467,072	469,222	472,739	449,290	20,349	3,100	
Veterans								
Salaries.....	-	18,000	18,000	23,100	23,100	-	-	
Expenditures.....	507	87,325	87,832	87,832	75,884	1,111	10,837	
Total.....	507	105,325	105,832	110,932	98,984	1,111	10,837	
Plymouth County Cooperative								
Expenditures.....	-	200	200	200	200	-	-	
Total Human Services.....	2,657	572,597	575,254	583,871	548,474	21,460	13,937	
Culture and Recreation								
Library								
Salaries.....	6,237	872,074	878,311	900,642	894,385	-	6,257	
Expenditures.....	4,512	300,261	304,773	329,740	312,102	4,422	13,216	
Articles.....	5,058	6,000	11,058	11,058	5,035	6,023	-	
Total.....	15,807	1,178,335	1,194,142	1,241,440	1,211,522	10,445	19,473	
Recreation								
Salaries.....	-	141,542	141,542	143,988	143,577	-	411	
Expenditures.....	-	1,150	1,150	1,150	504	-	646	
Articles.....	-	30,000	30,000	30,000	75	29,925	-	
Total.....	-	172,692	172,692	175,138	144,156	29,925	1,057	
North Hill								
Expenditures.....	-	2,000	2,000	2,000	522	398	1,080	
Articles.....	6,033	40,000	46,033	46,033	44,536	-	1,497	
Total.....	6,033	42,000	48,033	48,033	45,058	398	2,577	
Lifeguards								
Salaries.....	-	16,770	16,770	16,770	15,417	-	1,353	
Expenditures.....	-	650	650	650	583	-	67	
Total.....	-	17,420	17,420	17,420	16,000	-	1,420	
Public Celebrations								
Expenditures.....	-	5,000	5,000	5,000	1,779	-	3,221	
Total Culture and Recreation.....	21,840	1,415,447	1,437,287	1,487,031	1,418,515	40,768	27,748	
Pension Benefits								
Contributory Retirement.....	-	2,134,651	2,134,651	2,134,651	2,134,651	-	-	
Non-Contributory Retirement.....	-	20,000	20,000	20,000	19,946	-	54	
Total.....	-	2,154,651	2,154,651	2,154,651	2,154,597	-	54	
Property and Liability Insurance.....	-	261,850	261,850	261,850	186,966	-	74,884	
Employee Benefits.....	-	7,093,810	7,093,810	7,093,810	6,806,418	-	287,392	
Reserve fund.....	-	100,000	100,000	15,820	-	-	15,820	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts					Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget	Actual		
State and County Charges.....	-	310,092	310,092	310,092	327,562	-	(17,470)
Debt Service							
Debt Service Principal.....	-	1,632,726	1,632,726	1,482,726	1,482,726	-	-
Debt Service Interest.....	-	502,161	502,161	491,173	490,334	-	839
Total.....	-	2,134,887	2,134,887	1,973,899	1,973,060	-	839
TOTAL EXPENDITURES.....	805,970	56,845,926	57,651,896	57,810,064	56,237,427	656,224	916,413
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(805,970)	(1,220,078)	(2,026,048)	(2,170,027)	1,443,146	(656,224)	2,956,949
OTHER FINANCING SOURCES (USES):							
Premium from issuance of bonds.....	-	-	-	-	29,606	-	29,606
Transfers in.....	-	201,035	201,035	244,538	250,997	-	6,459
Transfers out.....	-	(229,438)	(229,438)	(797,156)	(797,156)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	(28,403)	(28,403)	(552,618)	(516,553)	-	36,065
NET CHANGE IN FUND BALANCE.....	(805,970)	(1,248,481)	(2,054,451)	(2,722,645)	926,593	(656,224)	2,993,014
BUDGETARY FUND BALANCE, Beginning of year....	-	6,481,212	6,481,212	6,481,212	6,481,212	-	-
BUDGETARY FUND BALANCE, End of year..... \$	(805,970)	\$ 5,232,731	\$ 4,426,761	\$ 3,758,567	\$ 7,407,805	\$ (656,224)	\$ 2,993,014

(Concluded)

See notes to required supplementary information.

Retirement System Schedules of Funding Progress and Employer Contributions

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

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

PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/11	\$ 666,730,812	\$ 1,187,447,414	\$ 520,716,602	56.1%	\$ 228,289,638	228.1%
01/01/10	673,709,456	1,132,847,379	459,137,923	59.5%	227,507,647	201.8%
01/01/09	579,877,224	1,159,210,636	579,333,412	50.0%	264,541,078	219.0%
01/01/08	683,819,938	1,056,020,215	372,200,277	64.8%	252,682,832	147.3%
01/01/07	606,629,089	987,840,418	381,211,329	61.4%	244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%
01/01/04	520,104,805	802,158,453	282,053,648	64.8%	208,312,002	135.4%
01/01/02	466,325,660	733,198,204	266,872,544	63.6%	205,039,686	130.2%
01/01/00	450,210,619	611,204,058	160,993,439	73.7%	178,010,731	90.4%
01/01/98	316,253,566	492,303,777	176,050,211	64.2%	148,264,981	118.7%

The Town's share of the UAAL, as of June 30, 2012, is approximately 4.04%.

See notes to required supplementary information.

PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended June 30	System Wide			Town of Duxbury	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2012	\$ 52,815,431	\$ 52,815,431	100%	\$ 2,134,651	4.04%
2011	48,986,967	48,986,967	100%	2,174,974	4.44%
2010	42,708,712	42,708,712	100%	1,905,038	4.46%
2009	41,286,384	41,286,384	100%	1,843,795	4.47%
2008	38,854,868	38,854,868	100%	1,761,398	4.53%
2007	34,085,524	34,085,524	100%	1,460,631	4.29%
2006	30,795,767	30,795,767	100%	1,308,623	4.25%
2005	25,695,625	25,695,625	100%	1,213,539	4.72%

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

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

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

The Schedule of Employer Contributions compares, overtime, the annual required contributions to the actual contributions made.

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2012	\$ -	\$ 87,999,907	\$ 87,999,907	0%	\$ 37,469,000	234.9%
7/1/2009	-	66,675,309	66,675,309	0%	36,043,157	185.0%
7/1/2007	-	86,336,643	86,336,643	0%	33,452,281	258.1%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Actual Contributions Made	Percentage Contributed
2012	\$ 7,683,000	\$ 2,259,000	29%
2011	6,467,000	2,068,000	32%
2010	6,059,000	1,916,000	32%
2009	9,688,000	2,720,000	28%

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date.....	June 30, 2012
Actuarial cost method.....	Projected Unit Credit
Amortization method.....	Level percentage of payroll over a 30 year period at transition
Remaining amortization period.....	27 years as of June 30, 2012, closed

Actuarial Assumptions:

Investment rate of return.....	4.00% for an unfunded plan
Inflation rate/projected salary increases.....	3.25%
Medical/drug cost trend rate.....	8.5% graded to 6% over 10 years

Plan Membership:

Current retirees, beneficiaries, and dependents...	478
Current active members.....	567
Inactive vested members.....	<u>19</u>
Total.....	<u><u>1,064</u></u>

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTING**A. Budgetary Information**

Municipal Law requires the Town to adopt a balanced budget that is approved at the annual town meeting. The Town Manager presents an annual budget to the Board of Selectmen, Finance Committee and the Fiscal Advisory Committee, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Expenditures are budgeted by categories that are broken down by personal services, expenses, debt service and capital outlay and are mandated by Municipal Law.

Supplementary appropriations are voted at special town meetings.

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original fiscal year 2012 approved budget for the General Fund includes \$57.1 million in current year appropriations and other amounts to be raised and \$806,000 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2012, the Town approved various transfers within appropriation lines in the General Fund along with supplemental appropriations totaling \$726,000 used primarily to fund the Stabilization Trust Fund (\$300,000), the Pension Reserve Fund (\$100,000), and various other General Fund line items including \$139,000 for police collective bargaining agreements.

The Accounting office has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

B. Budgetary - GAAP Reconciliation

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

Net Change in Fund Balance - budgetary basis.....	\$ 926,593
<u>Perspective difference:</u>	
Activity of the stabilization funds recorded in the general fund for GAAP.....	348,568
<u>Basis of accounting differences:</u>	
Net change in revenue accrual.....	(38,032)
Recognition of revenue for on-behalf payments.....	6,666,279
Recognition of expenditures for on-behalf payments.....	<u>(6,666,279)</u>
Net Change in Fund Balance - GAAP basis.....	<u>\$ 1,237,129</u>

C. Appropriation Deficits

The Town had expenditures in excess of appropriations for state and county charges. This is based on state assessments which are not required to be raised.

NOTE B – OTHER POSTEMPLOYMENT BENEFITS PLAN

The Town administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s health and life insurance plans, which covers both active and retired members, including teachers.

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

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

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

The Schedule of Employer Contributions compares, overtime, the Annual Required Contributions to the Actual Contributions made.

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

NOTE C – PENSION PLAN

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

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

The following actuarial methods and assumptions were used in the Retirement System’s most recent actuarial valuation:

Actuarial Methods and Assumptions:

Valuation Date.....	January 1, 2011
Actuarial Cost Method.....	Entry Age Normal Cost Method
Amortization Method.....	Increasing at 4.5% per year, level dollar for ERI liability for certain units.
Remaining Amortization Period.....	19 years remaining as of January 1, 2011, open
Asset Valuation Method.....	Assets held by the fund are valued at market value as reported by the public Employees’ Retirement Administration Commission (PERAC). The actuarial value is based on a 5 year smoothing of realized and unrealized investment earnings greater than or less than the expected return. The result must be within 20% of market value.

Actuarial Assumptions:

Investment rate of return.....	8.25%
Projected salary increases.....	4.00%
Cost of living adjustments.....	3.0% of the lesser of the pension amount and \$13,000 per year

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	3,088
Inactive participants.....	2,115
Disabled.....	354
Active participants.....	<u>5,775</u>
Total.....	<u><u>11,332</u></u>

Other Supplementary Information

Combining Fund Statements and Schedules

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

Nonmajor Governmental Funds

Fund Description

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's grouping for nonmajor special revenue funds is as described as follows:

- ***School Lunch*** – accounts for the operations of the public school lunch program.
- ***School Gifts & Grants*** – accounts for educational programs specifically financed by gifts, grants and other restricted revenues.
- ***School Revolving*** – accounts for self-supporting educational programs and activities.
- ***Recreation Revolving*** – accounts for self-supporting recreational programs and activities.
- ***Receipts Reserved for Appropriation*** – accounts for the sale of cemetery lots.
- ***Town Gifts & Grants*** – accounts for various gifts, grants and legally restricted revenues for special programs administered by Town departments.
- ***Town Revolving*** – accounts for self-supporting programs and activities.
- ***Highway Improvements*** – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks.
- ***Affordable Housing*** – accounts for activity related to the creation and preservation of affordable housing.
- ***Special Revenue Trust Funds*** – accounts for statutory trust accounts that may be spent to support the government.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for nonmajor capital project funds is as described as follows:

- ***Miscellaneous Small Projects*** – accounts for nonmajor capital projects.

Permanent Funds

Permanent Funds are 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 governmental programs. The Town's grouping for non-major permanent funds is as described as follows:

- ***Town Services Fund*** – accounts for the Town's cemetery and other trust funds that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET

JUNE 30, 2012

	Special Revenue Funds					
	School Lunch	School Gifts & Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations	Town Gifts & Grants
ASSETS						
Cash and cash equivalents.....	\$ 177,412	\$ 707,672	\$ 1,120,236	\$ 117,635	\$ 109,365	\$ 276,055
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	113,282
TOTAL ASSETS.....	\$ 177,412	\$ 707,672	\$ 1,120,236	\$ 117,635	\$ 109,365	\$ 389,337
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable.....	\$ 621	\$ 39,995	\$ 42,506	\$ 16,909	\$ -	\$ 118,352
Accrued payroll.....	-	-	-	14,713	-	8,011
Other liabilities.....	-	-	204,208	73,104	-	-
Deferred revenues.....	-	-	-	-	-	113,282
Due to other funds.....	-	-	-	-	-	-
TOTAL LIABILITIES.....	621	39,995	246,714	104,726	-	239,645
FUND BALANCES:						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	176,791	667,677	873,522	12,909	109,365	272,363
Unassigned.....	-	-	-	-	-	(122,671)
TOTAL FUND BALANCES (DEFICITS).....	176,791	667,677	873,522	12,909	109,365	149,692
TOTAL LIABILITIES AND FUND BALANCES... \$	177,412	707,672	1,120,236	117,635	109,365	389,337

Special Revenue Funds					Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Town Revolving	Highway Improvements	Affordable Housing	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Town Services Fund	
\$ -	\$ -	\$ 2,321	\$ 84,103	\$ 2,594,799	\$ 41,463	\$ 46,129	\$ 2,682,391
-	-	151,569	49,678	201,247	-	2,771,245	2,972,492
140,056	-	-	-	140,056	-	-	140,056
-	299,567	-	-	412,849	-	-	412,849
<u>\$ 140,056</u>	<u>\$ 299,567</u>	<u>\$ 153,890</u>	<u>\$ 133,781</u>	<u>\$ 3,348,951</u>	<u>\$ 41,463</u>	<u>\$ 2,817,374</u>	<u>\$ 6,207,788</u>
\$ 3,165	\$ -	\$ -	\$ -	\$ 221,548	\$ -	\$ -	\$ 221,548
8,541	-	-	-	31,265	-	-	31,265
-	-	-	-	277,312	-	-	277,312
140,057	282,069	-	-	535,408	-	-	535,408
89,583	17,498	-	-	107,081	-	-	107,081
<u>241,346</u>	<u>299,567</u>	<u>-</u>	<u>-</u>	<u>1,172,614</u>	<u>-</u>	<u>-</u>	<u>1,172,614</u>
-	-	-	-	-	-	2,034,870	2,034,870
31,765	-	153,890	133,781	2,432,063	41,463	782,504	3,256,030
<u>(133,055)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(255,726)</u>	<u>-</u>	<u>-</u>	<u>(255,726)</u>
<u>(101,290)</u>	<u>-</u>	<u>153,890</u>	<u>133,781</u>	<u>2,176,337</u>	<u>41,463</u>	<u>2,817,374</u>	<u>5,035,174</u>
<u>\$ 140,056</u>	<u>\$ 299,567</u>	<u>\$ 153,890</u>	<u>\$ 133,781</u>	<u>\$ 3,348,951</u>	<u>\$ 41,463</u>	<u>\$ 2,817,374</u>	<u>\$ 6,207,788</u>

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

FISCAL YEAR ENDED JUNE 30, 2012

	<u>Special Revenue Funds</u>					
	School Lunch	School Gifts & Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations	Town Gifts & Grants
REVENUES:						
Intergovernmental.....	\$ 74,164	\$ 1,828,982	\$ -	\$ -	\$ -	\$ 189,062
Departmental and other.....	742,630	183,528	2,985,453	257,680	17,025	257,977
Contributions.....	-	-	-	-	-	260,990
Investment income.....	-	-	-	-	-	5
TOTAL REVENUES.....	816,794	2,012,510	2,985,453	257,680	17,025	708,034
EXPENDITURES:						
Current:						
General government.....	-	-	-	3,203	-	518,848
Public safety.....	-	-	-	-	-	211,753
Education.....	750,131	1,877,716	2,743,606	-	-	-
Public works.....	-	-	-	-	-	15,424
Human services.....	-	-	-	-	-	127,561
Culture and recreation.....	-	-	-	246,509	-	82,936
Pension benefits - Town.....	-	-	-	-	-	4,565
TOTAL EXPENDITURES.....	750,131	1,877,716	2,743,606	249,712	-	961,087
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	66,663	134,794	241,847	7,968	17,025	(253,053)
OTHER FINANCING SOURCES (USES):						
Transfers out.....	-	-	-	(6,359)	-	-
NET CHANGE IN FUND BALANCES.....	66,663	134,794	241,847	1,609	17,025	(253,053)
FUND BALANCES (DEFICITS) AT BEGINNING OF YEAR..	110,128	532,883	631,675	11,300	92,340	402,745
FUND BALANCES (DEFICITS) AT END OF YEAR.....	\$ 176,791	\$ 667,677	\$ 873,522	\$ 12,909	\$ 109,365	\$ 149,692

Special Revenue Funds					Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
Town Revolving	Highway Improvements	Affordable Housing	Special Revenue Trust Funds	Sub-total	Miscellaneous Small Projects	Town Services Fund	
\$ -	\$ 388,217	\$ -	\$ -	\$ 2,480,425	\$ -	\$ -	\$ 2,480,425
824,928	-	-	-	5,269,221	-	-	5,269,221
-	-	-	23,774	284,764	-	63,476	348,240
-	-	8,105	2,835	10,945	-	147,297	158,242
<u>824,928</u>	<u>388,217</u>	<u>8,105</u>	<u>26,609</u>	<u>8,045,355</u>	<u>-</u>	<u>210,773</u>	<u>8,256,128</u>
65,466	-	-	8,134	595,651	-	14,435	610,086
701,267	-	-	-	913,020	-	-	913,020
-	-	-	-	5,371,453	-	-	5,371,453
-	388,217	-	-	403,641	-	-	403,641
91,152	-	-	-	218,713	-	-	218,713
3,879	-	-	33,808	367,132	-	-	367,132
-	-	-	-	4,565	-	-	4,565
<u>861,764</u>	<u>388,217</u>	<u>-</u>	<u>41,942</u>	<u>7,874,175</u>	<u>-</u>	<u>14,435</u>	<u>7,888,610</u>
<u>(36,836)</u>	<u>-</u>	<u>8,105</u>	<u>(15,333)</u>	<u>171,180</u>	<u>-</u>	<u>196,338</u>	<u>367,518</u>
<u>(43,603)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(49,962)</u>	<u>-</u>	<u>-</u>	<u>(49,962)</u>
(80,439)	-	8,105	(15,333)	121,218	-	196,338	317,556
<u>(20,851)</u>	<u>-</u>	<u>145,785</u>	<u>149,114</u>	<u>2,055,119</u>	<u>41,463</u>	<u>2,621,036</u>	<u>4,717,618</u>
\$ <u>(101,290)</u>	\$ <u>-</u>	\$ <u>153,890</u>	\$ <u>133,781</u>	\$ <u>2,176,337</u>	\$ <u>41,463</u>	\$ <u>2,817,374</u>	\$ <u>5,035,174</u>

Agency Fund

Fund Description

Agency Fund is used to account for assets held in a purely custodial capacity. The Town's Agency Fund activity consists primarily of performance bonds, security deposits, and licenses and fees collected on-behalf of the state.

AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED JUNE 30, 2012

	<u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2012</u>
ASSETS				
Cash and cash equivalents.....	\$ 317,668	\$ 96,057	\$ (215,203)	\$ 198,522
LIABILITIES				
Warrants payable.....	\$ 580	\$ 1,923	\$ (580)	\$ 1,923
Accrued liabilities.....	5,927	-	(5,927)	-
Liabilities due depositors.....	311,161	94,134	(208,696)	196,599
TOTAL LIABILITIES.....	\$ 317,668	\$ 96,057	\$ (215,203)	\$ 198,522

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Statistical Section

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



Photo by Fran Nichols

Duxbury's Old and New Town Halls

Old Town Hall, a prominent historic site at 862 Tremont Street was built in 1839.

New Town Hall at 878 Tremont Street was dedicated on July 4, 1975.

Statistical Section

This part of the Town of Duxbury's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Net Assets By Component

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt.....	\$ 60,550,060	\$ 65,929,104	\$ 64,789,656	\$ 68,589,041	\$ 70,497,727	\$ 70,846,707	\$ 73,890,487	\$ 75,622,789	\$ 76,170,781	\$ 81,520,404
Restricted.....	3,664,001	3,316,195	3,448,411	2,924,351	2,616,217	2,817,488	2,630,344	2,967,897	3,556,664	3,634,743
Unrestricted.....	9,289,298	10,678,994	12,724,812	12,989,854	13,825,901	15,660,425	12,286,665	10,146,293	8,172,334	1,690,298
Total governmental activities net assets.....	\$ 73,503,359	\$ 79,924,293	\$ 80,962,879	\$ 84,503,246	\$ 86,939,845	\$ 89,324,620	\$ 88,807,496	\$ 88,736,979	\$ 87,899,779	\$ 86,845,445
Business-type activities										
Invested in capital assets, net of related debt.....	\$ 8,203,366	\$ 7,565,168	\$ 9,075,575	\$ 9,315,263	\$ 8,918,436	\$ 9,439,228	\$ 9,523,752	\$ 9,535,029	\$ 10,300,382	\$ 10,672,429
Unrestricted.....	1,752,689	2,805,970	1,919,272	2,437,302	3,170,204	2,754,332	2,493,137	3,010,096	2,769,929	2,741,409
Total business-type activities net assets.....	\$ 9,956,055	\$ 10,371,138	\$ 10,994,847	\$ 11,752,565	\$ 12,088,640	\$ 12,193,560	\$ 12,016,889	\$ 12,545,125	\$ 13,070,311	\$ 13,413,838
Primary government										
Invested in capital assets, net of related debt.....	\$ 68,753,426	\$ 73,494,272	\$ 73,865,231	\$ 77,904,304	\$ 79,416,163	\$ 80,285,935	\$ 83,414,239	\$ 85,157,818	\$ 86,471,163	\$ 92,192,833
Restricted.....	3,664,001	3,316,195	3,448,411	2,924,351	2,616,217	2,817,488	2,630,344	2,967,897	3,556,664	3,634,743
Unrestricted.....	11,041,987	13,484,964	14,644,084	15,427,156	16,996,105	18,414,757	14,779,802	13,156,389	10,942,263	4,431,707
Total primary government net assets.....	\$ 83,459,414	\$ 90,295,431	\$ 91,957,726	\$ 96,255,811	\$ 99,028,485	\$ 101,518,180	\$ 100,824,385	\$ 101,282,104	\$ 100,970,090	\$ 100,259,283

Changes in Net Assets

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government.....	\$ 2,956,056	\$ 3,023,855	\$ 2,982,415	\$ 3,328,181	\$ 3,606,816	\$ 3,686,678	\$ 3,942,177	\$ 3,974,258	\$ 4,293,359	\$ 5,128,146
Public safety.....	6,479,713	7,208,099	7,111,573	7,918,377	8,450,057	8,522,903	9,850,181	9,710,965	10,039,369	10,964,082
Education.....	33,955,030	35,450,143	39,529,289	40,478,391	43,337,224	44,398,693	50,478,418	50,300,591	52,156,368	53,522,811
Public works.....	4,418,446	3,417,632	4,600,868	5,073,683	5,480,877	5,194,930	5,911,232	5,258,010	5,453,666	5,724,373
Human services.....	507,138	516,163	533,679	605,610	694,237	710,722	857,340	891,585	945,904	1,054,046
Culture and recreation.....	2,184,149	2,272,190	2,296,766	2,333,285	2,258,491	2,742,203	2,923,774	2,731,672	2,692,071	2,642,103
Community Preservation.....	55,620	238,645	161,988	72,667	239,207	200,192	147,179	189,761	349,793	376,498
Interest.....	1,193,807	1,299,940	1,510,468	1,015,461	1,157,136	784,810	637,234	592,335	477,255	489,622
Total government activities expenses.....	51,749,959	53,426,667	58,727,046	60,825,655	65,223,845	66,241,131	74,747,535	73,649,177	76,407,785	79,901,681
Business-type activities:										
Water.....	1,539,972	1,469,322	2,021,809	1,787,554	2,162,105	2,487,440	2,323,558	2,197,814	2,350,547	2,628,618
Percy Walker Pool.....	-	-	-	-	-	-	-	33,774	380,020	459,274
Total business-type activities expenses.....	1,539,972	1,469,322	2,021,809	1,787,554	2,162,105	2,487,440	2,323,558	2,231,588	2,730,567	3,087,892
Total primary government expenses.....	\$ 53,289,931	\$ 54,895,989	\$ 60,748,855	\$ 62,613,209	\$ 67,385,950	\$ 68,728,571	\$ 77,071,093	\$ 75,880,765	\$ 79,138,352	\$ 82,989,573
Program Revenues										
Governmental activities:										
Education charges for services.....	\$ 2,042,233	\$ 3,457,435	\$ 5,446,732	\$ 4,602,485	\$ 6,132,491	\$ 6,232,869	\$ 6,441,625	\$ 6,099,245	\$ 6,046,720	\$ 5,942,281
Public works charges for services.....	1,299,462	1,450,480	1,530,883	1,635,482	2,024,082	1,698,068	2,920,314	1,755,578	1,818,978	1,801,734
Culture and recreation charges for services.....	1,670,649	1,814,874	1,878,790	1,960,026	2,032,198	2,141,441	2,106,940	2,174,635	2,082,263	2,306,106
Other charges for services.....	2,530,579	1,630,819	1,720,665	1,974,422	2,510,745	2,223,067	2,939,352	2,557,845	2,527,548	3,414,885
Operating grants and contributions.....	8,286,268	7,893,943	7,850,107	10,421,134	10,414,641	10,749,772	12,761,352	13,460,616	14,269,178	13,958,828
Capital grant and contributions.....	10,746,357	5,998,907	2,088,395	2,923,241	1,191,310	1,250,418	1,286,073	799,351	1,128,082	2,371,488
Total government activities program revenues.....	26,575,548	22,246,458	20,515,572	23,516,790	24,305,467	24,295,635	28,455,656	26,847,270	27,872,769	29,795,322
Business-type activities:										
Charges for services - water.....	2,058,068	2,054,405	2,895,518	2,795,272	2,783,180	2,901,469	2,460,603	2,990,133	3,101,148	3,008,160
Charges for services - Percy Walker Pool.....	-	-	-	-	-	-	-	46,497	304,513	313,563
Total business-type activities program revenues.....	2,058,068	2,054,405	2,895,518	2,795,272	2,783,180	2,901,469	2,460,603	3,036,630	3,405,661	3,321,723
Total primary government program revenues.....	\$ 28,633,616	\$ 24,300,863	\$ 23,411,090	\$ 26,312,062	\$ 27,088,647	\$ 27,197,104	\$ 30,916,259	\$ 29,883,900	\$ 31,278,430	\$ 33,117,045
Net (Expense)/Revenue										
Governmental activities.....	\$ (25,174,411)	\$ (31,180,209)	\$ (38,211,474)	\$ (37,308,865)	\$ (40,918,378)	\$ (41,945,496)	\$ (46,291,879)	\$ (46,801,907)	\$ (48,535,016)	\$ (50,106,359)
Business-type activities.....	518,096	585,083	873,709	1,007,718	621,075	414,029	137,045	805,042	675,094	233,831
Total primary government net expense.....	\$ (24,656,315)	\$ (30,595,126)	\$ (37,337,765)	\$ (36,301,147)	\$ (40,297,303)	\$ (41,531,467)	\$ (46,154,834)	\$ (45,996,866)	\$ (47,859,922)	\$ (49,872,528)
General Revenues and other Changes in Net Assets										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 31,571,815	\$ 33,164,957	\$ 33,250,856	\$ 35,101,777	\$ 36,999,317	\$ 38,483,995	\$ 40,555,656	\$ 40,995,795	\$ 41,964,019	\$ 43,943,583
Tax liens.....	167,821	154,882	88,824	168,191	134,662	126,079	48,105	220,392	133,744	20,397
Motor vehicle and other excise taxes.....	1,898,153	2,377,327	2,427,919	2,388,823	2,308,774	2,262,861	2,117,119	2,114,070	2,236,742	2,227,654
Community preservation taxes.....	938,570	925,304	964,373	1,011,323	1,077,315	1,110,178	1,171,545	1,187,673	1,204,247	1,285,151
Penalties and interest on taxes.....	190,307	169,501	130,612	146,205	138,442	108,421	155,068	177,297	157,119	239,386
Payments in lieu of taxes.....	-	6,369	11,417	3,913	7,917	28,750	12,804	9,321	4,250	10,950
Grants and contributions not restricted to specific programs.....	44,901	33,508	872,488	991,109	1,275,273	1,385,213	1,145,359	872,532	994,936	904,812
Unrestricted investment income.....	511,843	118,867	444,772	682,910	904,835	484,751	255,383	877,505	852,850	529,788
Miscellaneous.....	463,544	480,428	808,799	104,981	223,442	30,914	-	-	-	-
Transfers.....	156,000	170,000	250,000	250,000	285,000	309,109	313,716	276,806	149,908	(109,696)
Total governmental activities.....	35,942,954	37,601,143	39,250,060	40,849,232	43,354,977	44,330,271	45,774,755	46,731,391	47,697,815	49,052,025
Business-type activities:										
Transfers.....	(170,000)	(170,000)	(250,000)	(250,000)	(285,000)	(309,109)	(313,716)	(276,806)	(149,908)	109,696
Total primary government.....	\$ 35,772,954	\$ 37,431,143	\$ 39,000,060	\$ 40,599,232	\$ 43,069,977	\$ 44,021,162	\$ 45,461,039	\$ 46,454,585	\$ 47,547,907	\$ 49,161,721
Changes in Net Assets										
Governmental activities.....	\$ 10,768,543	\$ 6,420,934	\$ 1,038,596	\$ 3,540,367	\$ 2,436,599	\$ 2,384,775	\$ (517,124)	\$ (70,516)	\$ (837,201)	\$ (1,054,334)
Business-type activities.....	348,096	415,083	623,709	757,718	336,075	104,920	(176,671)	528,236	525,186	343,527
Total primary government.....	\$ 11,116,639	\$ 6,836,017	\$ 1,662,295	\$ 4,298,085	\$ 2,772,674	\$ 2,489,695	\$ (693,795)	\$ 457,720	\$ (312,015)	\$ (710,807)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved.....	\$ 1,221,077	\$ 1,116,553	\$ 878,160	\$ 668,372	\$ 774,504	\$ 474,343	\$ 823,067	\$ 771,541	\$ -	\$ -
Unreserved.....	5,161,562	3,830,999	4,467,858	5,077,896	5,076,300	4,441,420	4,731,295	5,882,157	-	-
Committed.....	-	-	-	-	-	-	-	-	1,000,645	1,332,306
Assigned.....	-	-	-	-	-	-	-	-	2,054,451	1,698,230
Unassigned.....	-	-	-	-	-	-	-	-	6,606,737	7,868,426
Total general fund.....	\$ 6,382,639	\$ 4,947,552	\$ 5,346,018	\$ 5,746,268	\$ 5,850,804	\$ 4,915,763	\$ 5,554,362	\$ 6,653,698	\$ 9,661,833	\$ 10,898,962
All Other Governmental Funds										
Reserved.....	\$ 2,030,069	\$ 1,631,623	\$ 1,666,623	\$ 1,666,623	\$ 1,686,435	\$ 1,788,474	\$ 1,871,270	\$ 1,926,345	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	4,905,845	5,563,192	4,351,573	4,795,975	4,187,509	6,704,198	5,252,915	7,438,997	-	-
Capital projects funds.....	(36,368,107)	(41,614,779)	(42,477,004)	74,050	(143,230)	103,266	(82,588)	102,903	-	-
Permanent funds.....	79,872	256,055	298,611	422,294	633,668	406,604	263,675	430,125	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	1,971,395	2,034,870
Restricted.....	-	-	-	-	-	-	-	-	7,132,302	11,664,137
Unassigned.....	-	-	-	-	-	-	-	-	(961,306)	(255,726)
Total all other governmental funds.....	\$ (29,352,321)	\$ (34,163,909)	\$ (36,160,197)	\$ 6,958,942	\$ 6,364,382	\$ 9,002,542	\$ 7,305,272	\$ 9,898,370	\$ 8,142,391	\$ 13,443,281

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

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

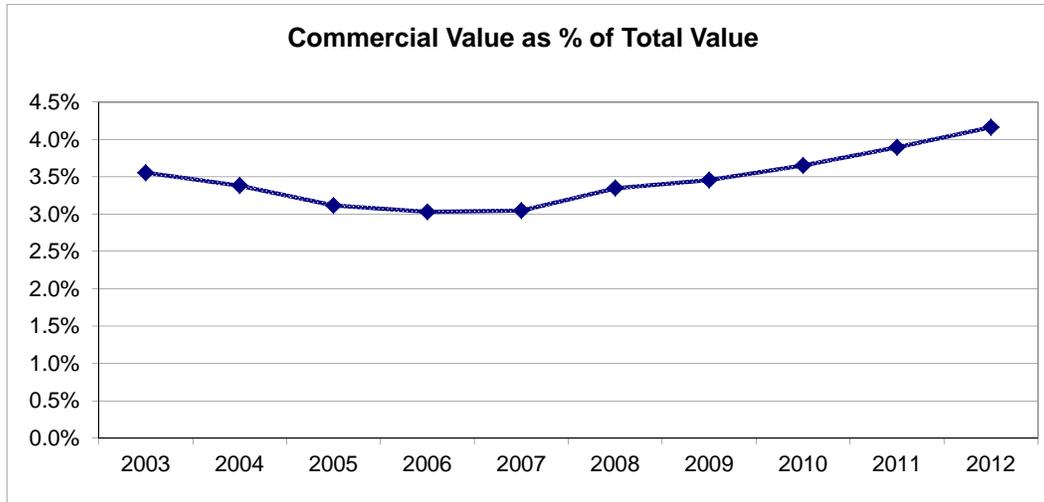
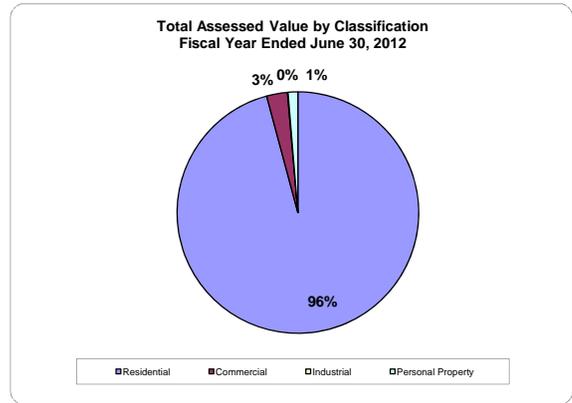
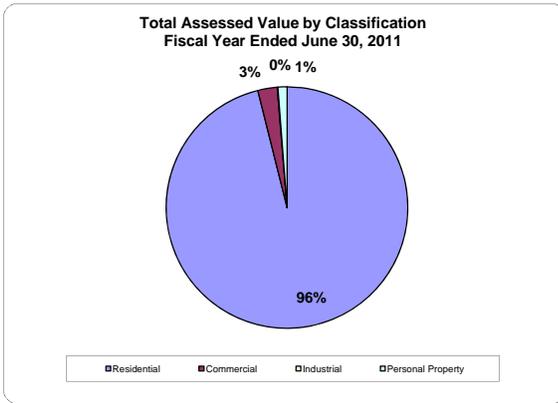
Fiscal Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 30,724,161	\$ 32,372,355	\$ 33,264,076	\$ 35,160,519	\$ 36,977,095	\$ 38,456,971	\$ 40,270,024	\$ 40,844,508	\$ 41,658,119	\$ 43,933,438
Tax and trash liens.....	304,438	189,612	123,322	197,592	151,902	101,964	123,783	216,803	84,186	91,948
Motor vehicle and other excise taxes.....	2,171,066	2,263,043	2,551,451	2,431,468	2,303,816	2,281,039	2,135,478	2,099,164	2,107,443	2,304,289
Sewer charges.....	340,968	285,785	335,133	278,132	305,628	320,752	365,785	295,819	319,396	304,243
Trash disposal.....	488,487	500,169	502,110	491,862	542,227	315,661	544,505	568,964	633,692	604,833
Intergovernmental.....	9,069,066	9,847,182	9,402,279	40,668,323	13,043,745	14,015,696	14,682,388	15,069,862	15,405,675	17,004,600
Departmental and other.....	5,741,560	5,530,992	7,765,978	6,557,484	7,508,046	8,779,635	9,621,256	9,198,751	9,016,882	10,107,279
Community preservation taxes.....	925,304	938,570	964,373	1,011,323	1,077,315	1,110,178	1,171,545	1,187,673	1,204,247	1,285,151
Contributions.....	195,041	121,006	89,395	107,072	104,533	84,246	537,054	275,223	341,316	348,240
Investment income.....	667,517	(94,259)	527,828	776,444	1,161,588	327,076	255,659	812,935	753,198	464,529
Total Revenues.....	50,627,608	51,954,455	55,525,945	87,680,219	63,175,895	65,793,218	69,707,477	70,569,702	71,524,154	76,448,550
Expenditures:										
General government.....	1,943,055	2,035,932	2,130,676	2,043,729	2,364,317	2,498,132	2,394,190	2,652,335	2,923,274	3,340,812
Public safety.....	4,917,121	4,897,076	5,058,061	5,416,025	5,602,814	5,790,187	6,210,899	6,308,590	6,139,513	11,799,646
Education.....	25,637,518	27,335,609	27,657,108	28,301,899	29,804,161	30,667,459	31,933,772	32,759,722	33,097,960	39,352,066
Public works.....	3,426,003	3,539,164	3,742,100	3,364,200	3,770,837	3,462,378	3,919,387	3,443,754	3,671,585	6,871,160
Human services.....	398,116	407,892	416,302	488,701	547,525	551,566	642,844	652,303	694,772	766,987
Culture and recreation.....	1,730,232	1,571,731	1,626,560	1,532,698	1,397,860	1,886,953	1,853,985	1,746,958	1,277,439	1,795,647
Community preservation.....	2,200,620	238,645	2,296,065	72,667	234,074	192,695	99,858	100,102	635,483	3,870,543
Pension benefits - Town.....	1,069,489	1,201,990	1,243,039	1,335,123	1,490,088	1,790,855	1,879,350	1,937,647	2,199,485	2,159,162
Pension benefits - School.....	2,190,000	2,861,000	3,193,000	3,528,000	4,266,000	4,970,000	5,556,000	5,916,000	6,521,227	6,666,279
Property and liability insurance.....	206,191	233,699	276,747	289,216	249,654	265,802	274,266	223,935	239,620	186,966
Employee benefits.....	3,995,801	6,209,929	6,097,345	6,687,718	7,216,358	7,209,088	7,597,692	6,799,445	6,785,582	6,806,418
Other.....	24,936	17,956	-	-	-	-	-	-	-	-
State and county charges.....	364,458	328,705	327,869	283,710	244,562	251,548	259,473	251,333	273,473	327,762
Capital outlay.....	18,468,402	5,871,672	857,979	4,033,641	3,960,064	1,499,905	4,908,558	3,121,296	3,917,109	16,632,384
Debt service:										
Principal.....	1,133,085	1,323,432	1,366,138	1,161,862	2,554,906	2,746,985	2,584,860	1,761,774	1,543,513	1,482,726
Interest.....	845,097	921,698	1,084,778	995,249	930,217	787,513	673,298	590,079	520,706	502,267
Total Expenditures.....	68,550,124	58,996,130	57,373,767	59,534,438	64,633,437	64,571,066	70,788,432	68,265,273	70,440,741	102,560,825
Excess (deficiency) of revenues over (under) expenditures.....	(17,922,516)	(7,041,675)	(1,847,822)	28,145,781	(1,457,542)	1,222,152	(1,080,955)	2,304,429	1,083,413	(26,112,275)
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	1,815,582	625,000	-	15,052,000	674,000	125,000	-	787,000	-	16,098,000
Issuance of refunding bonds.....	-	-	-	-	-	1,300,000	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	71,608	8,518	17,918	-	32,767	18,834	29,606
Issuance of refunding bonds.....	-	-	-	-	-	23,014	-	-	-	-
Payments to refunded bond escrow agent.....	-	-	-	-	-	(1,294,074)	-	-	-	-
Transfers in.....	545,764	1,131,445	1,237,914	960,181	1,205,179	1,241,414	1,306,323	1,418,382	765,242	404,377
Transfers out.....	(389,764)	(961,445)	(987,914)	(710,181)	(920,179)	(932,305)	(992,607)	(1,141,576)	(615,334)	(514,073)
Total other financing sources (uses).....	1,971,582	795,000	250,000	15,373,608	967,518	480,967	313,716	1,096,573	168,742	16,017,910
Net change in fund balance.....	\$ (15,950,934)	\$ (6,246,675)	\$ (1,597,822)	\$ 43,519,389	\$ (490,024)	\$ 1,703,119	\$ (767,239)	\$ 3,401,002	\$ 1,252,155	\$ (10,094,365)
Debt service as a percentage of noncapital expenditures.....	3.95%	4.23%	4.34%	3.89%	5.74%	5.60%	4.95%	3.61%	3.10%	2.31%

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate (2)	Total Town Value
2003	(1) \$2,483,838,545	\$12.06	\$70,975,755	\$1,986,300	\$18,557,010	\$91,519,065	\$12.06	\$12.06	\$2,575,357,610
2004	\$2,778,019,842	\$11.33	\$73,961,358	\$2,195,500	\$21,033,140	\$97,189,998	\$11.33	\$11.33	\$2,875,209,840
2005	\$3,194,763,079	\$10.14	\$78,663,121	\$2,003,400	\$22,077,720	\$102,744,241	\$10.14	\$10.14	\$3,297,507,320
2006	(1) \$3,484,297,092	\$9.84	\$83,823,108	\$2,042,500	\$23,009,700	\$108,875,308	\$9.84	\$9.84	\$3,593,172,400
2007	\$3,556,472,301	\$10.14	\$84,874,799	\$2,095,500	\$24,798,370	\$111,768,669	\$10.14	\$10.14	\$3,668,240,970
2008	\$3,529,253,752	\$10.61	\$91,783,748	\$2,155,600	\$28,288,280	\$122,227,628	\$10.61	\$10.61	\$3,651,481,380
2009	(1) \$3,605,653,048	\$10.91	\$92,736,552	\$2,174,600	\$34,180,600	\$129,091,752	\$10.91	\$10.91	\$3,734,744,800
2010	\$3,374,398,059	\$11.81	\$89,418,341	\$2,233,500	\$36,242,040	\$127,893,881	\$11.81	\$11.81	\$3,502,291,940
2011	\$3,222,272,471	\$12.60	\$87,896,029	\$2,319,500	\$40,395,200	\$130,610,729	\$12.60	\$12.60	\$3,352,883,200
2012	(1) \$3,067,422,072	\$13.79	\$88,685,699	\$2,844,400	\$41,683,140	\$133,213,239	\$13.79	\$13.79	\$3,200,635,311



(1) Revaluation year.

(2) Weighted average direct tax rate, calculated as weighted average of residential, commercial and personal property tax rates.

Source: Assessor's Department, Town of Duxbury

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

Principal Taxpayers

Current Year and Nine Years Ago

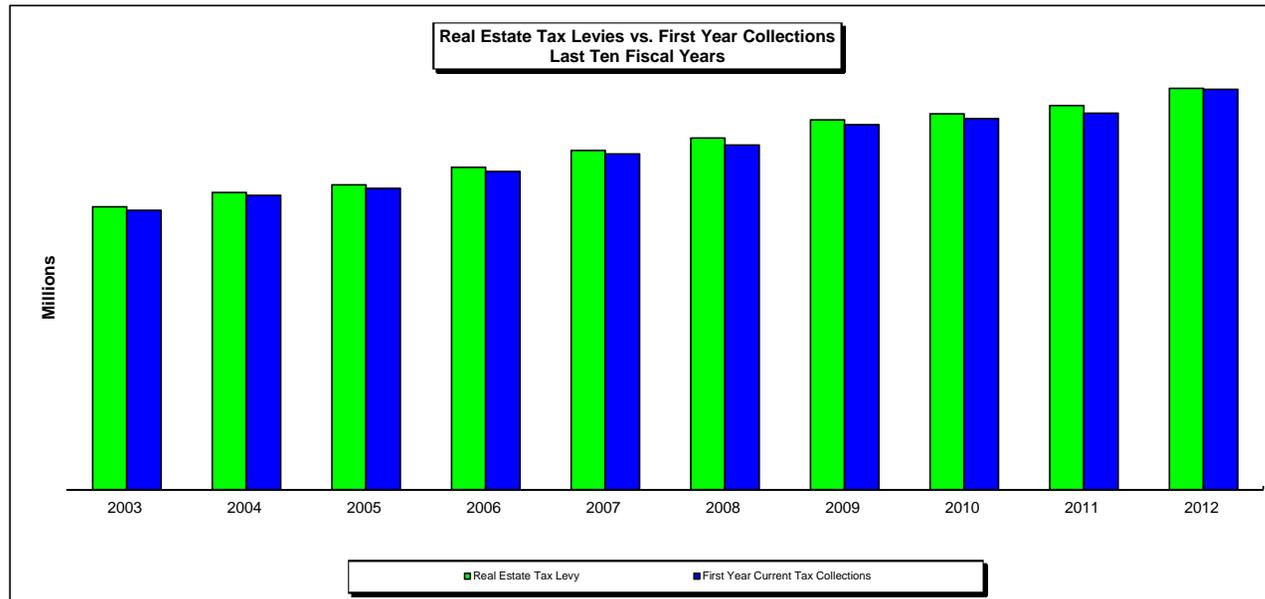
Name	Nature of Business	2012			2003		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
The Village at Duxbury - Assisted Living	Retirement Community	\$30,030,500	1	0.94%	\$26,950,000	1	1.05%
Nstar Service	Utility	\$13,089,820	2	0.41%	\$6,993,000	3	0.27%
The Village at Duxbury - 30 Apartments	Retirement Community	\$12,885,900	3	0.40%	-	-	-
Verizon New England	Utility	\$12,868,700	4	0.40%	-	-	-
Individual	Residence	\$8,522,400	5	0.27%	\$6,812,500	4	0.26%
Standish LLC	Medical Office Building	\$7,321,700	6	0.23%	\$3,874,300	7	0.15%
Island Creek Village East	Subsidized Housing	\$7,097,500	7	0.22%	\$5,577,000	6	0.22%
Thomas Walsh	Nursing Home	\$6,243,100	8	0.20%	\$7,701,400	2	0.30%
Bay State Gas	Public Utility	\$6,067,630	9	0.19%	-	-	-
Individual	Residence	\$4,702,400	10	0.15%	\$3,311,200	10	0.13%
Individual	Residence	-	-	-	\$5,562,000	5	0.22%
Trapelo Realty, Inc.	Real Estate	-	-	-	\$3,810,100	8	0.15%
Kellywood Nominee Trust	Real Estate	-	-	-	\$3,601,600	9	0.14%
	Totals	<u>\$108,829,650</u>		<u>3.41%</u>	<u>\$74,193,100</u>		<u>2.89%</u>

Source: Assessor's Department

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year		(2) Total Tax Levy	Less Reserve for Abatements & Exemptions	(2) Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy (3)
2003	(1)	\$31,058,813	\$126,554	\$30,932,259	99.59%	\$30,546,914	98.75%	\$385,345	\$30,932,259	100.00%
2004		\$32,576,128	\$74,104	\$32,502,024	99.77%	\$32,184,832	99.02%	\$317,192	\$32,502,024	100.00%
2005		\$33,436,724	\$113,945	\$33,322,779	99.66%	\$32,956,365	98.90%	\$416,659	\$33,373,024	100.15%
2006	(1)	\$35,356,818	\$94,249	\$35,262,569	99.73%	\$34,780,185	98.63%	\$481,586	\$35,261,771	100.00%
2007		\$37,195,963	\$102,370	\$37,093,593	99.72%	\$36,703,997	98.95%	\$336,317	\$37,040,314	99.86%
2008		\$38,742,217	\$278,653	\$38,463,564	99.28%	\$37,686,962	97.98%	\$537,732	\$38,224,694	99.38%
2009	(1)	\$40,746,066	\$298,044	\$40,448,022	99.27%	\$39,912,037	98.67%	\$446,809	\$40,358,846	99.78%
2010		\$41,362,073	\$252,238	\$41,109,835	99.39%	\$40,569,284	98.69%	\$532,412	\$41,101,696	99.98%
2011		\$42,246,328	\$248,028	\$41,998,300	99.41%	\$41,174,757	98.04%	\$765,813	\$41,940,570	99.86%
2012	(1)	\$44,136,761	\$268,633	\$43,868,128	99.39%	\$43,785,222	99.81%	\$0	\$43,785,222	99.81%



(1) Revaluation year.

(2) Includes tax liens.

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

Source: Official Statements, Town of Duxbury.

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

Fiscal Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities Debt				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2003	15,121	\$549,170,602	\$2,575,357,610	\$9,103,000	\$0	\$602	1.66%	0.35%
2004	15,127	\$578,303,697	\$2,875,209,840	\$8,454,997	\$0	\$559	1.46%	0.29%
2005	15,210	\$612,080,820	\$3,297,507,320	\$7,893,853	\$0	\$519	1.29%	0.24%
2006	15,241	\$643,993,214	\$3,593,172,400	\$21,783,991	\$0	\$1,429	3.38%	0.61%
2007	15,294	\$676,117,152	\$3,668,240,970	\$19,903,085	\$0	\$1,301	2.94%	0.54%
2008	15,360	\$712,986,624	\$3,651,481,380	\$17,341,100	\$0	\$1,129	2.43%	0.47%
2009	15,372	\$726,034,932	\$3,734,744,800	\$14,756,240	\$0	\$960	2.03%	0.40%
2010	15,059	\$707,697,705	\$3,502,291,940	\$13,781,466	\$0	\$915	1.95%	0.39%
2011	15,274	\$715,052,310	\$3,352,883,200	\$12,237,953	\$0	\$801	1.71%	0.36%
2012	15,290	\$742,054,280	\$3,200,635,311	\$26,853,227	\$0	\$1,756	3.62%	0.84%

Fiscal Year	Business-type Activities		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2003	\$4,155,841	\$0	\$13,258,841	\$877	2.41%	0.51%
2004	\$5,249,991	\$0	\$13,704,988	\$906	2.37%	0.48%
2005	\$3,755,000	\$0	\$11,648,853	\$766	1.90%	0.35%
2006	\$3,570,000	\$0	\$25,353,991	\$1,664	3.94%	0.71%
2007	\$3,496,000	\$0	\$23,399,085	\$1,530	3.46%	0.64%
2008	\$4,559,000	\$0	\$21,900,100	\$1,426	3.07%	0.60%
2009	\$6,944,000	\$0	\$21,700,240	\$1,412	2.99%	0.58%
2010	\$8,523,149	\$0	\$22,304,615	\$1,481	3.15%	0.64%
2011	\$7,623,610	\$0	\$19,861,563	\$1,300	2.78%	0.59%
2012	\$6,729,413	\$0	\$33,582,640	\$2,196	4.53%	1.05%

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2012

<u>Overlapping Entities</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes			
Plymouth County.....	\$ 3,300,000	3.76%	\$ <u>124,080</u>
Subtotal, overlapping debt.....			124,080
Town direct debt.....			<u>26,853,227</u>
Total direct and overlapping debt.....			\$ <u><u>26,977,307</u></u>

Source: Official Statements and Massachusetts Bay Transportation Authority

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

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

Computation of Legal Debt Margin

Last Ten Fiscal Years

(Amounts in Thousands)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Equalized Valuation.....	\$ <u>2,564,487</u>	\$ <u>2,564,487</u>	\$ <u>3,133,658</u>	\$ <u>3,133,658</u>	\$ <u>3,837,216</u>	\$ <u>3,837,216</u>	\$ <u>4,026,593</u>	\$ <u>4,026,593</u>	\$ <u>3,853,684</u>	\$ <u>3,853,684</u>
Debt Limit -5% of Equalized Valuation.....	\$ 128,224	\$ 128,224	\$ 156,683	\$ 156,683	\$ 191,861	\$ 191,861	\$ 201,330	\$ 201,330	\$ 192,684	\$ 192,684
Less:										
Outstanding debt applicable to limit.....	8,417	7,925	6,756	19,385	17,889	15,612	13,287	14,936	13,315	11,758
Authorized and unissued debt applicable to limit.....	<u>6,453</u>	<u>7,840</u>	<u>11,861</u>	<u>5,286</u>	<u>4,695</u>	<u>3,579</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>3,325</u>
Legal debt margin.....	\$ <u>113,354</u>	\$ <u>112,459</u>	\$ <u>138,066</u>	\$ <u>132,012</u>	\$ <u>169,277</u>	\$ <u>172,670</u>	\$ <u>188,030</u>	\$ <u>186,394</u>	\$ <u>179,369</u>	\$ <u>177,601</u>
Total debt applicable to the limit as a percentage of debt limit.....	11.60%	12.29%	11.88%	15.75%	11.77%	10.00%	6.61%	7.42%	6.91%	7.83%

Source: Assessor's Office

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	15,121	\$ 549,170,602	\$ 36,318	40.3	3,191	3.9%
2004	15,127	\$ 578,303,697	\$ 38,230	40.3	3,231	3.9%
2005	15,210	\$ 612,080,820	\$ 40,242	40.3	3,282	3.2%
2006	15,241	\$ 643,993,214	\$ 42,254	40.3	3,405	3.8%
2007	15,294	\$ 676,117,152	\$ 44,208	40.3	3,402	3.5%
2008	15,360	\$ 712,986,624	\$ 46,418	41.0	3,324	3.8%
2009	15,372	\$ 726,034,932	\$ 47,231	41.0	3,341	3.8%
2010	15,059	\$ 707,697,705	\$ 46,995	40.0	3,291	4.0%
2011	15,274	\$ 715,052,310	\$ 46,815	40.0	3,219	5.7%
2012	15,290	\$ 742,054,280	\$ 48,532	42.2	3,184	4.9%

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

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2012			2003		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Bay Path Nursing Home	Nursing Home	176	1	2.50%	180	1	2.25%
The Village at Duxbury	Retirement Condos	160	2	2.27%	100	3	1.25%
Batelle Labs	Science and Technology Research	70	3	0.99%	80	4	1.00%
Duxbury Yacht Club	Yacht Club, Golf Course, Tennis	70	4	0.99%	45	5	0.56%
Foodies	Grocery Store	60	5	0.85%	-	-	-
Plymouth Bay Orthopedic Associates	Physician Services	54	6	0.77%	-	-	-
South Shore Conservatory	Music and Art Institution	50	7	0.71%	-	-	-
Millbrook Motors	Automotive	39	8	0.55%	16	9	0.20%
U.S. Post Office	Mail	28	9	0.40%	33	7	0.41%
Various Utilities	Utilities	-	-	-	130	2	1.63%
A&P Food Store	Grocery Store	-	-	-	35	6	0.44%
Verc Enterprises	Convenience Stores, Gasoline Sales	-	-	-	30	8	0.38%
Goodrich Lumber	Building Supplies	-	-	-	11	10	0.14%
Totals		<u>707</u>		<u>10.03%</u>	<u>660</u>		<u>8.27%</u>

For fiscal year 2012 only information on the 9 largest employers is available.

Source: Massachusetts Department of Employment and Training and Official Statements

Full-time Equivalent Town Employees by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government.....	23	22	22	28	25	30	30	29	29	29
Public safety.....	66	67	67	62	68	73	72	68	69	68
Education.....	286	286	297	305	320	391	411	398	382	392
Public works.....	42	42	43	46	37	44	42	44	46	46
Human services.....	3	3	3	3	4	4	4	4	5	5
Culture and recreation.....	22	19	19	21	15	23	21	24	25	20
Total	442	439	451	465	469	565	580	567	556	560

Source: Various Town Departments

Operating Indicators by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Fire Department										
Fire related calls.....	785	645	794	881	719	810	805	606	817	1,035
Rescue/EMS.....	1,104	1,163	1,138	1,113	1,159	1,199	1,247	1,328	1,281	1,245
Inspectional Services Department										
Number of building permits (quick and zoning).....	717	631	507	668	697	762	626	522	491	794
Number of electrical permits.....	585	553	360	510	516	483	343	362	368	429
Number of plumbing/gas permits.....	644	635	436	668	685	658	529	531	543	618
Water/Sewer										
Number of gallons pumped (millions).....	523,613	487,600	550,523	583,674	504,641	543,000	492,250	410,896	500,002	499,754
Number of new services added.....	44	40	20	16	22	15	13	15	8	11
Number of additional mains installed.....	4	4	1	1	-	10,810	-	-	-	-
Number of main improvements.....	7	4	2	-	-	2	1	-	2	1
Highway										
Number of miles completed-road rehab.....	n/a	n/a	n/a	7	4	3	3	4	2	2
Number of snow operations.....	n/a	28	n/a	35	24	35	54	39	31	2
Cemetery										
Cremations.....	2,402	2,500	2,632	2,940	2,885	3,240	3,624	3,014	3,008	3,184
Recreation										
Number of programs offered.....	45	48	52	52	52	52	52	60	56	65
Number of participants-winter.....	609	587	n/a	491	511	585	578	588	555	504
Number of participants-spring.....	331	358	260	253	250	349	342	320	272	397
Number of participants-summer.....	794	781	789	802	1,033	737	788	822	762	955
Number of participants-fall.....	602	444	550	573	600	638	642	658	558	507
Parking Sticker Sales										
Non resident over sand.....	3,076	2,834	2,507	2,561	2,789	3,075	2,948	3,512	3,653	3,771
Over sand.....	2,822	2,850	3,131	2,763	2,859	2,935	3,331	3,051	3,127	3,203
Parking lot.....	3,367	3,396	3,380	3,569	3,554	3,569	3,895	3,511	3,423	3,276
Transfer station.....	7,349	6,192	6,046	6,371	6,306	6,178	6,376	6,122	5,822	5,617
Senior Center										
Number of visitors.....	13,352	17,776	19,600	23,776	27,954	24,585	34,200	31,940	32,500	27,902
Number of activities.....	622	663	697	2,208	2,208	1,788	2,234	2,364	2,256	2,308
Number of congregate meals.....	7,129	7,657	5,493	4,169	5,430	4,986	4,693	5,356	4,867	5,367
Number of delivered meals.....	3,269	3,756	6,904	7,213	6,756	7,064	7,005	4,218	5,301	4,025
Number of paying rentals.....	59	64	84	108	166	357	172	135	322	376
Number of committee meetings.....	71	128	164	293	387	382	325	340	59	43
Duxbury Free Library										
Holdings.....	111,584	114,928	116,131	119,524	124,035	121,685	121,609	116,948	115,006	117,461
Reference questions answered.....	12,878	10,854	9,935	9,957	9,406	6,857	7,887	8,537	8,159	7,829
Print materials loaned.....	170,188	169,868	153,802	153,603	157,537	167,153	167,206	174,542	168,838	202,980
Videos loaned.....	46,287	54,176	49,047	49,239	48,407	75,445	93,416	82,615	48,883	47,071
All loans.....	259,480	257,439	235,680	237,464	237,562	242,598	260,622	257,457	247,909	250,059
Loans provided to other towns.....	22,451	22,816	19,123	31,390	33,764	35,212	37,978	39,594	39,282	41,306
Materials borrowed from other towns.....	22,509	20,648	21,869	22,330	25,678	27,610	31,847	32,107	30,564	29,639
Children's programs held.....	332	262	218	235	241	246	248	234	259	238
Children's program attendance.....	7,568	6,015	6,229	6,372	6,144	7,056	6,871	6,646	6,413	6,316
Adult & Teen programs held.....	135	138	119	180	243	214	236	241	228	262
Adult & Teen program attendance.....	2,546	2,525	3,065	3,740	3,948	4,849	3,218	3,690	3,901	4,234
Public computers.....	28	28	30	30	26	16	17	30	30	30
Public meeting room use.....	834	709	640	805	1,076	888	979	998	975	941

Source: Various Town Departments

N/A - Information not available

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Number of buildings.....	5	5	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Animal control facilities.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Antique apparatus storage.....	1	1	1	1	1	1	1	1	1	1
Harbormaster										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	3	3	3	3	3	3	3	3	3	3
Public landings.....	16	16	16	16	16	16	16	16	16	16
Education										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Performing arts center.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water pumping stations.....	13	13	13	13	13	13	13	13	13	13
Water towers.....	2	2	2	2	2	2	2	2	3	3
Water other.....	3	3	3	3	3	3	3	3	3	3
Sewage treatment plant.....	1	1	1	1	1	1	1	1	1	1
Shared septic systems.....	2	2	2	2	2	2	2	2	2	2
Public works buildings.....	11	11	11	11	11	11	11	11	11	11
Crematories.....	1	1	1	1	1	1	1	1	1	1
Cemetery buildings.....	3	3	3	3	3	3	3	3	3	3
Human Services										
Council on aging - senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation land (acreage).....	96.7	108.2	118.5	118.5	179.5	179.5	179.5	179.5	182.5	187.5
Playgrounds*.....	2	3	3	3	3	3	3	3	3	3
Ball fields*.....	24	24	29	29	29	29	29	29	29	29
Basketball courts.....	2	2	3	3	3	3	3	3	3	3
Tennis courts.....	13	13	14	14	14	14	14	14	14	14
Pools.....	1	1	1	1	1	1	1	1	1	1
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf clubhouses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	4	4	4	4	4	4	4	4	3	3
Libraries.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

* The Town has significantly improved fields/recreational facilities during the last ten years. Most of the fields have new irrigation systems.



Photo by Myrna Walsh

East Street Bog