

TOWN OF DUXBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2004**

On the cover:

The Powder Point Bridge connects the Town to the beach.



Duxbury Harbor

*The Town of
Duxbury, Massachusetts*



**Comprehensive
Annual Financial Report**

**For the Fiscal Year
July 1, 2003 through June 30, 2004**

Prepared by Accounting Department

Town of Duxbury, Massachusetts
Comprehensive Annual Financial Report
For the Year Ended June 30, 2004

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Introductory Section



The 1030-seat Performing Arts Center at the new Alden Elementary School

Board of Selectmen
Andre P. Martecchini, Chair
John J. Tuffy
Elizabeth H. Sullivan



Rocco J. Longo, Town
Manager

Town Of Duxbury, Massachusetts

December 1, 2004

Letter of Transmittal

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

State law requires the Town of Duxbury to publish at the close of each fiscal year a complete set of financial statements in conformity with accounting principals 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, 2004 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 as well as residents and taxpayers of Duxbury.

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.

The Town of Duxbury's financial statements have been audited by Powers & Sullivan, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Duxbury for the fiscal year ended June 30, 2004, 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 principals 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 the Town of Duxbury's financial statements for the fiscal year ended June 30, 2004, and that they are 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 require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment 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 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. 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 15,127 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

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.

Factors Affecting Financial Condition

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 2005 the average price of a home in Duxbury was \$587,000 (based upon 2003 sales data), an increase of over 15% from the previous year. Housing prices have increased an average of 13.85% a year for the last six years because the housing stock is limited and the community is seen as highly desirable. 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. The recent completion of the commuter rail to neighboring Kingston facilitated the commute to Boston.

On the operating side, the Town experienced financial challenges during 2003, 2004 and into the 2005 budget cycle (March 2004) as the Commonwealth's budget difficulties resulted in funding cuts, primarily in education programs, of almost \$1 million. Rising health care costs added to the economic pressures. Proposition 2 ½ capped the Town's ability to raise taxes and excess levy capacity is limited. The Town last approved a Proposition 2 ½ 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 enjoys a cooperative working relationship among its many boards, departments, unions and citizens. The community successfully resolved a \$1.3 million health insurance deficit during 2004. All departments, including the schools, reduced budgets in 2004 and into 2005; the community accepted fee increases where practical; and some limited reserves were utilized to help mitigate the impact of the State cuts. The Town continued its longer range outlook through completion of the school expansion, sewer plant project, and water infrastructure enhancements, by continuing to support the Community Preservation surcharge at the 3% maximum.

The economic outlook for the Commonwealth has brightened, with reports of revenue surpluses. The School Building Assistance program has been restructured, and the State Treasurer has indicated that Duxbury will receive its anticipated (67%) school building reimbursement during fiscal 2006. The Town anticipates issuing \$14.5 million in long term tax exempt debt at that time.

The Town continues to manage its financial affairs in a prudent manner. It has maintained its Aa2 bond rating through its affluent and sizable tax base, well-maintained financial operations and strong debt position. Although the Town voted to utilize reserves in planning its 2005 budget, the Town retained reserve balances, including free cash, exceeding 8.5% of the 2005 operating budget.

Financial Summary

Financial and Management Systems

Internal Controls

Management of the Town is responsible for establishing and maintaining an internal control structure designed to ensure the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Town Accountant is responsible for evaluating the adequacy and effectiveness of the internal control structure and implementing improvements.

Because the cost of internal controls should not outweigh their benefits, the Town of Duxbury's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Budgetary Controls

The Town Manager is responsible for preparing and presenting 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 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.

Cash Management

Cash management is handled by the Town Treasurer. The Town Treasurer monitors the Town's cash flow and provides for the investment of Town funds. The Treasurer seeks to maximize the return on Town funds while maintaining adequate protection and liquidity of funds.

Quarterly tax billings and excellent collection rates have eliminated the need to borrow on a short term basis to maintain cash flow. The Town's investment options are governed by Massachusetts General Laws and focus on safety, liquidity and yield.

Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance.

The Town is self-insured for employee health insurance and workers compensation activities.

Debt Administration

The Town Treasurer has oversight of all Town debt, but the Town Manager and Town Accountant also participate in decision-making, with advice from the Town's bankers, as part of a "Fiscal Team". The Town's credit rating was reaffirmed as an Aa2 rating in 2004, a strong positive reflection on the financial condition and excellent management of the Town.

Acknowledgements

This is the Town of Duxbury's first Comprehensive Annual Financial Report. Preparing a document of this magnitude requires a significant investment of time and resources. I would like to thank the Board of Selectmen for supporting this endeavor and I am grateful to Town Accountant, Sheryl Strother for identifying this goal and ultimately making it a reality. This document reflects well upon the professionalism of our organization and provides a wealth of information to the community. Special thanks to John Puopolo for the beautiful photographs.

Respectfully submitted,



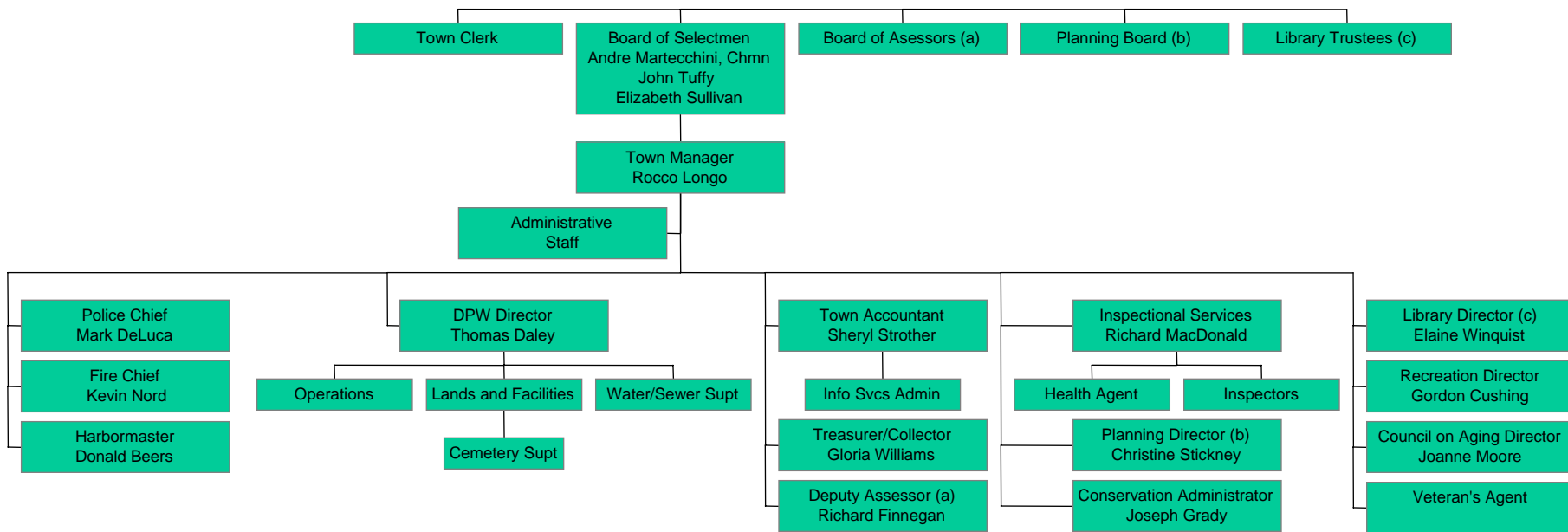
Rocco J. Longo
Town Manager, CFO

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	Andre P. Martecchini	Elected	3 Years	2006
Selectman	John T. Tuffy	Elected	3 Years	2007
Selectman	Elizabeth H. Sullivan	Elected	3 Years	2005
Town Manager	Rocco J. Longo	Appointed	Indefinite	N/A
Town Accountant	Sheryl D. Strother	Appointed	Indefinite	N/A
Treasurer/Collector	Gloria M. Williams	Appointed	Indefinite	N/A
Town Clerk	Nancy M. Oates	Elected	3 Years	2007
Assessor	James G. McNab	Elected	3 Years	2007
Assessor	J. Thomas Marquis	Elected	3 Years	2006
Assessor	June Albritton	Elected	3 Years	2005
Superintendent of Schools	Dr. Eileen Williams	Appointed	Indefinite	N/A
School Business Manager	Daniel McGonagle	Appointed	Indefinite	N/A
Superintendent of Public Works	Thomas Daley	Appointed	Indefinite	N/A
Town Moderator	Allen N. Bornheimer	Elected	1 Year	2005
Town Counsel	Robert S. Troy	Appointed	Indefinite	N/A

Town of Duxbury, Massachusetts Organizational Chart



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

Financial Section



The Duxbury Senior Center opened in 2001



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 member

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, 2004, 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 *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, 2004, 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.

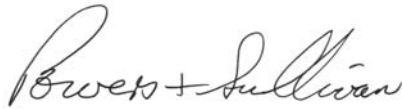
As more fully described in Note 16 the beginning net assets of the Water Enterprise fund has been restated.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2004, 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 grants. 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 made for the purpose of forming an opinion on the financial statements taken as a whole. The combining and individual fund statements and schedules, as listed in the table of contents, are presented for the purpose of supplementary analysis and are not a required part of the financial statements of the Town of Duxbury, Massachusetts. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, are fairly presented in all material respects in relation to the financial statements taken as a whole.

Management's discussion and analysis, located on the following pages, and schedule of revenues, expenditures and changes in fund balance – general fund – budgetary basis, located after the notes to the basic financial statements, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Bowers + Sullivan".

October 14, 2004

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, 2004. 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 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, public works, human services, culture and recreation, pension benefits, property and liability insurance, employee benefits, interest and state and county charges. The business-type activities include the activities of the municipal water department.

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*.

Proprietary funds. The Town maintains two types of propriety 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.

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 statement 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 propriety 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 \$90,295,431 at the end of Fiscal Year 2004. The Town is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

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

Governmental Activities

Governmental Activities:	Balance at June 30, 2004	Balance at June 30, 2003
	<u> </u>	<u> </u>
Assets:		
Current assets.....	\$ 20,547,110	\$ 27,145,331
Noncurrent assets (excluding capital).....	27,337,466	21,728,899
Capital assets.....	90,658,406	85,692,828
Total assets.....	<u>138,542,982</u>	<u>134,567,058</u>
Liabilities:		
Current liabilities (excluding debt).....	5,947,740	7,216,511
Noncurrent liabilities (excluding debt).....	161,755	176,402
Current debt.....	44,615,341	44,688,799
Noncurrent debt.....	7,893,853	8,981,987
Total liabilities.....	<u>58,618,689</u>	<u>61,063,699</u>
Net Assets:		
Capital assets net of related debt.....	65,929,104	60,550,060
Restricted.....	3,316,195	3,664,001
Unrestricted.....	10,678,994	9,289,298
Total net assets.....	<u>\$ 79,924,293</u>	<u>\$ 73,503,359</u>

Net assets of \$65,929,104 (82.5%) 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 \$3,316,195 (4.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$10,678,994 (13.4%) may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental activities net assets increased by \$6,420,934 during the current fiscal year which was primarily due to capital grants earned from the School Building Assistance Bureau of \$4,784,522, and from the Community Preservation Act of \$922,706 and from taxes assessed in relation to the Community Preservation Act of \$695,385, which have been used to acquire and construct capital assets. This increase is an indication that the financial position of the Town has improved during fiscal year 2004.

Governmental Activities:

	June 30, 2004	June 30, 2003
Program revenues:		
Charges for services.....	\$ 9,278,912	\$ 8,481,493
Operating grants and contributions.....	7,893,943	8,286,268
Capital grants and contributions.....	5,998,907	10,746,357
General Revenues:		
Real estate and personal property taxes.....	33,164,957	31,571,815
Tax liens.....	154,882	167,821
Motor vehicle and other excise taxes.....	2,377,327	1,898,153
Penalties and interest on taxes.....	169,501	190,307
Payments in lieu of taxes.....	6,369	-
Nonrestricted grants and contributions.....	33,508	44,901
Unrestricted investment income.....	118,867	511,843
Miscellaneous revenues.....	480,428	463,544
Total revenues.....	59,677,601	62,362,502
Expenses:		
General Government.....	2,759,033	2,644,553
Public Safety.....	7,208,099	6,479,713
Education.....	35,428,777	33,932,599
Public Works.....	3,417,632	4,418,446
Human Services.....	455,690	451,678
Culture and recreation.....	2,272,190	2,184,149
Community Preservation.....	238,645	55,620
Interest.....	1,299,940	1,193,807
State and county charges.....	328,705	364,458
Other.....	17,956	24,936
Total expenses.....	53,426,667	51,749,959
Transfers.....	170,000	156,000
Change in net assets.....	\$ 6,420,934	\$ 10,768,543

Business-type Activities

For the Town's water business-type activities, assets exceeded liabilities by \$10,371,138 at the close of FY2004. Of this amount \$2,805,970 (27%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

Business-Type Activities:	Balance at June 30, 2004	Balance at June 30, 2003
Assets:		
Current assets.....	\$ 2,940,095	\$ 1,870,279
Capital assets.....	12,510,168	11,896,366
Total assets.....	15,450,263	13,766,645
Liabilities:		
Current liabilities (excluding debt).....	129,057	112,440
Noncurrent liabilities (excluding debt).....	5,068	5,150
Current debt.....	1,190,000	748,000
Noncurrent debt.....	3,755,000	2,945,000
Total liabilities.....	5,079,125	3,810,590
Net Assets:		
Capital assets net of related debt.....	7,565,168	8,203,366
Unrestricted.....	2,805,970	1,752,689
Total net assets.....	\$ 10,371,138	\$ 9,956,055

As shown in the following table, there was an increase of \$415,083 in net assets related to the Water Department's operations during the year. This was partially due to the payment on bonds and notes exceeding the current depreciation expense charged.

Business-Type Activities:	June 30, 2004	June 30, 2003
Program revenues:		
Charges for services.....	\$ 2,054,405	\$ 2,058,068
Total revenues.....	2,054,405	2,058,068
Expenses:		
Water.....	1,469,322	1,539,972
Transfers.....	(170,000)	(170,000)
Change in net assets.....	\$ 415,083	\$ 348,096

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of (\$29,216,357), a decrease of (\$6,246,675) from the prior year. Most of the decrease is attributable to the Town's School Renovations Project, which has been financed with temporary bond anticipation notes until the School Building Assistance (SBAB) reimbursements begin. The Town has \$39,336,000 in bond anticipation notes outstanding related to this project at year end. Bond Anticipation Notes are considered temporary financing and are not considered revenue in the fund based statements.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,964,922, while total fund balance is \$4,947,552. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6% of total general fund expenditures, while total fund balance represents 10% of that same amount.

The fund balance of the general fund decreased by (\$1,435,087). Key reasons for this decrease were the appropriation of \$426,576 to fund union contracts and the transfer of \$1,325,425 to the health claims internal service fund to resolve its 2003 deficit.

The Community Preservation Act fund had a fund balance at June 30, 2004 of \$1,932,145. 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 \$1,522,631 increase in the fund during fiscal year 2004 is primarily the result of limited project approvals for fiscal 2004.

The School Renovations fund is used to account for the Town's major school renovation and construction project related to expanding and renovating the Chandler and Alden schools, including building a performing arts center. This fund had a year end fund balance of (\$38,289,026). The negative balance results from funding the project with temporary debt until SBAB payments are received. The estimated year for SBAB payments to begin is currently 2006.

The Stabilization fund is used to accumulate resources to be used for future general and/or capital purposes upon approval of Town Meeting. The (\$457,266) decrease in the Stabilization fund was due to investment loss of (\$79,316) and transfers out of (\$377,950) to fund the 2004 general fund operating budget.

The Pension Trust fund is used to accumulate resources to meet future annual contributions to the County Retirement System. The net decrease of (\$309,595) was due to investment loss of (\$87,819) and transfers out of (\$221,776) to offset a portion of the fiscal year 2004 required contributions to the County Retirement System.

General Fund Budgetary Highlights

The \$426,576 increase between the original budget and the final amended budget was due to settlement of several collective bargaining agreements including teachers and public safety unions. The \$753,938 in revenues in excess of budget is due to conservative budgeting. The \$790,376 in expenditures less than budget resulted both from conservative budgeting and an effort by management to reduce spending wherever practical going into 2005.

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 major governmental capital asset activity in fiscal year 2004 includes an addition to construction in progress of approximately \$7,000,000 for the Alden School. The water enterprise major capital asset activity includes an addition to construction in progress of approximately \$1,100,000 for plant and infrastructure.

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.....	\$ 23,417,141	\$ (491,448)	\$ 22,925,693
Public Safety.....	6,333,034	(2,905,028)	3,428,006
Education.....	56,825,222	(8,862,378)	47,962,844
Public Works.....	15,077,915	(7,618,235)	7,459,680
Culture and recreation.....	<u>11,241,491</u>	<u>(2,359,308)</u>	<u>8,882,183</u>
Total by function.....	<u>\$ 112,894,803</u>	<u>\$ (22,236,397)</u>	<u>\$ 90,658,406</u>
Business-type activities			
Water.....	<u>\$ 16,613,299</u>	<u>\$ (4,103,131)</u>	<u>\$ 12,510,168</u>

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$9,259,991 at the end of the current fiscal year. Of this amount, \$2,040,000 is related to the renovation of the library, \$1,875,000 is related to the senior center project, \$1,814,991 relates to sewer projects, \$1,040,000 relates to land purchases and \$1,010,000 is related to school equipment and improvements. The remaining \$1,480,000 relates to other capital related projects. Additionally, the Town's short-term borrowing is at \$43,249,203, of which \$39,336,000 is related to the School Construction Project. The School Construction Project includes the construction of a Performing Arts Center and renovations to the Alden and Chandler Schools. The Town anticipates a reimbursement for 67% of the costs of the school projects from the State of Massachusetts' School Building Assistance Bureau.

The enterprise funds have \$4,945,000 in water fund debt that is fully supported by the rates and do not rely on a general fund subsidy.

Please refer to the notes for further discussion of the major capital and 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 Town Accountant, Town Hall, 878 Tremont Street, Duxbury, Massachusetts 02332.

Basic Financial Statements

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STATEMENT OF NET ASSETS

JUNE 30, 2004

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and short-term investments.....	\$ 13,179,995	\$ 2,170,796	\$ 15,350,791
Investments.....	4,398,876	-	4,398,876
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	389,714	-	389,714
Tax liens.....	138,682	-	138,682
Motor vehicle and other excise taxes.....	250,226	-	250,226
User fees.....	7,404	769,299	776,703
Departmental and other.....	163,409	-	163,409
Intergovernmental.....	522,826	-	522,826
Tax foreclosures.....	610,778	-	610,778
Working capital deposit.....	885,200	-	885,200
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	27,210,066	-	27,210,066
Real estate tax deferrals.....	127,400	-	127,400
Capital assets, net of accumulated depreciation:			
Nondepreciable.....	52,158,703	4,486,342	56,645,045
Depreciable.....	38,499,703	8,023,826	46,523,529
TOTAL ASSETS.....	138,542,982	15,450,263	153,993,245
LIABILITIES			
CURRENT:			
Warrants payable.....	1,711,340	38,102	1,749,442
Accrued liabilities.....	1,057,581	-	1,057,581
Health claims payable.....	1,627,000	-	1,627,000
Accrued interest.....	459,877	13,918	473,795
Other liabilities.....	395,697	60,105	455,802
Compensated absences.....	696,245	16,932	713,177
Bonds and notes payable.....	44,615,341	1,190,000	45,805,341
NONCURRENT:			
Compensated absences.....	161,755	5,068	166,823
Bonds and notes payable.....	7,893,853	3,755,000	11,648,853
TOTAL LIABILITIES.....	58,618,689	5,079,125	63,697,814
NET ASSETS			
Invested in capital assets, net of related debt.....	65,929,104	7,565,168	73,494,272
Restricted for:			
Loans.....	738,178	-	738,178
Permanent funds:			
Expendable.....	256,055	-	256,055
Nonexpendable.....	1,631,623	-	1,631,623
Other purposes.....	690,339	-	690,339
Unrestricted.....	10,678,994	2,805,970	13,484,964
TOTAL NET ASSETS.....	\$ 79,924,293	\$ 10,371,138	\$ 90,295,431

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2004

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.....	\$ 2,759,033	\$ 334,409	\$ 362,704	\$ -	\$ (2,061,920)
Public safety.....	7,208,099	1,180,928	209,403	-	(5,817,768)
Education.....	35,428,777	3,457,435	6,832,754	-	(25,138,588)
Education construction.....	-	-	-	4,784,522	4,784,522
Public works.....	3,417,632	1,450,480	132,837	291,679	(1,542,636)
Human services.....	455,690	106,756	27,965	-	(320,969)
Culture and recreation.....	2,272,190	1,814,874	35,420	-	(421,896)
Community preservation.....	238,645	934,030	-	922,706	1,618,091
Interest.....	1,299,940	-	292,860	-	(1,007,080)
State and county charges.....	328,705	-	-	-	(328,705)
Other.....	17,956	-	-	-	(17,956)
Total Governmental Activities.....	53,426,667	9,278,912	7,893,943	5,998,907	(30,254,905)
<i>Business-Type Activities:</i>					
Water.....	1,469,322	2,054,405	-	-	585,083
Total Primary Government.....	\$ 54,895,989	\$ 11,333,317	\$ 7,893,943	\$ 5,998,907	\$ (29,669,822)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

FISCAL YEAR ENDED JUNE 30, 2004

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net assets:			
Net (expense) revenue from previous page.....	\$ (30,254,905)	\$ 585,083	\$ (29,669,822)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	33,164,957	-	33,164,957
Tax liens.....	154,882	-	154,882
Motor vehicle and other excise taxes.....	2,377,327	-	2,377,327
Penalties and interest on taxes.....	169,501	-	169,501
Payments in lieu of taxes.....	6,369	-	6,369
Grants and contributions not restricted to specific programs.....	33,508	-	33,508
Unrestricted investment income.....	118,867	-	118,867
Miscellaneous.....	480,428	-	480,428
<i>Transfers, net</i>	170,000	(170,000)	-
Total general revenues and transfers.....	36,675,839	(170,000)	36,505,839
Change in net assets.....	6,420,934	415,083	6,836,017
<i>Net Assets:</i>			
Beginning of year (as restated).....	73,503,359	9,956,055	83,459,414
End of year.....	\$ <u>79,924,293</u>	\$ <u>10,371,138</u>	\$ <u>90,295,431</u>

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2004

ASSETS	<u>General</u>	<u>Community Preservation Act</u>	<u>School Renovations</u>
Cash and short-term investments.....	\$ 7,460,448	\$ 1,948,639	\$ 1,400,957
Investments.....	12,981	-	-
Receivables, net of uncollectibles:			
Real estate and personal property taxes.....	389,714	-	-
Real estate tax deferrals.....	127,400	-	-
Tax liens.....	138,682	-	-
Motor vehicle and other excise taxes.....	250,226	-	-
User fees.....	7,404	-	-
Departmental and other.....	163,409	-	-
Intergovernmental.....	27,343,786	3,389	-
Tax foreclosures.....	610,778	-	-
Due from other funds.....	-	-	-
TOTAL ASSETS.....	\$ 36,504,828	\$ 1,952,028	\$ 1,400,957
 LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Warrants payable.....	\$ 1,187,181	\$ 15,426	\$ 353,983
Accrued liabilities.....	1,057,581	-	-
Accrued interest on short-term debt.....	396,054	-	-
Other liabilities.....	81,936	1,068	-
Deferred revenues.....	28,826,663	3,389	-
Due to other funds.....	7,861	-	-
Notes payable.....	-	-	39,336,000
TOTAL LIABILITIES.....	31,557,276	19,883	39,689,983
 FUND BALANCES:			
Reserved for:			
Encumbrances and continuing appropriations.....	1,116,553	-	-
Perpetual permanent funds.....	-	-	-
Unreserved:			
Designated for subsequent year's expenditures.....	866,077	-	-
Undesignated, reported in:			
General fund.....	2,964,922	-	-
Special revenue funds.....	-	1,932,145	-
Capital projects funds.....	-	-	(38,289,026)
Permanent funds.....	-	-	-
TOTAL FUND BALANCES.....	4,947,552	1,932,145	(38,289,026)
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 36,504,828	\$ 1,952,028	\$ 1,400,957

See notes to basic financial statements.

	<u>Stabilization</u>	<u>Pension Trust</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	1,005	\$ 9,272	\$ 2,169,585	\$ 12,989,906
	1,016,157	1,300,703	2,069,035	4,398,876
	-	-	-	389,714
	-	-	-	127,400
	-	-	-	138,682
	-	-	-	250,226
	-	-	-	7,404
	-	-	-	163,409
	-	-	385,717	27,732,892
	-	-	-	610,778
	-	-	7,861	7,861
\$	<u>1,017,162</u>	<u>\$ 1,309,975</u>	<u>\$ 4,632,198</u>	<u>\$ 46,817,148</u>
\$	-	\$ -	154,750	\$ 1,711,340
	-	-	-	1,057,581
	-	-	-	396,054
	-	-	312,693	395,697
	-	-	385,717	29,215,769
	-	-	-	7,861
	-	-	3,913,203	43,249,203
	-	-	4,766,363	76,033,505
	-	-	-	1,116,553
	-	-	1,631,623	1,631,623
	-	-	-	866,077
	-	-	-	2,964,922
	1,017,162	1,309,975	1,303,910	5,563,192
	-	-	(3,325,753)	(41,614,779)
	-	-	256,055	256,055
	<u>1,017,162</u>	<u>1,309,975</u>	<u>(134,165)</u>	<u>(29,216,357)</u>
\$	<u>1,017,162</u>	<u>\$ 1,309,975</u>	<u>\$ 4,632,198</u>	<u>\$ 46,817,148</u>

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

FISCAL YEAR ENDED JUNE 30, 2004

Total governmental fund balances.....		\$ (29,216,357)
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		90,658,406
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		29,215,769
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.....		(551,711)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(63,823)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
Bonds and notes payable.....	(9,259,991)	
Compensated absences.....	<u>(858,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(10,117,991)</u>
Net assets of governmental activities.....		<u>\$ 79,924,293</u>

See notes to basic financial statements.

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GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2004

	General	Community Preservation Act	School Renovations
REVENUES:			
Real estate and personal property taxes, net of tax refunds.....	\$ 32,372,355	\$ -	\$ -
Tax and trash liens.....	189,612	-	-
Motor vehicle and other excise taxes.....	2,263,043	-	-
Sewer charges.....	285,785	-	-
Trash disposal.....	500,169	-	-
Intergovernmental.....	6,597,520	922,706	-
Departmental and other.....	3,224,606	-	-
Special assessments.....	-	938,570	-
Contributions.....	-	-	-
Investment income.....	308,218	-	-
TOTAL REVENUES.....	45,741,308	1,861,276	-
EXPENDITURES:			
Current:			
General government.....	1,830,964	-	-
Public safety.....	4,818,040	-	-
Education.....	23,432,398	-	5,329,001
Public works.....	3,301,135	-	-
Human services.....	365,163	-	-
Culture and recreation.....	1,354,687	-	-
Community preservation.....	-	238,645	-
Pension benefits - Town.....	1,201,990	-	-
Pension benefits - School.....	2,861,000	-	-
Property and liability insurance.....	233,699	-	-
Employee benefits.....	6,209,929	-	-
Other.....	-	-	-
State and county charges.....	328,705	-	-
Debt service:			
Principal.....	1,323,432	-	-
Interest.....	1,299,181	-	-
TOTAL EXPENDITURES.....	48,560,323	238,645	5,329,001
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,819,015)	1,622,631	(5,329,001)
OTHER FINANCING SOURCES (USES):			
Proceeds from bonds and notes.....	-	-	-
Premium from issuance of bonds.....	377,483	-	-
Transfers in.....	1,006,445	-	-
Transfers out.....	-	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES).....	1,383,928	(100,000)	-
NET CHANGE IN FUND BALANCES.....	(1,435,087)	1,522,631	(5,329,001)
FUND BALANCES AT BEGINNING OF YEAR.....	6,382,639	409,514	(32,960,025)
FUND BALANCES AT END OF YEAR.....	\$ 4,947,552	\$ 1,932,145	\$ (38,289,026)

See notes to basic financial statements.

	<u>Stabilization</u>	<u>Pension Trust</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	-	\$ -	\$ -	\$ 32,372,355
	-	-	-	189,612
	-	-	-	2,263,043
	-	-	-	285,785
	-	-	-	500,169
	-	-	2,326,956	9,847,182
	-	-	2,306,386	5,530,992
	-	-	-	938,570
	-	-	121,006	121,006
	<u>(79,316)</u>	<u>(87,819)</u>	<u>(235,342)</u>	<u>(94,259)</u>
	<u>(79,316)</u>	<u>(87,819)</u>	<u>4,519,006</u>	<u>51,954,455</u>
	-	-	205,559	2,036,523
	-	-	464,683	5,282,723
	-	-	4,002,243	32,763,642
	-	-	286,623	3,587,758
	-	-	42,729	407,892
	-	-	225,851	1,580,538
	-	-	-	238,645
	-	-	-	1,201,990
	-	-	-	2,861,000
	-	-	-	233,699
	-	-	-	6,209,929
	-	-	17,956	17,956
	-	-	-	328,705
	-	-	-	1,323,432
	-	-	-	1,299,181
	-	-	5,245,644	59,373,613
	<u>(79,316)</u>	<u>(87,819)</u>	<u>(726,638)</u>	<u>(7,419,158)</u>
	-	-	625,000	625,000
	-	-	-	377,483
	-	-	125,000	1,131,445
	<u>(377,950)</u>	<u>(221,776)</u>	<u>(261,719)</u>	<u>(961,445)</u>
	<u>(377,950)</u>	<u>(221,776)</u>	<u>488,281</u>	<u>1,172,483</u>
	(457,266)	(309,595)	(238,357)	(6,246,675)
	<u>1,474,428</u>	<u>1,619,570</u>	<u>104,192</u>	<u>(22,969,682)</u>
\$	<u><u>1,017,162</u></u>	<u><u>1,309,975</u></u>	<u><u>(134,165)</u></u>	<u><u>(29,216,357)</u></u>

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

FISCAL YEAR ENDED JUNE 30, 2004

Net change in fund balances - total governmental funds..... \$ (6,246,675)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	7,875,025
Depreciation expense.....	<u>(2,909,448)</u>

Net effect of reporting capital assets..... 4,965,577

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.....

5,046,088

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.

Proceeds from bonds and notes.....	(625,000)
Debt service principal payments.....	<u>1,323,432</u>

Net effect of reporting long-term debt..... 698,432

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Net change in compensated absences accrual.....	(56,000)
Net change in capital lease obligation.....	499,156
Net change in accrued interest on long-term debt.....	<u>(758)</u>

Net effect of recording long-term liabilities and amortizing deferred losses..... 442,398

Internal service funds are used by management to account for health insurance and workers' compensation activities.

The net activity of internal service funds is reported with governmental activities..... 1,515,114

Change in net assets of governmental activities..... \$ 6,420,934

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2004

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water Enterprise	Funds
ASSETS		
CURRENT:		
Cash and short-term investments.....	\$ 2,170,796	\$ 190,089
Receivables, net of allowance for uncollectibles:		
User fees.....	769,299	-
Working capital deposit.....	-	885,200
	2,940,095	1,075,289
NONCURRENT:		
Capital assets, net of accumulated depreciation.....	12,510,168	-
	15,450,263	1,075,289
LIABILITIES		
CURRENT:		
Warrants payable.....	38,102	-
Health claims payable.....	-	1,627,000
Accrued interest.....	13,918	-
Other liabilities.....	60,105	-
Compensated absences.....	16,932	-
Bonds and notes payable.....	1,190,000	-
	1,319,057	1,627,000
NONCURRENT:		
Compensated absences.....	5,068	-
Bonds and notes payable.....	3,755,000	-
	3,760,068	-
	5,079,125	1,627,000
NET ASSETS		
Invested in capital assets, net of related debt.....	7,565,168	-
Unrestricted.....	2,805,970	(551,711)
	10,371,138	(551,711)
TOTAL NET ASSETS.....	\$ 10,371,138	\$ (551,711)

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2004

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water Enterprise	
<u>OPERATING REVENUES:</u>		
Employee contributions	\$ -	\$ 2,287,286
Employer contributions	-	5,725,425
Charges for services	2,054,405	-
Other.....	-	5,921
TOTAL OPERATING REVENUES	2,054,405	8,018,632
<u>OPERATING EXPENSES:</u>		
Cost of services and administration	791,121	6,509,886
Depreciation.....	537,268	-
TOTAL OPERATING EXPENSES	1,328,389	6,509,886
OPERATING INCOME (LOSS).....	726,016	1,508,746
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Investment income.....	-	6,368
Interest expense.....	(140,933)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(140,933)	6,368
INCOME (LOSS) BEFORE TRANSFERS.....	585,083	1,515,114
<u>TRANSFERS:</u>		
Transfers out.....	(170,000)	-
CHANGE IN NET ASSETS.....	415,083	1,515,114
NET ASSETS AT BEGINNING OF YEAR (as restated)..	9,956,055	(2,066,825)
NET ASSETS AT END OF YEAR.....	\$ 10,371,138	\$ (551,711)

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2004

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water Enterprise	Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 1,759,365	\$ -
Receipts from interfund services provided.....	-	7,116,623
Payments to vendors.....	(363,582)	(6,932,902)
Payments to employees.....	(414,845)	-
NET CASH FROM OPERATING ACTIVITIES.....	980,938	183,721
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers out.....	(170,000)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(170,000)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of bonds and notes.....	2,000,000	-
Acquisition and construction of capital assets.....	(1,151,070)	-
Principal payments on bonds and notes.....	(748,000)	-
Interest expense.....	(137,092)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(36,162)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Investment income.....	-	6,368
NET CHANGE IN CASH AND SHORT-TERM INVESTMENTS.....	774,776	190,089
CASH AND SHORT-TERM INVESTMENTS AT BEGINNING OF YEAR.....	1,396,020	-
CASH AND SHORT-TERM INVESTMENTS AT END OF YEAR.....	\$ 2,170,796	\$ 190,089
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ 726,016	\$ 1,508,746
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation.....	537,268	-
Changes in assets and liabilities:		
User fees.....	(295,040)	-
Due from other funds.....	4,586	-
Working capital deposit.....	-	(134,600)
Warrants payable.....	(3,306)	(423,416)
Health claims payable.....	-	135,000
Other liabilities.....	19,000	-
Due to other funds.....	(4,586)	(902,009)
Accrued compensated absences.....	(3,000)	-
Total adjustments.....	254,922	(1,325,025)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 980,938	\$ 183,721

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2004

	Private Purpose Trust Funds	Agency Funds
ASSETS		
CURRENT:		
Cash and short-term investments.....	\$ 108,070	\$ 531,496
Investments.....	869,366	-
TOTAL ASSETS.....	<u>977,436</u>	<u>531,496</u>
LIABILITIES		
Warrants payable.....	-	14,787
Liabilities due depositors.....	-	516,709
TOTAL LIABILITIES.....	<u>-</u>	<u>531,496</u>
NET ASSETS		
Held in trust.....	<u>\$ 977,436</u>	<u>\$ -</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2004

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ 313,573
Net investment income (loss):	
Interest.....	<u>(47,768)</u>
TOTAL ADDITIONS.....	<u>265,805</u>
<u>DEDUCTIONS:</u>	
Administration.....	<u>30,606</u>
CHANGE IN NET ASSETS.....	235,199
NET ASSETS AT BEGINNING OF YEAR.....	<u>742,237</u>
NET ASSETS AT END OF YEAR.....	<u>\$ 977,436</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, account groups, 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 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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

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

Government-Wide Financial Statements

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

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

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

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

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions are charges between the general fund and water enterprise fund. Elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

The *community preservation act fund* is a special revenue fund used to account for the accumulation of resources for the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

The *school renovations fund* is a capital projects fund used to account for financial resources to expand and upgrade the Town's school facilities.

The *stabilization fund* is a special revenue fund used to account for the accumulation of resources to be used for general and/or capital purposes upon approval of Town Meeting.

The *pension trust fund* is a special revenue fund used to account for the accumulation of resources to meet future annual contributions to the County Retirement System.

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

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

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

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

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

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

The following major proprietary fund is reported:

The *water enterprise fund* is used to account for the water activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund 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.

The following fiduciary fund types are reported:

The *private-purpose trust fund* is used to account for trust arrangements, other than those properly reported in the permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments. 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.

Government-Wide and Fund Financial Statements

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

D. Cash and Investments

Government-Wide and Fund Financial Statements

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

E. Accounts Receivable

Government-Wide and Fund Financial Statements

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

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.

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

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 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.

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
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 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:

"Permanent funds - expendable" represents amounts held in trust for which the expenditures are restricted by various trust agreements.

"Permanent funds - nonexpendable" represents amounts held in trust for which only investment earnings may be expended.

“Other purposes” represents restrictions placed on assets from outside parties.

Fund Financial Statements (Fund Balances)

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

Fund balances have been “reserved for” the following:

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

“Perpetual permanent funds” represents amounts held in trust for which only investment earnings may be expended.

Fund balances have been “designated for” the following:

“Subsequent year’s expenditures” represents amounts appropriated for the fiscal year 2004 operating budget.

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

M. Investment Income

Excluding the permanent funds, investment income derived from 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.

O. Post Retirement Benefits*Government-Wide and Fund Financial Statements*

In addition to providing pension benefits, the Town provides health insurance coverage for approximately 242 retired employees and their survivors. The Town recognizes the cost of providing health insurance by recording its shares of insurance premiums in the General Fund in the fiscal year paid. For the fiscal year ended June 30, 2004, this expenditure totaled approximately \$590,000.

P. 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.

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 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYA. Fund Deficits

At June 30, 2004 the Internal Service Fund had a deficit of (\$551,711). This deficit will be funded through Town contributions.

At June 30, 2004, the School Renovations Major Governmental Fund had a deficit of (\$37,939,574). This deficit will be funded through future long-term borrowing.

At June 30, 2004, the Miscellaneous Capital Projects and the High School Sewage Capital Project funds classified within the Nonmajor Governmental Funds have deficit balances of (\$385,580) and (\$3,034,893) respectively. These deficits will be funded through future long-term borrowing.

NOTE 3 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Short-term Investments". 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). In addition, there are various restrictions limiting the amount and length of deposits and investments.

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.

Short-term investments and investments are classified as to collateral risk into the following three categories:

- Category 1: Insured or registered, or securities held by the Town or its agent in the Town's name.
- Category 2: Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name.
- Category 3: Uninsured and unregistered, with securities held by the counterparty, or its trust department or agent but not in the Town's name.

At fiscal year-end, the carrying amount of deposits totaled \$15,137,313 and the bank balance totaled \$16,284,133. Of the bank balance, \$14,971,746 was covered by depository insurance and \$1,312,387 was uninsured and uncollateralized.

The following details the carrying amount of cash and short-term investments and investments as reported in the basic financial statements at June 30, 2004:

	Cash and Short-term Investments	Investments	Total
Checking, savings and NOW accounts.....	\$ 14,459,239	\$ -	\$ 14,459,239
Money market deposits.....	<u>678,074</u>	<u>-</u>	<u>678,074</u>
Total carrying amount of cash.....	<u>15,137,313</u>	<u>-</u>	<u>15,137,313</u>
Investments not subject to categorization:			
MMDT.....	844,264	-	844,264
Mutual funds.....	8,780	-	8,780
Investments subject to categorization:			
Equity securities (Category 1).....	-	24	24
Fixed income securities (Category 3).....	<u>-</u>	<u>5,268,218</u>	<u>5,268,218</u>
Total investments.....	<u>853,044</u>	<u>5,268,242</u>	<u>6,121,286</u>
Total cash and short-term investments as reported on the balance sheet.....	<u>\$ 15,990,357</u>	<u>\$ 5,268,242</u>	<u>\$ 21,258,599</u>

NOTE 4 – RECEIVABLES

At June 30, 2004, receivables for the individual major, non-major governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

GOVERNMENTAL FUNDS RECEIVABLES

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real Estate and personal property taxes.....	\$ 440,214	\$ (50,500)	\$ 389,714
Real estate tax deferrals.....	127,400	-	127,400
Tax liens.....	138,682	-	138,682
Motor vehicle and other excise taxes.....	447,426	(197,200)	250,226
User fees.....	7,404	-	7,404
Departmental and other.....	163,409	-	163,409
Intergovernmental.....	<u>27,732,892</u>	<u>-</u>	<u>27,732,892</u>
Total.....	<u>\$ 29,057,427</u>	<u>\$ (247,700)</u>	<u>\$ 28,809,727</u>

ENTERPRISE FUND RECEIVABLES

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water.....	<u>\$ 769,299</u>	<u>\$ -</u>	<u>\$ 769,299</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	Other Governmental Funds	Total
<u>Receivable and other asset type:</u>			
Real estate and personal property taxes.....	\$ 180,860	\$ -	\$ 180,860
Tax liens and foreclosures.....	876,860	-	876,860
Motor vehicle and other excise.....	250,225	-	250,225
User charges.....	11,523	-	11,523
Departmental and other.....	163,409	-	163,409
Intergovernmental.....	<u>27,343,786</u>	<u>389,106</u>	<u>27,732,892</u>
Total.....	<u>\$ 28,826,663</u>	<u>\$ 389,106</u>	<u>\$ 29,215,769</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2004, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 27,282,267	\$ 76,000	\$ -	\$ 27,358,267
Construction in progress.....	21,950,058	7,056,208	(4,205,830)	24,800,436
Total capital assets not being depreciated.....	49,232,325	7,132,208	(4,205,830)	52,158,703
<u>Capital assets being depreciated:</u>				
Buildings.....	25,898,944	-	-	25,898,944
Infrastructure.....	13,062,137	4,475,197	(213,996)	17,323,338
Vehicles.....	4,925,134	22,790	-	4,947,924
Computers.....	1,740,360	309,083	(255,603)	1,793,840
Furniture, fixtures and equipment.....	1,021,020	-	-	1,021,020
Improvements.....	7,969,780	-	-	7,969,780
Library books.....	854,221	91,644	(87,649)	858,216
School books.....	1,093,548	49,933	(220,443)	923,038
Total capital assets being depreciated.....	56,565,144	4,948,647	(777,691)	60,736,100
<u>Less accumulated depreciation for:</u>				
Buildings.....	(5,620,879)	(438,494)	-	(6,059,373)
Infrastructure.....	(6,690,194)	(753,761)	213,996	(7,229,959)
Vehicles.....	(2,800,188)	(360,754)	-	(3,160,942)
Computers.....	(621,846)	(451,478)	255,603	(817,721)
Furniture, fixtures and equipment.....	(287,972)	(102,102)	-	(390,074)
Improvements.....	(3,228,838)	(374,425)	-	(3,603,263)
Library books.....	(357,035)	(168,580)	87,649	(437,966)
School books.....	(497,688)	(259,854)	220,443	(537,099)
Total accumulated depreciation.....	(20,104,640)	(2,909,448)	777,691	(22,236,397)
Total capital assets being depreciated, net.....	36,460,504	2,039,199	-	38,499,703
Total governmental activities capital assets, net.....	\$ 85,692,829	\$ 9,171,407	\$ (4,205,830)	\$ 90,658,406

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water Enterprise Fund Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,719,437	\$ -	\$ -	\$ 2,719,437
Construction in progress.....	1,909,625	1,090,965	(1,233,685)	1,766,905
Total capital assets not being depreciated.....	4,629,062	1,090,965	(1,233,685)	4,486,342
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	10,703,024	1,300,540	-	12,003,564
Equipment and motor vehicles.....	100,603	22,790	-	123,393
Total capital assets being depreciated.....	10,803,627	1,323,330	-	12,126,957
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(3,294,546)	(540,538)	-	(3,835,084)
Equipment and motor vehicles.....	(243,369)	(24,678)	-	(268,047)
Total accumulated depreciation.....	(3,537,915)	(565,216)	-	(4,103,131)
Total capital assets being depreciated, net.....	7,265,712	758,114	-	8,023,826
Total Water Enterprise capital assets being depreciated, net.....	\$ 11,894,774	\$ 1,849,079	\$ (1,233,685)	\$ 12,510,168

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

Governmental Activities:

General government.....	\$ 70,486
Public safety.....	361,095
Education.....	1,311,615
Public works.....	676,861
Culture and recreation.....	489,391
Total depreciation expense - governmental activities.....	\$ 2,909,448

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2004, interfund payables and receivables from the General Fund to the Nonmajor Governmental Funds are recorded for \$7,861, related to the timing of funding capital projects.

Interfund transfers for the fiscal year ended June 30, 2004, are summarized as follows:

	Transfers In:		
	(1)	(2)	Total
Transfers Out:	General Fund	Nonmajor Governmental Funds	
Community Preservation Act.....	\$ -	\$ 100,000	\$ 100,000
Stabilization.....	352,950	25,000	377,950
Pension Trust.....	221,776	-	221,776
Nonmajor Governmental Funds.....	261,719	-	261,719
Water Enterprise Fund.....	170,000	-	170,000
Total.....	<u>\$ 1,006,445</u>	<u>\$ 125,000</u>	<u>\$ 1,131,445</u>

- (1) Represents the use of use of Community Preservation and Stabilization Funds to support capital projects.
- (2) Represents transfers from the Stabilization, Pension Trust, Nonmajor Governmental Funds and Water Enterprise Funds to finance the Town’s operating budget.

NOTE 7 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the fiscal year ended June 30, 2004, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2003	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2004
<i>Governmental Funds</i>							
BAN	Pool Dehumidification.....	1.75-2.00%	01/15/04	\$ 153,000	\$ -	\$ 153,000	\$ -
BAN	Fire Truck.....	1.42%	01/15/04	625,000	-	625,000	-
BAN	Alden School.....	2.00%	01/14/05	1,300,000	1,300,000	1,300,000	1,300,000
BAN	School Design.....	2.00%	01/14/05	14,132,123	14,132,123	14,132,123	14,132,123
BAN	School Design.....	2.00%	01/14/05	13,703,500	13,703,500	13,703,500	13,703,500
BAN	School Design.....	2.00%	01/14/05	9,799,584	9,799,584	9,799,584	9,799,584
BAN	School Design.....	2.00%	01/14/05	-	400,793	-	400,793
BAN	Land-Conservation.....	1.75-2.00%	01/15/04	400,000	-	400,000	-
BAN	High School Sewage Treatment.....	2.00%	01/14/05	1,533,000	1,533,000	1,533,000	1,533,000
BAN	High School Sewage Treatment.....	2.00%	01/14/05	1,567,000	1,567,000	1,567,000	1,567,000
BAN	Fire Alarms.....	2.00%	01/14/05	-	500,000	-	500,000
BAN	Animal Shelter.....	2.00%	01/14/05	-	75,000	-	75,000
SAAN	Chapter 90 Highway.....	1.50%	07/15/04	-	238,203	-	238,203
<i>Total Governmental Funds.....</i>				<u>43,213,207</u>	<u>43,249,203</u>	<u>43,213,207</u>	<u>43,249,203</u>
<i>Enterprise Fund</i>							
BAN	Water Projects.....	2.00%	01/14/05	200,000	300,000	200,000	300,000
BAN	Water Projects.....	2.00%	01/14/05	-	100,000	-	100,000
BAN	Water Projects.....	2.00%	01/14/05	-	100,000	-	100,000
<i>Total Enterprise Fund.....</i>				<u>200,000</u>	<u>500,000</u>	<u>200,000</u>	<u>500,000</u>
<i>Total.....</i>				<u>\$ 43,413,207</u>	<u>\$ 43,749,203</u>	<u>\$ 43,413,207</u>	<u>\$ 43,749,203</u>

On July 15, 2004, the Town paid down the SAAN for \$238,203.

NOTE 8 – LONG-TERM DEBT

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

Details related to the outstanding indebtedness at June 30, 2004, and the debt service requirements are as follows:

General Obligation Bonds and Notes Payable Schedule – Governmental Funds

Project	Interest Rate (%)	Outstanding at June 30, 2003	Issued	Redeemed	Outstanding at June 30, 2004
Road Improvements.....	4.42	\$ 15,000	\$ -	\$ 15,000	\$ -
Departmental Equipment.....	4.45	140,000	-	55,000	85,000
Remodeling.....	4.45	60,000	-	40,000	20,000
School Equipment.....	4.43	40,000	-	20,000	20,000
DPW Building Construction.....	4.49	45,000	-	10,000	35,000
Seawall.....	4.42	15,000	-	15,000	-
Library.....	5.00	2,200,000	-	160,000	2,040,000
Dredging.....	5.00	50,000	-	20,000	30,000
Sewer Connections.....	5.00	50,000	-	10,000	40,000
MWPAT 1997.....	5.27	488,909	-	28,847	460,062
Land acquisition.....	3.89	930,000	-	160,000	770,000
Bridge.....	3.89	15,000	-	15,000	-
Equipment.....	3.89	15,000	-	15,000	-
Landfill.....	3.89	10,000	-	10,000	-
School.....	4.99	1,165,000	-	175,000	990,000
Fire Station.....	4.99	420,000	-	60,000	360,000
Senior Center.....	3.5-4.5	2,025,000	-	150,000	1,875,000
Equipment.....	3.5-4.5	165,000	-	85,000	80,000
Sidewalks.....	3.5-4.5	65,000	-	35,000	30,000
Ambulance.....	3.5-4.5	55,000	-	30,000	25,000
MWPAT 2001 Title V.....	4.50	173,932	-	10,872	163,060
Sewer.....	4.00	1,028,000	-	58,000	970,000
Land Acquisition.....	3.10	310,000	-	40,000	270,000
Departmental Equipment.....	2.80	285,000	-	95,000	190,000
MWPAT 2004 Title V.....	3.3-5.25	192,582	-	10,713	181,869
Fire Truck.....	2.00	-	625,000	-	625,000
Total Bonds and Notes Payable.....		\$ 9,958,423	\$ 625,000	\$ 1,323,432	\$ 9,259,991

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

Fiscal Year	Principal	Interest	Total
2005.....	\$ 1,366,138	\$ 374,195	\$ 1,740,333
2006.....	1,161,862	320,575	1,482,437
2007.....	997,906	278,987	1,276,893
2008.....	993,985	240,230	1,234,215
2009.....	804,860	203,219	1,008,079
2010.....	655,774	171,164	826,938
2011.....	446,513	141,363	587,876
2012.....	442,726	122,059	564,785
2013.....	438,792	112,391	551,183
2014.....	404,889	83,884	488,773
2015.....	401,053	65,140	466,193
2016.....	402,267	46,185	448,452
2017.....	403,518	26,897	430,415
2018.....	71,558	14,326	85,884
2019.....	66,558	11,156	77,714
2020.....	55,690	8,347	64,037
2021.....	55,908	5,777	61,685
2022.....	45,000	3,161	48,161
2023.....	45,000	1,057	46,057
Totals.....	\$ <u>9,259,991</u>	\$ <u>2,230,113</u>	\$ <u>11,490,104</u>

Bonds and Notes Payable Schedule – Enterprise Fund

Project	Interest Rate (%)	Outstanding at June 30, 2003	Issued	Redeemed	Outstanding at June 30, 2004
Water Projects.....	4.45	\$ 540,000	\$ -	\$ 180,000	\$ 360,000
Municipal Bond.....	3.89	1,850,000	-	225,000	1,625,000
Water.....	4.99	280,000	-	40,000	240,000
Water Projects.....	3.5 - 4.5	200,000	-	25,000	175,000
Water.....	3.10	623,000	-	78,000	545,000
Water.....	2.50-4.00	-	1,100,000	-	1,100,000
Water.....	2.00-3.60	-	400,000	-	400,000
Total Bonds and Notes Payable.....		\$ <u>3,493,000</u>	\$ <u>1,500,000</u>	\$ <u>548,000</u>	\$ <u>4,445,000</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005.....	\$ 690,000	\$ 157,869	\$ 847,869
2006.....	685,000	127,639	812,639
2007.....	500,000	106,649	606,649
2008.....	495,000	89,680	584,680
2009.....	495,000	71,955	566,955
2010.....	370,000	56,430	426,430
2011.....	330,000	42,765	372,765
2012.....	325,000	30,615	355,615
2013.....	305,000	18,462	323,462
2014.....	<u>250,000</u>	<u>7,308</u>	<u>257,308</u>
Totals.....	\$ <u>4,445,000</u>	\$ <u>709,372</u>	\$ <u>5,154,372</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 \$119,128 and interest costs for \$298,140. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$726,424. 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 2004 principal and interest subsidies totaled approximately \$6,100 and \$33,000, respectively.

The Commonwealth has approved school construction assistance. The assistance program, which is administered by the School Building Assistance Bureau, provides resources for construction costs and debt service interest of general obligation school bonds outstanding. During fiscal year 2004, approximately \$134,000 of such assistance was received. Approximately \$27,400,000 will be received in future fiscal years. Of this amount, approximately \$71,000 represents reimbursement of long-term interest costs, and \$27,343,786 represents reimbursement of approved construction costs. Accordingly, a \$27,343,786 intergovernmental receivable and corresponding deferred revenue have been reported in governmental fund financial statements. The net change in deferred revenue has been recognized as revenue in the conversion to the government-wide financial statements.

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, 2004, the Town had the following authorized and unissued debt:

Purpose	Amount
Fire Alarm.....	\$ 500,000
New School Facilities.....	39,436,000
Sewer Treatment Plant.....	3,100,000
Animal Shelter.....	75,000
Water Wells.....	800,000
PCE Water.....	400,000
Planning.....	100,000
Equipment.....	335,000
PCE Water.....	100,000
Recreation.....	71,500
Fish Ladders.....	35,700
Land-Conservation.....	2,170,000
Wright Building.....	153,000
Total.....	\$ <u>47,276,200</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2004, the following changes occurred in long-term liabilities:

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004	Current Portion
Governmental Activities:					
Long-Term Bonds and Notes.....	\$ 9,958,423	\$ 625,000	\$ (1,323,432)	\$ 9,259,991	\$ 1,366,138
Capital Lease.....	499,156	-	(499,156)	-	-
Compensated Absences.....	802,000	681,598	(625,598)	858,000	696,245
Total governmental activity long-term liabilities.....	\$ <u>11,259,579</u>	\$ <u>1,306,598</u>	\$ <u>(2,448,186)</u>	\$ <u>10,117,991</u>	\$ <u>2,062,383</u>
Business-Type Activities:					
Long-Term Bonds and Notes.....	\$ 3,493,000	\$ 1,500,000	\$ (548,000)	\$ 4,445,000	\$ 690,000
Compensated Absences.....	25,000	16,850	(19,850)	22,000	16,932
Total business-type activity long-term liabilities.....	\$ <u>3,518,000</u>	\$ <u>1,516,850</u>	\$ <u>(567,850)</u>	\$ <u>4,467,000</u>	\$ <u>706,932</u>

Compensated absences liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures.

NOTE 9 – STABILIZATION AND PENSION TRUST FUNDS

Stabilization Fund – At June 30, 2004, \$1,017,162 has been set aside in a stabilization fund, which is classified as a major fund in the governmental funds financial statements. The stabilization fund balance can be used for general and/or capital purposes upon Town Meeting approval.

Pension Trust Fund – At June 30, 2004, \$1,309,975 has been set aside in a pension trust fund, which is classified as a major fund in the governmental funds financial statements. The pension trust fund is distinct and separate from the System information in Note 13. The purpose of the fund is to provide a reserve to meet future annual contributions to the System.

NOTE 10 – 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 ten percent of annual revenues for open space, a minimum of ten percent of annual revenues for historic resources and a minimum of ten percent of annual revenues for community housing.

In accordance with the CPA, the Town has approved a new 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, 2004, the CPA fund has a balance of \$1,932,145 and is reported as a major fund in the governmental funds financial statements.

NOTE 11 – 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 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 three month claims paid average. At June 30, 2004, the amount of the liability for health insurance claims totaled \$1,627,000. This liability is the Town's best estimate based on available information. Changes in the reported liability since July 1, 2002, 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 2003.....	\$ 1,108,000	\$ 6,350,923	\$ (5,966,923)	\$ 1,492,000
Fiscal Year 2004.....	1,492,000	6,644,487	(6,509,487)	1,627,000

(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, 2004, the amount of the liability for workers' compensation claims was immaterial and is therefore not reported.

NOTE 12 – 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 \$2,861,000 for the fiscal year ended June 30, 2004, 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 South Russell Street in 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, 2004, 2003, and 2002 were \$1,172,510, \$1,035,462, and \$1,005,445, respectively, which equaled its required contribution for each fiscal year.

Noncontributory Retirement Allowance – The Town pays the entire retirement allowance for certain retirees who are eligible for noncontributory benefits and are not members of the System. The general fund expenditure for fiscal year 2004 totaled approximately \$36,000.

NOTE 13 – COMMITMENTS

The Town has various commitments totaling approximately \$7,840,200 for projects related to a sewer treatment plant, pool facilities, fire alarms, land purchases, an animal shelter and various water projects.

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, 2004, 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, 2004, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2004.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2004, the following GASB pronouncements were implemented:

The GASB issued Statement #39, *Determining Whether Certain Organizations are Component Units, an Amendment of GASB Statement #14*. Management has determined that no additional component units were required to be presented in the basic financial statements.

Other Future GASB Pronouncements:

The GASB issued Statement #40, *Deposit and Investment Risk Disclosures, an Amendment of GASB Statement #3*, which is required to be implemented during fiscal year 2005. This pronouncement will only require changes to the note disclosure.

The GASB issued Statement #42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, which is required to be implemented in Fiscal 2006. Management does not believe that this pronouncement will significantly impact the basic financial statements.

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

The GASB issued Statement #44, *Economic Condition Reporting: The Statistical Section*, which is required to be implemented in Fiscal 2006. This new GASB establishes and modifies requirements related to supplementary information presented in a statistical section. The presentation of a statistical section is not required by this pronouncement. This pronouncement will not impact the basic financial statements.

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

NOTE 16 – RESTATEMENT OF NET ASSETS

The understatement of capital assets of \$2,390,919, in the Water Enterprise Fund as of June 30, 2003, was discovered by management during the current year. Accordingly, an adjustment has been made in this report to restate the Net Assets of the Water Enterprise Fund as of June 30, 2003 from \$7,565,136 to \$9,956,055.

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, 2004

	Budgeted Amounts		Actual	Amounts	
	Original Budget	Final Budget		Carried Forward To Next Year	Variance to Final Budget
REVENUES:					
Real estate and personal property taxes, net of tax refunds..... \$	32,233,725	\$ 32,233,725	\$ 32,494,735	\$ -	\$ 261,010
Motor vehicle and other excise taxes.....	2,159,000	2,159,000	2,263,043	-	104,043
Sewer charges.....	246,000	246,000	285,785	-	39,785
Trash disposal.....	480,000	480,000	500,169	-	20,169
Intergovernmental.....	3,718,363	3,718,363	3,730,457	-	12,094
Departmental and other.....	2,974,226	2,974,226	3,231,388	-	257,162
Investment income.....	250,000	250,000	309,675	-	59,675
TOTAL REVENUES.....	42,061,314	42,061,314	42,815,252	-	753,938
EXPENDITURES:					
Current:					
General government					
Town Meeting					
Expenditures.....	8,500	8,878	8,803	-	75
Town Moderator					
Salaries.....	40	40	40	-	-
Selectmen					
Salaries.....	208,179	212,693	212,043	-	650
Expenditures.....	42,089	42,090	41,474	265	351
Articles.....	313,154	313,153	241,784	71,369	-
Total.....	563,422	567,936	495,301	71,634	1,001
Finance Committee					
Expenditures.....	170	170	170	-	-
Computers					
Salaries.....	49,851	51,097	51,097	-	-
Expenditures.....	43,236	43,236	37,387	5,115	734
Articles.....	78,715	78,715	16,115	62,600	-
Total.....	171,802	173,048	104,599	67,715	734
Accounting					
Salaries.....	181,821	183,627	182,719	-	908
Expenditures.....	38,737	38,737	38,008	-	729
Articles.....	14,000	14,000	2,000	12,000	-
Total.....	234,558	236,364	222,727	12,000	1,637
Audit					
Expenditures.....	37,000	37,000	37,000	-	-
Assessor					
Salaries.....	173,147	175,769	175,769	-	-
Expenditures.....	33,300	33,300	29,616	53	3,631
Total.....	206,447	209,069	205,385	53	3,631
Treasurer/Collector					
Salaries.....	237,732	237,732	226,078	-	11,654
Expenditures.....	63,280	63,280	50,324	672	12,284
Total.....	301,012	301,012	276,402	672	23,938
Legal					
Expenditures.....	165,000	165,000	158,012	3,153	3,835

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Amounts	
	Original Budget	Final Budget		Carried Forward To Next Year	Variance to Final Budget
Personnel Board					
Salaries.....	5,740	5,911	3,279	-	2,632
Expenditures.....	3,699	4,731	4,731	-	-
Articles.....	100,705	51,997	-	51,978	19
Total.....	110,144	62,639	8,010	51,978	2,651
Town Clerk					
Salaries.....	31,541	32,546	32,177	-	369
Expenditures.....	3,500	3,500	2,788	-	712
Articles.....	58,000	58,000	58,000	-	-
Total.....	93,041	94,046	92,965	-	1,081
Election/Registration					
Salaries.....	10,744	12,544	12,542	-	2
Expenditures.....	13,305	13,305	11,288	726	1,291
Total.....	24,049	25,849	23,830	726	1,293
Conservation					
Salaries.....	78,490	79,778	76,650	-	3,128
Expenditures.....	7,150	7,150	6,804	278	68
Articles.....	23,295	23,295	5,057	18,238	-
Total.....	108,935	110,223	88,511	18,516	3,196
Planning Board					
Salaries.....	78,516	79,813	79,802	-	11
Expenditures.....	21,016	21,016	11,787	3,360	5,869
Articles.....	10,000	10,000	7,190	2,810	-
Total.....	109,532	110,829	98,779	6,170	5,880
Reserve fund.....	150,000	79,033	-	-	79,033
Tax Title					
Expenditures.....	25,355	-	-	-	-
Articles.....	30,847	56,202	8,445	47,757	-
Total.....	56,202	56,202	8,445	47,757	-
Cable Advisory					
Expenditures.....	2,350	2,350	1,698	-	652
Historical Commission					
Expenditures.....	1,000	1,000	287	536	177
Total General Government.....	2,343,204	2,240,688	1,830,964	280,910	128,814
Public safety					
Police					
Salaries.....	2,237,042	2,285,567	2,237,600	47,967	-
Expenditures.....	226,137	248,838	241,361	6,414	1,063
Articles.....	25,009	25,009	24,693	316	-
Total.....	2,488,188	2,559,414	2,503,654	54,697	1,063
Fire					
Salaries.....	1,474,470	1,530,364	1,529,991	-	373
Expenditures.....	154,375	169,375	167,459	299	1,617
Articles.....	26,782	17,782	-	17,782	-
Total.....	1,655,627	1,717,521	1,697,450	18,081	1,990

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Amounts	
	Original Budget	Final Budget		Carried Forward To Next Year	Variance to Final Budget
Inspectional Services					
Salaries.....	342,545	347,752	331,292	-	16,460
Expenditures.....	42,225	42,225	36,852	-	5,373
Articles.....	600	600	-	600	-
Total.....	385,370	390,577	368,144	600	21,833
Animal Control					
Salaries.....	40,208	40,958	33,431	-	7,527
Expenditures.....	10,591	10,591	2,143	197	8,251
Total.....	50,799	51,549	35,574	197	15,778
Harbormaster/Beach Mgmt					
Salaries.....	160,474	162,958	162,958	-	-
Expenditures.....	20,385	29,261	27,954	378	929
Articles.....	8,475	17,475	8,852	8,623	-
Total.....	189,334	209,694	199,764	9,001	929
Total Public Safety.....	4,769,318	4,928,755	4,804,586	82,576	41,593
Education.....	24,292,730	24,646,294	23,303,615	1,341,944	735
Public works					
DPW Management					
Salaries.....	204,463	180,013	176,112	-	3,901
Expenditures.....	25,250	36,750	32,290	453	4,007
Articles.....	388,141	388,141	76,966	311,175	-
Total.....	617,854	604,904	285,368	311,628	7,908
Vehicle Maintenance					
Salaries.....	71,722	59,722	54,202	-	5,520
Expenditures.....	60,845	95,845	79,212	15,130	1,503
Total.....	132,567	155,567	133,414	15,130	7,023
Highway Department					
Salaries.....	335,630	295,130	289,767	-	5,363
Expenditures.....	117,770	102,770	98,143	3,943	684
Articles.....	3,061	3,061	-	3,061	-
Total.....	456,461	400,961	387,910	7,004	6,047
Snow & Ice					
Salaries.....	55,000	94,800	94,771	-	29
Expenditures.....	94,200	94,200	93,591	-	609
Total.....	149,200	189,000	188,362	-	638
Fuel Depot					
Expenditures.....	119,950	119,950	118,566	-	1,384
Lands & Nat Resources					
Salaries.....	300,817	296,825	291,403	-	5,422
Expenditures.....	25,735	27,735	26,527	110	1,098
Articles.....	40,000	40,000	37,941	2,059	-
Total.....	366,552	364,560	355,871	2,169	6,520
Street Lights					
Expenditures.....	35,375	35,375	32,063	-	3,312
Transfer Station					
Salaries.....	137,599	143,599	139,086	-	4,513
Expenditures.....	858,532	817,732	782,611	25,318	9,803
Articles.....	6,827	6,827	6,827	-	-
Total.....	1,002,958	968,158	928,524	25,318	14,316

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Amounts	
	Original Budget	Final Budget		Carried Forward To Next Year	Variance to Final Budget
Sewer Department					
Salaries.....	4,945	4,945	-	-	4,945
Expenditures.....	197,069	197,069	128,618	68,151	300
Total.....	202,014	202,014	128,618	68,151	5,245
Cemetery					
Salaries.....	282,920	288,511	287,886	-	625
Expenditures.....	84,865	95,365	89,571	1,292	4,502
Total.....	367,785	383,876	377,457	1,292	5,127
Central Building					
Salaries.....	69,783	69,783	66,107	-	3,676
Expenditures.....	153,250	185,250	162,852	11,167	11,231
Total.....	223,033	255,033	228,959	11,167	14,907
Building Maint					
Expenditures.....	50,875	50,875	39,297	9,071	2,507
Tarklin					
Expenditures.....	6,320	6,320	6,010	125	185
Lucy Hathaway:Pub Works					
Articles.....	8,852	8,852	-	8,852	-
Total Public Works.....	3,739,796	3,745,445	3,210,419	459,907	75,119
Human services					
Council on Aging					
Salaries.....	237,000	237,000	234,892	-	2,108
Expenditures.....	75,077	75,077	73,866	663	548
Articles.....	5,613	5,613	2,388	3,225	-
Total.....	317,690	317,690	311,146	3,888	2,656
Veterans					
Salaries.....	18,370	18,829	18,829	-	-
Expenditures.....	36,329	36,655	35,188	300	1,167
	54,699	55,484	54,017	300	1,167
Total Human Services.....	372,389	373,174	365,163	4,188	3,823
Culture and recreation					
Library					
Salaries.....	680,312	738,039	738,039	-	-
Expenditures.....	247,665	231,166	224,939	4,294	1,933
Articles.....	38,958	38,958	3,373	35,585	-
Total.....	966,935	1,008,163	966,351	39,879	1,933
Recreation					
Salaries.....	118,373	120,499	120,499	-	-
Expenditures.....	17,524	17,524	14,820	359	2,345
Articles.....	3,702	3,702	-	3,702	-
Total.....	139,599	141,725	135,319	4,061	2,345
Pool					
Salaries.....	173,200	164,654	146,233	-	18,421
Expenditures.....	85,612	96,613	88,745	4,935	2,933
Articles.....	17,332	17,331	1,757	15,574	-
Total.....	276,144	278,598	236,735	20,509	21,354

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2004

	Budgeted Amounts		Actual	Amounts	
	Original Budget	Final Budget		Carried Forward To Next Year	Variance to Final Budget
North Hill					
Expenditures.....	5,000	4,999	4,706	280	13
Articles.....	15,697	15,698	8,325	7,373	-
Total.....	20,697	20,697	13,031	7,653	13
Lifeguards					
Salaries.....	16,245	16,245	12,374	-	3,871
Expenditures.....	1,080	1,080	1,080	-	-
Total.....	17,325	17,325	13,454	-	3,871
Public Celebrations					
Expenditures.....	3,000	3,051	3,051	-	-
Articles.....	-	-	-	-	-
Total.....	3,000	3,051	3,051	-	-
Plymouth Cty Coop					
Expenditures.....	200	200	200	-	-
Total Culture and Recreation.....	1,423,900	1,469,759	1,368,141	72,102	29,516
Pension benefits					
Contributory Retirement.....	1,172,510	1,172,510	1,172,510	-	-
Non-Contributory Retirement.....	33,000	33,000	29,480	-	3,520
Total.....	1,205,510	1,205,510	1,201,990	-	3,520
Property and liability insurance.....	313,862	278,862	243,680	432	34,750
Employee benefits.....	4,943,000	6,268,425	6,199,948	-	68,477
State and county charges.....	334,551	334,551	328,705	-	5,846
Debt Service	3,038,871	3,038,871	2,640,688	-	398,183
TOTAL EXPENDITURES.....	46,777,131	48,530,334	45,497,899	2,242,059	790,376
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,715,817)	(6,469,020)	(2,682,647)	(2,242,059)	1,544,314
OTHER FINANCING SOURCES (USES):					
Premium from issuance of bonds.....	350,350	350,350	377,483	-	27,133
Transfers in.....	996,726	996,726	1,006,445	-	9,719
TOTAL OTHER FINANCING SOURCES (USES).....	1,347,076	1,347,076	1,383,928	-	36,852
NET CHANGE IN FUND BALANCE.....	(3,368,741)	(5,121,944)	(1,298,719)	(2,242,059)	1,581,166
BUDGETARY FUND BALANCE, Beginning of year.....	6,382,639	6,382,639	6,529,227	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 3,013,898	\$ 1,260,695	\$ 5,230,508	\$ (2,242,059)	\$ 1,581,166

(Concluded)

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 2004 approved budget for the General Fund includes \$44,573,897 in current year appropriations and other amounts to be raised and \$2,203,234 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2004, the Town approved supplemental appropriations totaling \$1,753,203.

The Town Accountant's 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, 2004, is presented below:

Net Change in Fund Balance - budgetary basis.....	\$ (1,298,719)
<u>Basis of accounting differences:</u>	
Net change in revenue accrual.....	67,232
Net change in expenditure accrual.....	(227,738)
Net change in short-term interest accrual.....	24,138
Recognition of revenue for on-behalf payments.....	2,861,000
Recognition of expenditures for on-behalf payments.....	<u>(2,861,000)</u>
Net Change in Fund Balance - GAAP basis.....	\$ <u>(1,435,087)</u>

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Other Supplementary Information

Combining and Individual 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 major capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's special revenue funds are grouped into the following categories:

- ***School Lunch Fund*** – accounts for the operations of the public school lunch program.
- ***Highway Improvements*** – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks. Funding is provided primarily by various grants.
- ***School Grants*** – accounts for educational programs specifically financed by grants and other restricted revenues.
- ***Recreation Revolving*** – accounts for self-supporting recreational programs and activities.
- ***Town Grants*** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- ***Special Revenue Trust Funds*** – accounts for contributions where both principal and investment earnings 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 non-major capital project funds is as described as follows:

- ***Old Pool Roof/Crematory*** – represents the balance of two old capital projects.
- ***Miscellaneous Small Projects*** – accounts for non-major capital projects. The balance currently includes a Fire Alarms project and construction of a new Animal Shelter.
- ***Wadsworth Shared Septic*** – accounts for the construction of a shared septic disposal system for 35 homeowners along the bay.
- ***Individual Title V*** – accounts for WPAT- funded loans to upgrade individual homeowners' septic systems.
- ***Land Acquisition*** – accounts for various land acquisition projects, primarily the Camp Wing project.

- **Senior Center** – accounts for the construction of a new senior center.
- **HS Sewerage Plant** – accounts for the construction of a sewerage plant at the High School. The town expects 52% reimbursement from the Commonwealth (exempt debt).

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 the reporting government's programs.

- **Nonexpendable Trust Funds** – accounts for various contributions associated with Town services.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET**

JUNE 30, 2004

Special Revenue Funds							
ASSETS	School Lunch	Highway Improvement	School Grants	Recreation Revolving	Town Grants	Special Revenue Trust Funds	Subtotal
Cash and short-term investments.....	\$ 14,905	\$ 241,012	\$ 774,775	\$ 120,793	\$ 354,118	\$ 195,621	\$ 1,701,224
Investments.....	-	-	-	-	-	308,332	308,332
Receivables, net of uncollectibles:							
Intergovernmental.....	-	385,717	-	-	-	-	385,717
Due from other funds.....	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 14,905	\$ 626,729	\$ 774,775	\$ 120,793	\$ 354,118	\$ 503,953	\$ 2,395,273
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Warrants payable.....	\$ 3,395	\$ -	\$ 118,002	\$ 23,857	\$ 8,356	\$ 1,140	\$ 154,750
Other liabilities.....	-	-	225,757	86,936	-	-	312,693
Deferred revenues.....	-	385,717	-	-	-	-	385,717
Notes payable.....	-	238,203	-	-	-	-	238,203
TOTAL LIABILITIES.....	3,395	623,920	343,759	110,793	8,356	1,140	1,091,363
FUND BALANCES:							
Reserved for:							
Perpetual permanent funds.....	-	-	-	-	-	-	-
Unreserved:							
Undesignated, reported in:							
Special revenue funds.....	11,510	2,809	431,016	10,000	345,762	502,813	1,303,910
Capital projects funds.....	-	-	-	-	-	-	-
Permanent funds.....	-	-	-	-	-	-	-
TOTAL FUND BALANCES.....	11,510	2,809	431,016	10,000	345,762	502,813	1,303,910
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 14,905	\$ 626,729	\$ 774,775	\$ 120,793	\$ 354,118	\$ 503,953	\$ 2,395,273

(Continued)

Capital Projects Funds								Permanent Funds	Total Nonmajor Governmental Funds
Old Pool Roof/Crem	Miscellaneous Small Projects	Wadworth Share Septic	Individual Title V	Land Acquisition	Senior Center	High School Sewerage Plant	Subtotal	Non-expendable	
\$ -	\$ 192,251	\$ 16,632	\$ 13,421	\$ 29,512	\$ 24,463	\$ 65,107	\$ 341,386	\$ 126,975	\$ 2,169,585
-	-	-	-	-	-	-	-	1,760,703	2,069,035
-	-	-	-	-	-	-	-	-	385,717
10,692	(2,831)	-	-	-	-	-	7,861	-	7,861
<u>\$ 10,692</u>	<u>\$ 189,420</u>	<u>\$ 16,632</u>	<u>\$ 13,421</u>	<u>\$ 29,512</u>	<u>\$ 24,463</u>	<u>\$ 65,107</u>	<u>\$ 349,247</u>	<u>\$ 1,887,678</u>	<u>\$ 4,632,198</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 154,750
-	-	-	-	-	-	-	-	-	312,693
-	-	-	-	-	-	-	-	-	385,717
-	575,000	-	-	-	-	3,100,000	3,675,000	-	3,913,203
-	575,000	-	-	-	-	3,100,000	3,675,000	-	4,766,363
-	-	-	-	-	-	-	-	1,631,623	1,631,623
-	-	-	-	-	-	-	-	-	1,303,910
10,692	(385,580)	16,632	13,421	29,512	24,463	(3,034,893)	(3,325,753)	-	(3,325,753)
-	-	-	-	-	-	-	-	256,055	256,055
10,692	(385,580)	16,632	13,421	29,512	24,463	(3,034,893)	(3,325,753)	1,887,678	(134,165)
<u>\$ 10,692</u>	<u>\$ 189,420</u>	<u>\$ 16,632</u>	<u>\$ 13,421</u>	<u>\$ 29,512</u>	<u>\$ 24,463</u>	<u>\$ 65,107</u>	<u>\$ 349,247</u>	<u>\$ 1,887,678</u>	<u>\$ 4,632,198</u>

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2004

	Special Revenue Funds						
	School Lunch	Highway Improvement	School Grants	Recreation Revolving	Town Grants	Special Revenue Trust Funds	Sub-total
REVENUES:							
Intergovernmental.....	\$ 682,850	\$ 240,181	\$ 1,108,268	\$ -	\$ 295,657	\$ -	\$ 2,326,956
Departmental and other.....	-	-	1,890,414	207,083	208,889	-	2,306,386
Contributions.....	-	-	796	-	19,473	51,261	71,530
Investment income.....	-	-	-	-	-	(22,216)	(22,216)
TOTAL REVENUES.....	682,850	240,181	2,999,478	207,083	524,019	29,045	4,682,656
EXPENDITURES:							
Current:							
General government.....	-	-	-	-	150,907	54,061	204,968
Public safety.....	-	-	-	-	79,036	-	79,036
Education.....	609,621	-	3,293,590	-	-	-	3,903,211
Public works.....	-	237,372	-	-	-	-	237,372
Human services.....	-	-	-	-	42,729	-	42,729
Culture and recreation.....	-	-	-	180,744	36,300	-	217,044
Other.....	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	609,621	237,372	3,293,590	180,744	308,972	54,061	4,684,360
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	73,229	2,809	(294,112)	26,339	215,047	(25,016)	(1,704)
OTHER FINANCING SOURCES (USES):							
Proceeds from bonds and notes.....	-	-	-	-	-	-	-
Transfers in.....	-	-	-	-	-	125,000	125,000
Transfers out.....	(86,000)	-	-	(26,339)	(109,380)	-	(221,719)
TOTAL OTHER FINANCING SOURCES (USES).....	(86,000)	-	-	(26,339)	(109,380)	125,000	(96,719)
NET CHANGE IN FUND BALANCES.....	(12,771)	2,809	(294,112)	-	105,667	99,984	(98,423)
FUND BALANCES AT BEGINNING OF YEAR.....	24,281	-	725,128	10,000	240,095	402,829	1,402,333
FUND BALANCES AT END OF YEAR.....	\$ 11,510	\$ 2,809	\$ 431,016	\$ 10,000	\$ 345,762	\$ 502,813	\$ 1,303,910

(Continued)

Capital Project Funds								Permanent Funds	Total Nonmajor Governmental Funds
Old Pool Roof/Crem	Miscellaneous Small Projects	Wadworth Share Septic	Individual Title V	Land Acquisition	Senior Center	High School Sewerage Plant	Sub-total	Non-expendable	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,326,956
-	-	-	-	-	-	-	-	-	2,306,386
-	-	-	-	-	-	-	-	49,476	121,006
-	-	-	-	-	-	-	-	(213,126)	(235,342)
-	-	-	-	-	-	-	-	(163,650)	4,519,006
-	-	-	-	591	-	-	591	-	205,559
-	385,647	-	-	-	-	-	385,647	-	464,683
-	-	-	-	-	-	99,032	99,032	-	4,002,243
-	-	7,200	41,394	-	-	-	48,594	657	286,623
-	-	-	-	-	-	-	-	-	42,729
-	-	-	-	-	8,807	-	8,807	-	225,851
-	-	-	-	-	-	-	-	17,956	17,956
-	385,647	7,200	41,394	591	8,807	99,032	542,671	18,613	5,245,644
-	(385,647)	(7,200)	(41,394)	(591)	(8,807)	(99,032)	(542,671)	(182,263)	(726,638)
-	625,000	-	-	-	-	-	625,000	-	625,000
-	-	-	-	-	-	-	-	-	125,000
-	-	-	-	-	-	-	-	(40,000)	(261,719)
-	625,000	-	-	-	-	-	625,000	(40,000)	488,281
-	239,353	(7,200)	(41,394)	(591)	(8,807)	(99,032)	82,329	(222,263)	(238,357)
10,692	(624,933)	23,832	54,815	30,103	33,270	(2,935,861)	(3,408,082)	2,109,941	104,192
\$ 10,692	\$ (385,580)	\$ 16,632	\$ 13,421	\$ 29,512	\$ 24,463	\$ (3,034,893)	\$ (3,325,753)	\$ 1,887,678	\$ (134,165)

(Concluded)

Agency Funds

Fund Description

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

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

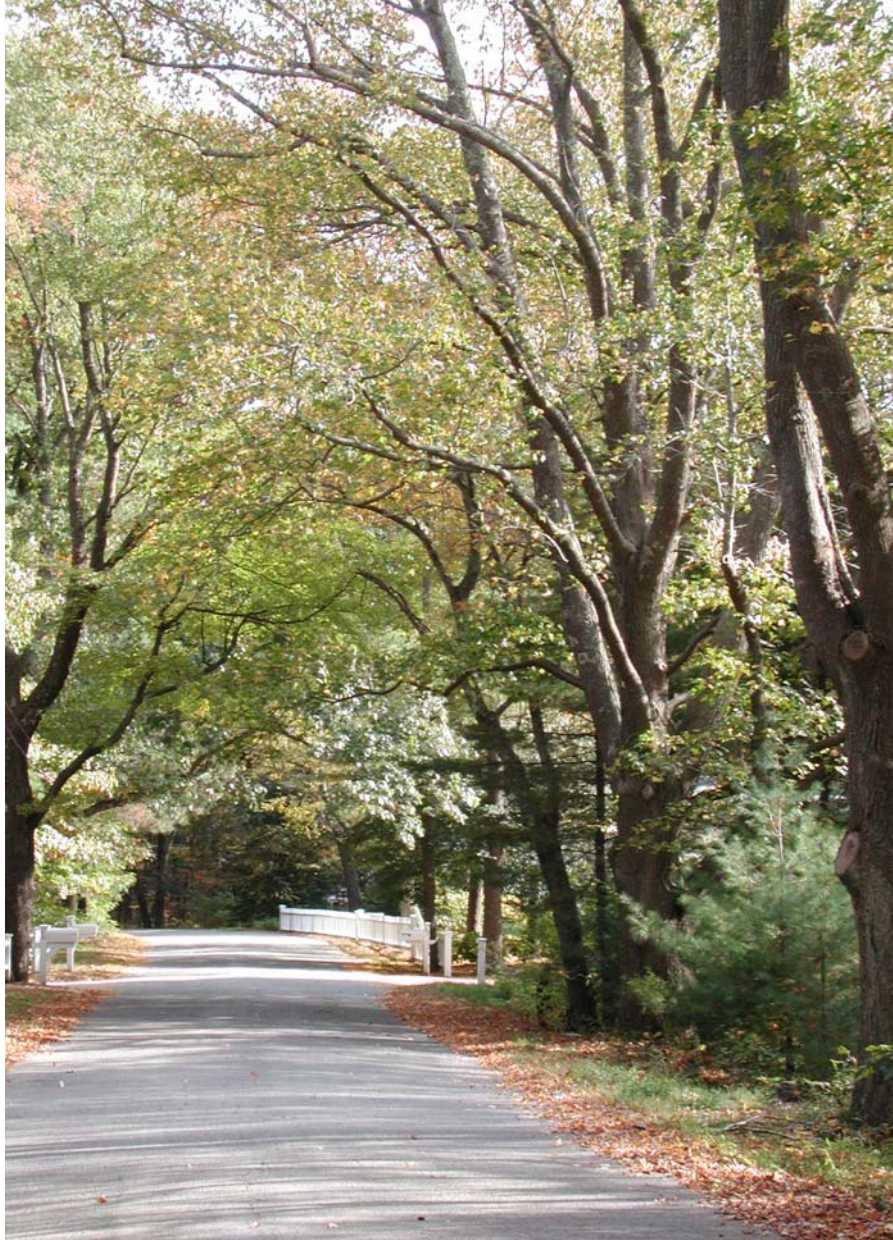
FISCAL YEAR ENDED JUNE 30, 2004

	<u>July 1, 2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2004</u>
<u>ASSETS</u>				
CURRENT:				
Cash and short-term investments.....	\$ 556,278	\$ 453,652	\$ (478,434)	\$ 531,496
TOTAL ASSETS.....	\$ 556,278	\$ 453,652	\$ (478,434)	\$ 531,496
<u>LIABILITIES</u>				
Warrants payable.....	\$ 6,048	\$ 14,793	\$ (6,054)	\$ 14,787
Liabilities due depositors:				
Performance Bonds.....	535,225	194,285	(199,576)	529,934
Special Details.....	(9,525)	194,913	(218,739)	(33,351)
Deposits.....	17,667	-	-	17,667
Fees and Licenses.....	6,863	49,661	(54,065)	2,459
TOTAL LIABILITIES.....	\$ 556,278	\$ 453,652	\$ (478,434)	\$ 531,496

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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.

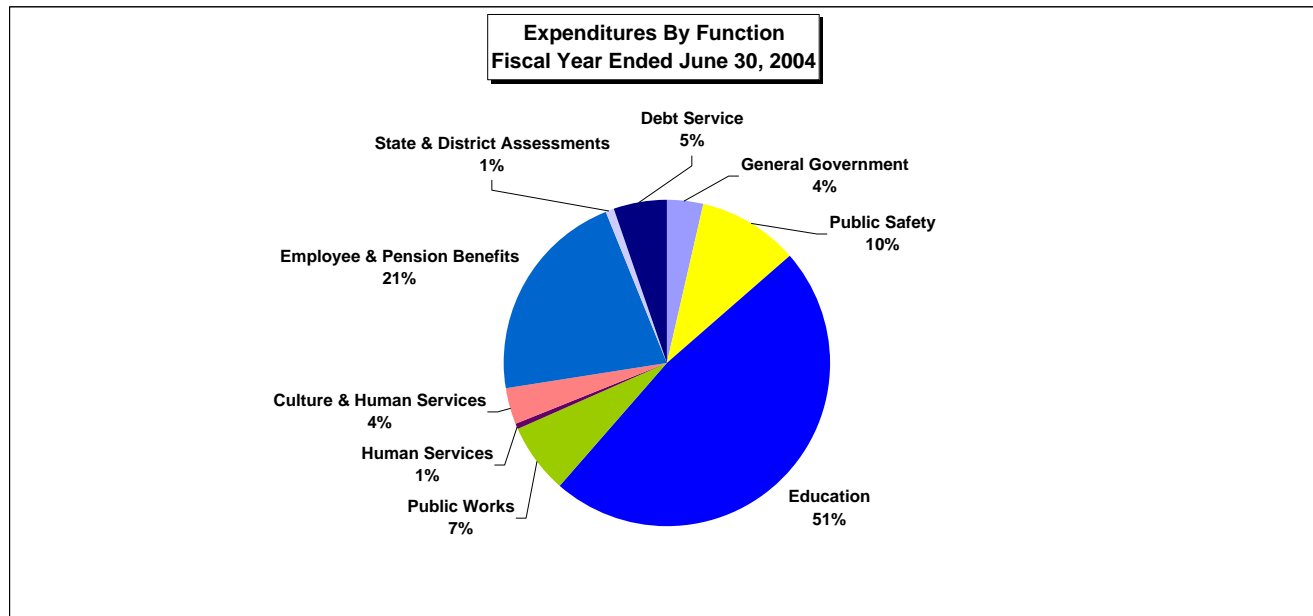


The Community adopted a 3% tax surcharge (2002) to preserve open space.

General Government Expenditures by Function (1) - Fund Based

Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Education	Public Works	Human Services	Culture & Recreation	Employee and Pension Benefits	State & District Assessments	Debt Service	Total
1995	\$1,365,586	\$3,369,011	\$14,080,491	\$2,215,763	\$116,661	\$654,790	\$3,218,254	\$359,122	\$1,167,878	\$26,547,556
1996	\$1,454,415	\$3,668,313	\$15,171,945	\$2,615,703	\$86,768	\$834,487	\$3,428,090	\$389,327	\$1,116,041	\$28,765,089
1997	\$1,493,798	\$3,782,220	\$16,230,168	\$2,772,860	\$140,827	\$847,214	\$3,195,655	\$390,317	\$1,020,443	\$29,873,502
1998	\$1,630,161	\$3,994,463	\$17,277,819	\$2,860,661	\$185,881	\$1,057,925	\$3,089,847	\$396,837	\$1,078,396	\$31,571,990
1999	\$1,644,921	\$4,062,669	\$18,443,045	\$2,975,105	\$192,059	\$1,205,881	\$3,092,038	\$313,078	\$1,202,551	\$33,131,347
2000	\$1,653,754	\$4,535,981	\$19,623,563	\$3,081,781	\$197,878	\$1,302,267	\$5,298,379	\$435,557	\$1,452,099	\$37,581,259
2001	\$1,697,978	\$4,623,801	\$20,798,350	\$3,366,133	\$193,771	\$1,404,556	\$5,879,601	\$429,410	\$1,693,034	\$40,086,634
2002	\$1,832,873	\$4,795,958	\$21,859,844	\$3,184,573	\$258,457	\$1,386,876	\$6,067,894	\$398,380	\$1,678,179	\$41,463,034
2003	\$1,908,358	\$4,783,361	\$22,685,456	\$3,291,779	\$364,011	\$1,434,607	\$7,461,481	\$364,458	\$2,328,532	\$44,622,043
2004	\$1,830,964	\$4,818,040	\$23,432,398	\$3,301,135	\$365,163	\$1,354,687	\$10,506,618	\$328,705	\$2,622,613	\$48,560,323

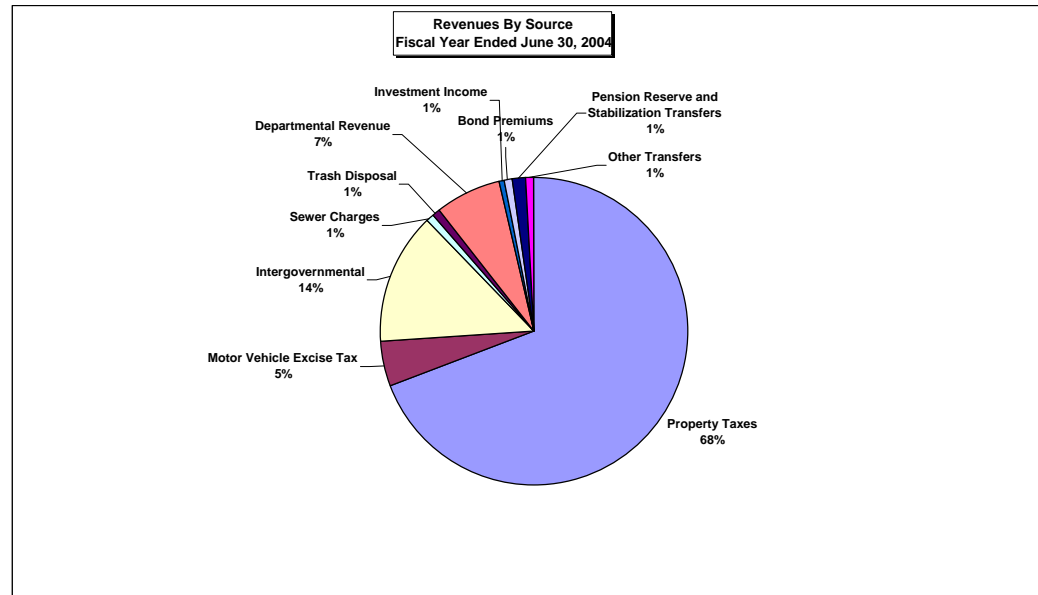


- (1) Includes General Fund activity only.
- (2) In Fiscal Year 2002 the on-behalf payments by the Commonwealth for teachers pension benefits were reported for the first time.

General Government Revenues by Source (1)

Last Ten Fiscal Years

Fiscal Year	Property Taxes	Motor Vehicle & Excise Tax	Inter-governmental	Sewer Charges	Trash Disposal	Departmental and Other Revenue	Investment Income	Premium from Bond Issue	Pension Reserve and Stabilization Transfers	Other Transfers	Total
1995	\$21,211,504	\$1,505,637	\$2,202,098	\$53,472	\$297,613	\$2,220,804	\$343,660	\$0	\$113,000	\$235,751	\$28,183,539
1996	\$21,967,041	\$1,453,375	\$2,506,962	\$40,311	\$289,208	\$2,160,233	\$499,039	\$0	\$113,000	\$79,279	\$29,108,448
1997	\$22,478,954	\$1,618,149	\$2,754,790	\$70,735	\$269,807	\$2,489,226	\$562,232	\$0	\$116,000	\$24,277	\$30,384,170
1998	\$23,514,570	\$1,899,389	\$2,965,305	\$62,364	\$343,564	\$2,443,545	\$540,945	\$0	\$115,000	\$229,649	\$32,114,331
1999	\$24,622,846	\$1,849,084	\$3,176,273	\$111,427	\$307,626	\$2,593,187	\$621,539	\$0	\$113,000	\$182,314	\$33,577,296
2000	\$25,628,018	\$2,162,522	\$5,579,908	\$120,143	\$373,048	\$2,556,403	\$577,622	\$0	\$75,000	\$185,382	\$37,258,046
2001	\$26,765,959	\$2,049,525	\$6,815,869	\$117,694	\$373,696	\$2,632,787	\$523,287	\$0	\$109,000	\$158,586	\$39,546,403
2002	\$28,660,751	\$2,154,429	\$6,703,051	\$175,866	\$371,836	\$2,851,964	\$305,021	\$189,781	\$100,000	\$412,708	\$41,925,407
2003	\$31,028,599	\$2,171,066	\$6,835,937	\$340,968	\$488,487	\$3,119,928	\$289,138	\$350,350	\$75,000	\$484,764	\$45,184,237
2004	\$32,561,967	\$2,263,043	\$6,597,520	\$285,785	\$500,169	\$3,224,606	\$308,218	\$377,483	\$574,726 (2)	\$431,719	\$47,125,236



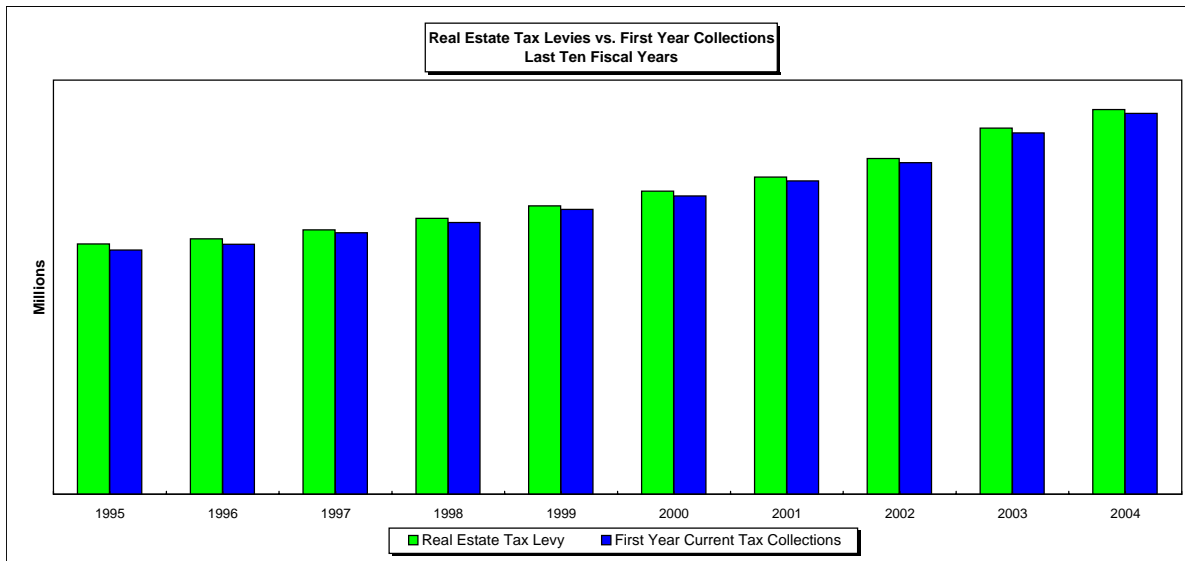
Note: Certain functions have been reclassified to conform with the more recent fiscal years' presentations.

- (1) Includes General Fund activity only.
- (2) The Town was using interest only from the Pension reserve until 2004. As a result of the large State budget cutback, it was necessary to use principal from both the Pension and Stabilization reserve in 2004.
- (3) In Fiscal Year 2002 the on-behalf payments by the Commonwealth for teachers pension benefits were reported for the first time.

Property Tax Levies and Collections

Last Ten Fiscal Years

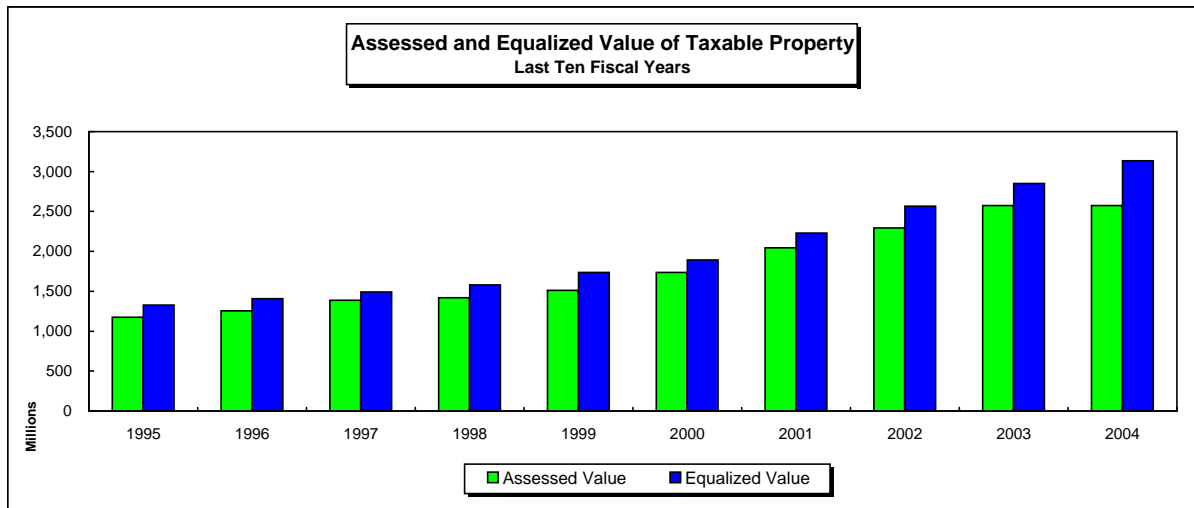
Fiscal Year	(1) Total Tax Levy	Less Actual Abatements & Exemptions	(2) Net Tax Levy	Net as % of Total	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Net Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Tax to Net Tax Levy
1995	\$21,253,169	\$108,505	\$21,144,664	99.49%	\$20,629,317	97.6%	\$515,347	\$21,144,664	100.00%	\$0	0.00%
1996	\$21,730,178	\$132,486	\$21,597,692	99.39%	\$21,121,381	97.8%	\$476,311	\$21,597,692	100.00%	\$0	0.00%
1997	\$22,583,151	\$247,547	\$22,335,604	98.90%	\$22,098,628	98.9%	\$236,976	\$22,335,604	100.00%	\$0	0.00%
1998	\$23,572,583	\$262,975	\$23,309,608	98.88%	\$22,970,756	98.5%	\$338,852	\$23,309,608	100.00%	\$0	0.00%
1999	\$24,587,013	\$223,540	\$24,363,473	99.09%	\$24,065,194	98.8%	\$298,279	\$24,363,473	100.00%	\$0	0.00%
2000	\$25,737,991	\$124,136	\$25,613,855	99.52%	\$25,206,187	98.4%	\$407,668	\$25,613,855	100.00%	\$0	0.00%
2001	\$26,951,751	\$154,035	\$26,797,716	99.43%	\$26,481,552	98.8%	\$316,164	\$26,797,716	100.00%	\$0	0.00%
2002	\$28,466,107	\$101,481	\$28,364,626	99.64%	\$28,008,980	98.7%	\$355,646	\$28,364,626	100.00%	\$0	0.00%
2003	\$31,058,813	\$126,554	\$30,932,259	99.59%	\$30,546,914	98.8%	\$385,345	\$30,932,259	100.00%	\$0	0.00%
2004	\$32,576,128	\$74,104	\$32,502,024	99.77%	\$32,184,832	99.0%	\$317,192	\$32,502,024	100.00%	\$0	0.00%



(1) Includes omitted and revised assessments.
 (2) Includes tax liens.

Town of Duxbury, Massachusetts
Assessed Value and Equalized Valuation of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Assessed Value			(1)	Total Assessed Value Per Capita	(2)	Ratio of Assessed to Equalized Value
	Real Property	Personal Property	Total	Town Census Population		Equalized Value	
1995	\$1,158,844,000	\$15,364,250	\$1,174,208,250	14,159	\$82,930	\$1,327,802,600	88.43%
1996	\$1,239,580,800	\$16,498,850	\$1,256,079,650	14,506	\$86,590	\$1,408,233,000	89.20%
1997	\$1,368,012,546	\$17,456,830	\$1,385,469,376	14,661	\$94,500	\$1,493,152,450	92.79%
1998	\$1,402,433,114	\$17,602,060	\$1,420,035,174	14,480	\$98,069	\$1,578,071,900	89.99%
1999	\$1,494,932,651	\$18,114,280	\$1,513,046,931	14,880	\$101,683	\$1,735,433,900	87.19%
2000	\$1,716,529,292	\$17,836,700	\$1,734,365,992	14,890	\$116,479	\$1,892,795,900	91.63%
2001	\$2,027,631,754	\$18,818,640	\$2,046,450,394	14,847	\$137,836	\$2,228,641,550	91.83%
2002	\$2,272,505,900	\$19,451,200	\$2,291,957,100	14,696	\$155,958	\$2,564,487,200	89.37%
2003	\$2,556,800,600	\$18,557,010	\$2,575,357,610	15,121	\$170,317	\$2,849,072,500	90.39%
2004	\$2,854,176,700	\$21,033,140	\$2,875,209,840	15,127	\$190,071	\$3,133,657,800	91.75%



(1) Source: Town Clerk

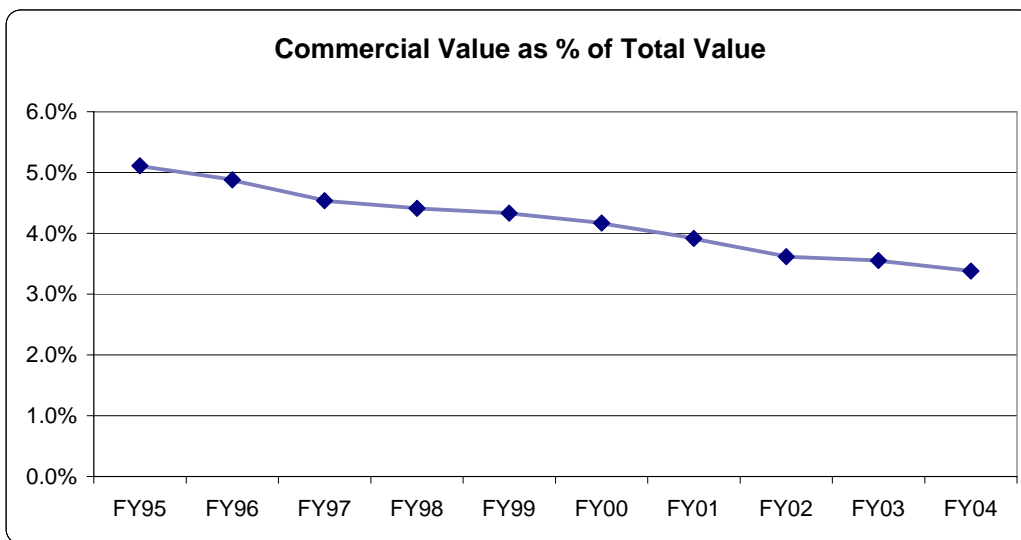
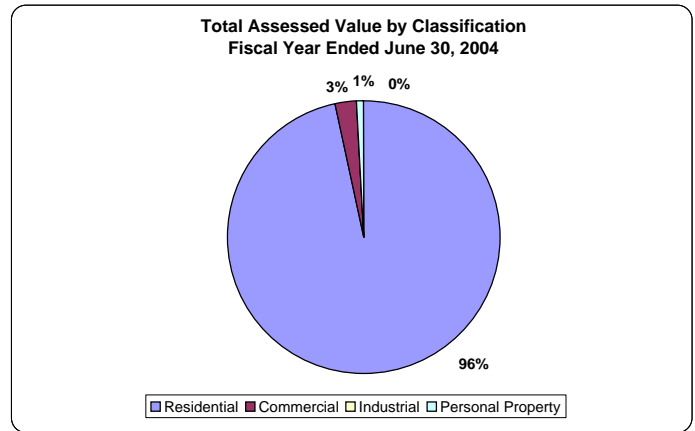
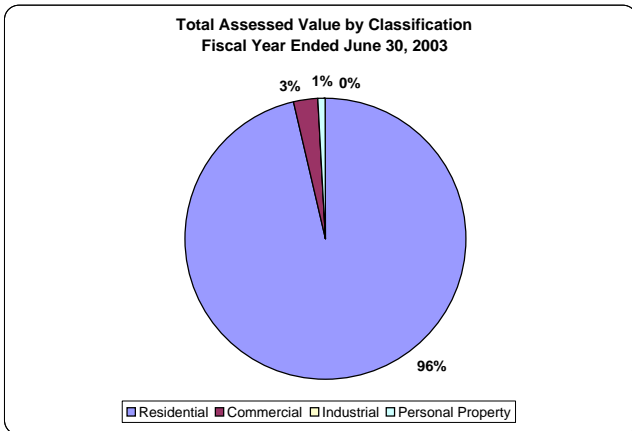
(2) Equalized valuations are determined biennially by the Commissioner of Revenue - alternate years represent an averaged value.

Sources: MA Department of Revenue
Town Census

Assessed Value of Taxable Property by Classification

Last Ten Fiscal Years

Fiscal Year	Assessed Value							Total Town Value
	Residential Value	Residential % of Total Value	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial % of Total Value	
1995	\$1,114,225,588	94.9%	\$44,001,812	\$616,600	\$15,364,250	\$59,982,662	5.1%	\$1,174,208,250
1996	\$1,194,827,620	95.1%	\$44,136,580	\$616,600	\$16,498,850	\$61,252,030	4.9%	\$1,256,079,650
1997 (1)	\$1,322,615,822	95.5%	\$44,728,624	\$668,100	\$17,456,830	\$62,853,554	4.5%	\$1,385,469,376
1998	\$1,357,392,194	95.6%	\$44,372,820	\$668,100	\$17,602,060	\$62,642,980	4.4%	\$1,420,035,174
1999	\$1,447,489,529	95.7%	\$46,775,022	\$668,100	\$18,114,280	\$65,557,402	4.3%	\$1,513,046,931
2000 (1)	\$1,662,032,405	95.8%	\$52,865,687	\$1,631,200	\$17,836,700	\$72,333,587	4.2%	\$1,734,365,992
2001	\$1,966,361,045	96.1%	\$59,424,509	\$1,846,200	\$18,818,640	\$80,089,349	3.9%	\$2,046,450,394
2002	\$2,209,062,754	96.4%	\$61,518,646	\$1,924,500	\$19,451,200	\$82,894,346	3.6%	\$2,291,957,100
2003 (1)	\$2,483,838,545	96.4%	\$70,975,755	\$1,986,300	\$18,557,010	\$91,519,065	3.6%	\$2,575,357,610
2004	\$2,778,019,842	96.6%	\$73,961,358	\$2,195,500	\$21,033,140	\$97,189,998	3.4%	\$2,875,209,840



(1) Revaluation year.

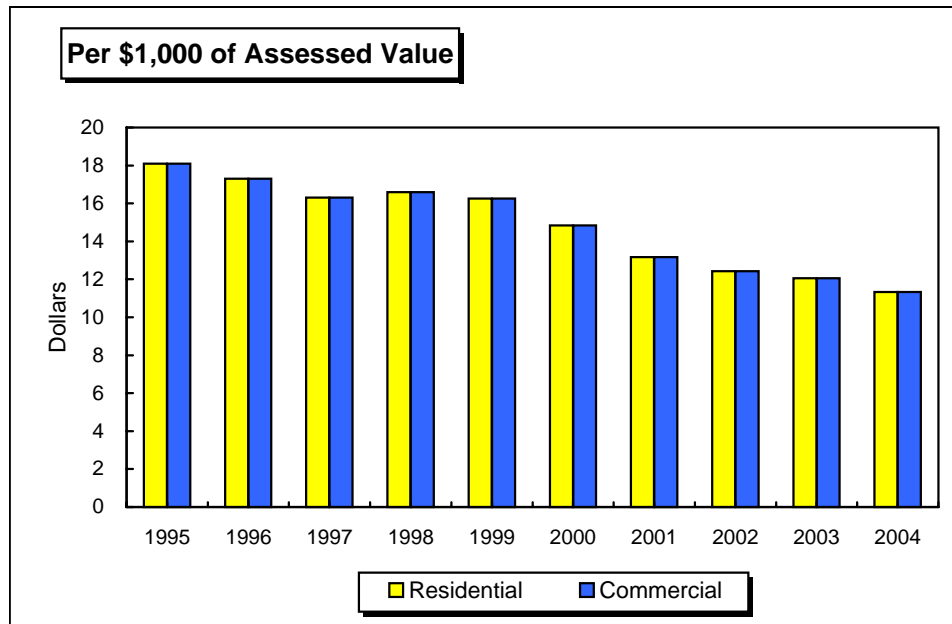
Town of Duxbury, Massachusetts

Property Tax Rates Per \$1,000 of Assessed Valuation

Last Ten Fiscal Years

Fiscal Year	Residential Real Property	Commercial and Industrial Real Property	Personal Property
-------------	---------------------------	---	-------------------

1995	\$18.10	\$18.10	\$18.10
1996	\$17.30	\$17.30	\$17.30
1997	\$16.30	\$16.30	\$16.30
1998	\$16.60	\$16.60	\$16.60
1999	\$16.25	\$16.25	\$16.25
2000	\$14.84	\$14.84	\$14.84
2001	\$13.17	\$13.17	\$13.17
2002	\$12.42	\$12.42	\$12.42
2003	\$12.06	\$12.06	\$12.06
2004	\$11.33	\$11.33	\$11.33



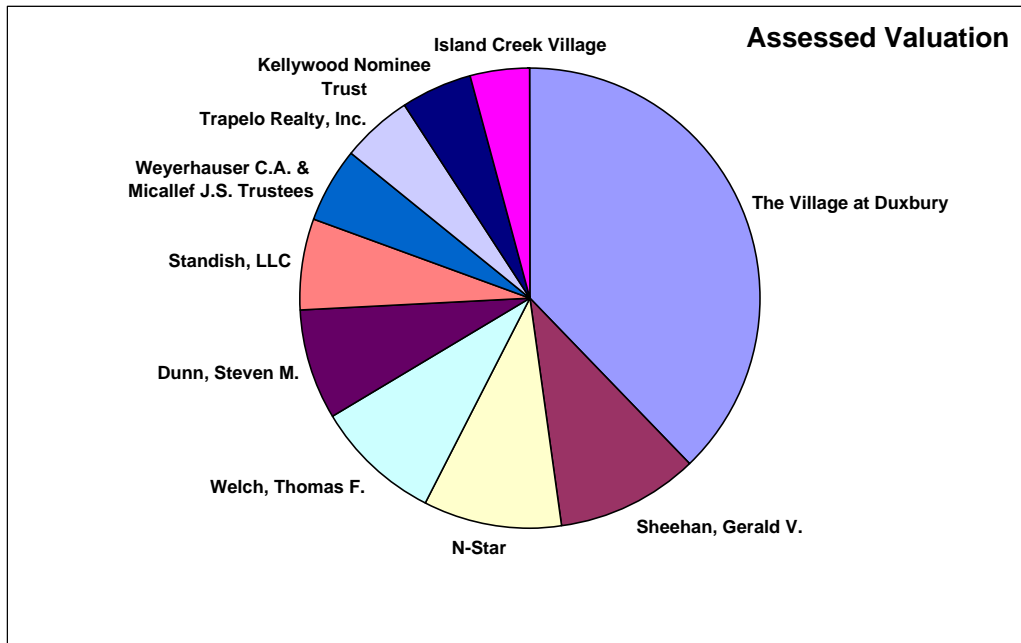
Source: Assessor's Department, Town of Duxbury

Town of Duxbury, Massachusetts

Principal Taxpayers

June 30, 2004

Name	Nature of Business	Assessed Valuation	Amount of Tax	% of Total Tax Levy
The Village at Duxbury	Assisted Living Facility	\$29,217,900	\$331,039	0.77%
Sheehan, Gerald V.	Residence	\$7,619,900	\$86,333	0.20%
N-Star	Electric Utility	\$7,396,100	\$83,798	0.19%
Welch, Thomas F.	Nursing Home	\$7,020,400	\$79,541	0.18%
Dunn, Steven M.	Residence	\$5,818,100	\$65,919	0.15%
Standish, LLC	Medical Building	\$4,908,000	\$55,608	0.13%
Weyerhauser C.A. & Micallef J.S. Trustees	Residence	\$4,076,400	\$46,186	0.11%
Trapelo Realty, Inc.	Shopping Plaza	\$4,000,600	\$45,327	0.11%
Kellywood Nominee Trust	Residence	\$3,831,100	\$43,406	0.10%
Island Creek Village	Office/ Apartment Complex	\$3,172,600	\$35,946	0.08%
	Totals	\$77,061,100	\$873,102	2.03%



- (1) Source: Assessor's Department, Town of Duxbury
- (2) Total Commercial, Industrial & Personal Property (CIP) Valuation \$97,189,998
- (3) Total Valuation of All Property \$2,875,209,840

Town of Duxbury, Massachusetts

Computation of Legal Debt Margin

June 30, 2004

Fiscal Year 2004 equalized valuation	<u><u>\$3,133,657,800</u></u>
Debt Limit - 5% of equalized valuation	\$156,682,890
Less:	
Total debt applicable to limitation	\$7,925,062
Authorized and unissued debt, applicable to limitation	<u>\$4,740,200</u>
Legal debt margin	<u><u>\$144,017,628</u></u>

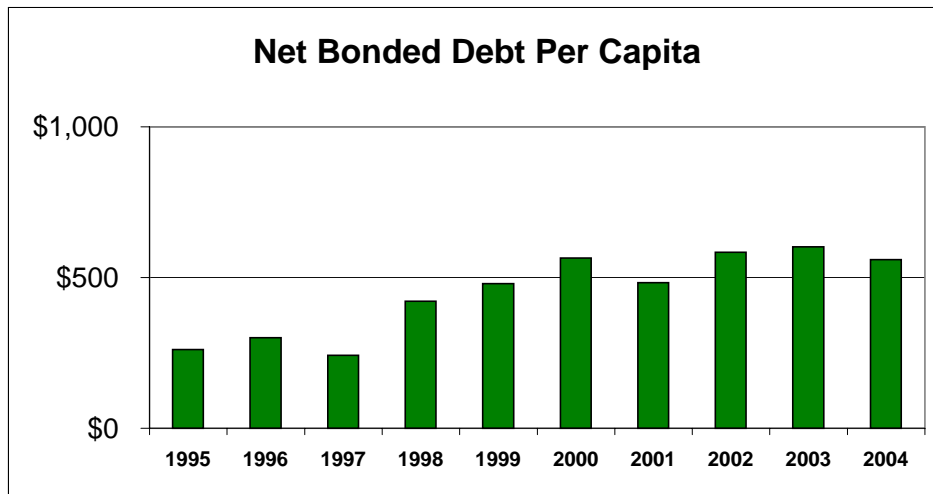
Source: Town Assessor, financial statements

Town of Duxbury, Massachusetts

Ratio of Net General Obligation Bonded Debt
to Equalized Value and Net Bonded Debt per Capita

Last Ten Fiscal Years

Fiscal Year	Town Census Population	State Equalized Value (1)	Outstanding Gross Bonded Debt	Less: Self-Supporting Debt (2)	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1995	14,159	\$1,327,802,600	\$3,899,000	\$204,000	\$3,695,000	0.28%	\$261
1996	14,506	\$1,408,233,000	\$6,301,000	\$1,941,000	\$4,360,000	0.31%	\$301
1997	14,661	\$1,493,152,450	\$5,878,000	\$2,328,000	\$3,550,000	0.24%	\$242
1998	14,480	\$1,578,071,900	\$8,283,947	\$2,173,947	\$6,110,000	0.39%	\$422
1999	14,880	\$1,735,433,900	\$11,831,316	\$4,691,316	\$7,140,000	0.41%	\$480
2000	14,890	\$1,892,795,900	\$13,259,780	\$4,844,780	\$8,415,000	0.44%	\$565
2001	14,847	\$2,228,641,550	\$11,510,404	\$4,340,404	\$7,170,000	0.32%	\$483
2002	14,696	\$2,564,487,200	\$12,635,926	\$4,061,926	\$8,574,000	0.33%	\$583
2003	15,121	\$2,849,072,500	\$13,258,841	\$4,155,841	\$9,103,000	0.32%	\$602
2004	15,127	\$3,133,657,800	\$13,704,988	\$5,249,991	\$8,454,997	0.27%	\$559



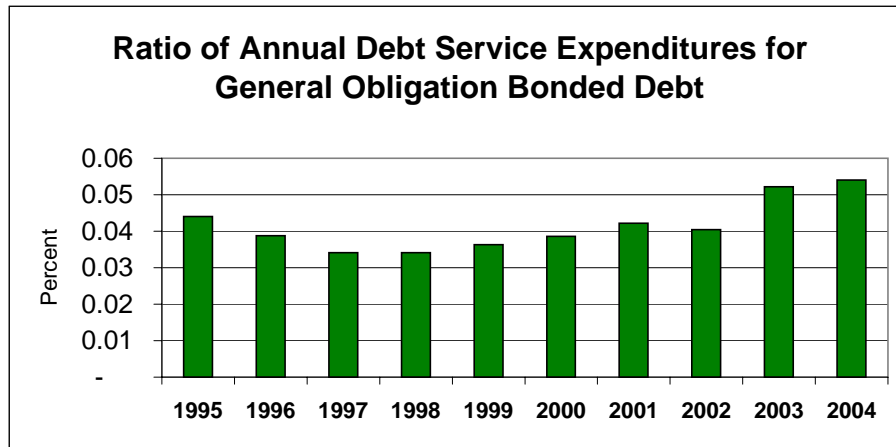
(1) Equalized valuations are determined biennially by the Commissioner of Revenue- alternate years represent averaged value
 (2) Sewer debt and water enterprise debt

Source: Audited Financial Statements, Town Census

**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Government Expenditures**

Last Ten Fiscal Years

Fiscal Year	Annual Debt Service	Total General Governmental Expenditures	Ratio of Bonded Debt Service to General Government Expenditures
1995	\$1,167,878	\$26,547,556	4.40%
1996	\$1,116,041	\$28,765,089	3.88%
1997	\$1,020,443	\$29,873,502	3.42%
1998	\$1,078,396	\$31,571,990	3.42%
1999	\$1,202,551	\$33,131,347	3.63%
2000	\$1,452,099	\$37,581,259	3.86%
2001	\$1,693,034	\$40,086,634	4.22%
2002	\$1,678,179	\$41,463,034	4.05%
2003	\$2,328,532	\$44,622,043	5.22%
2004	\$2,622,613	\$48,560,323	5.40%



(1) In Fiscal Year 2002 the on-behalf payments by the Commonwealth for teachers pension benefits are reported for the first time.

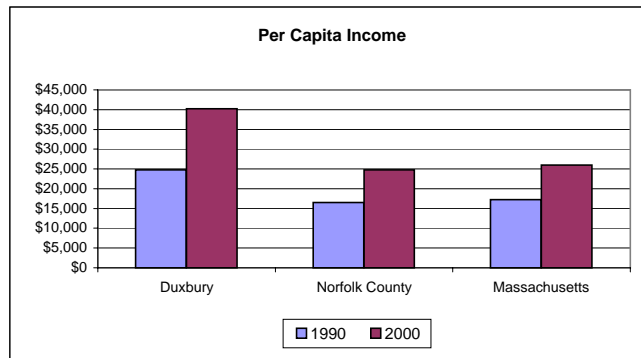
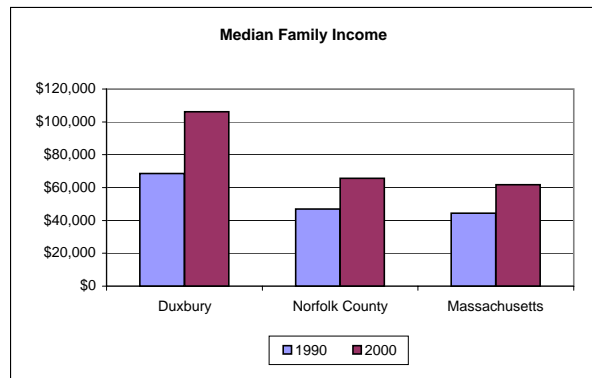
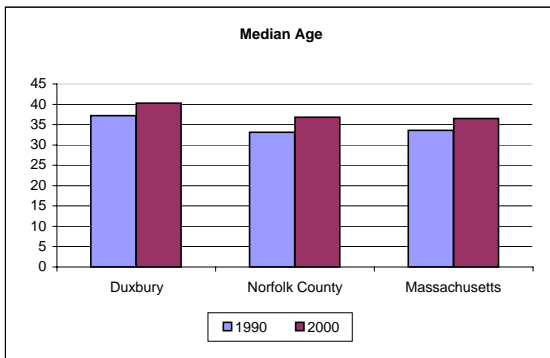
Source: Audited Financial Statements.

Town of Duxbury, Massachusetts

Age, Income and Wealth Levels (1)

1990 - 2000

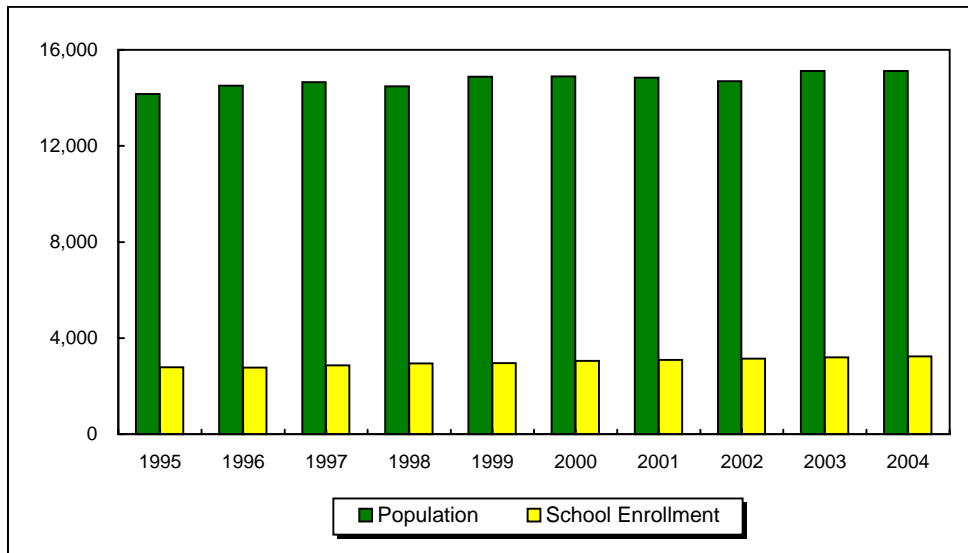
Category	Year	Duxbury	Norfolk County	Massachusetts
Median Age	1990	37.2	33.1	33.6
	2000	40.3	36.8	36.5
Median Family Income	1990	\$68,575	\$46,872	\$44,367
	2000	\$106,245	\$65,554	\$61,664
Per Capita Income	1990	\$24,770	\$16,523	\$17,224
	2000	\$40,242	\$24,789	\$25,952



Source: MA Department of Revenue, Division of Local Services
U. S. Census

Town of Duxbury, Massachusetts
Population and School Enrollment Changes
Last Ten Calendar Years

Year	Population	Increase/ -Decrease	School Enrollment	Increase/ -Decrease
1995	14,159	324	2,779	83
1996	14,506	347	2,774	-5
1997	14,661	155	2,868	94
1998	14,480	-181	2,940	72
1999	14,880	400	2,961	21
2000	14,890	10	3,048	87
2001	14,847	-43	3,085	37
2002	14,696	-151	3,150	65
2003	15,121	425	3,191	41
2004	15,127	6	3,231	40



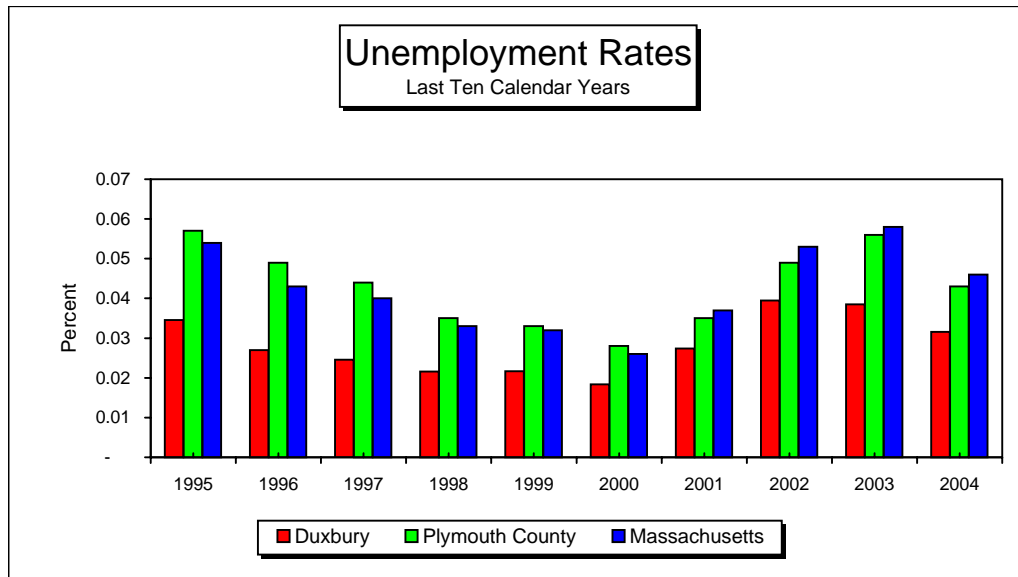
Sources: Town Clerk, Town of Duxbury
School Department, Town of Duxbury

Town of Duxbury, Massachusetts

Annual Unemployment Rates (1)

Last Ten Calendar Years

Calendar Year	Labor Force	Employment	Duxbury	Plymouth County	Massachusetts
1995	7,500	7,241	3.5%	5.7%	5.4%
1996	7,638	7,432	2.7%	4.9%	4.3%
1997	7,944	7,749	2.5%	4.4%	4.0%
1998	8,095	7,920	2.2%	3.5%	3.3%
1999	8,212	8,034	2.2%	3.3%	3.2%
2000	7,233	7,100	1.8%	2.8%	2.6%
2001	7,404	7,201	2.7%	3.5%	3.7%
2002	7,555	7,257	3.9%	4.9%	5.3%
2003	7,348	7,065	3.9%	5.6%	5.8%
2004	(2) 7,222	6,994	3.2%	4.3%	4.6%



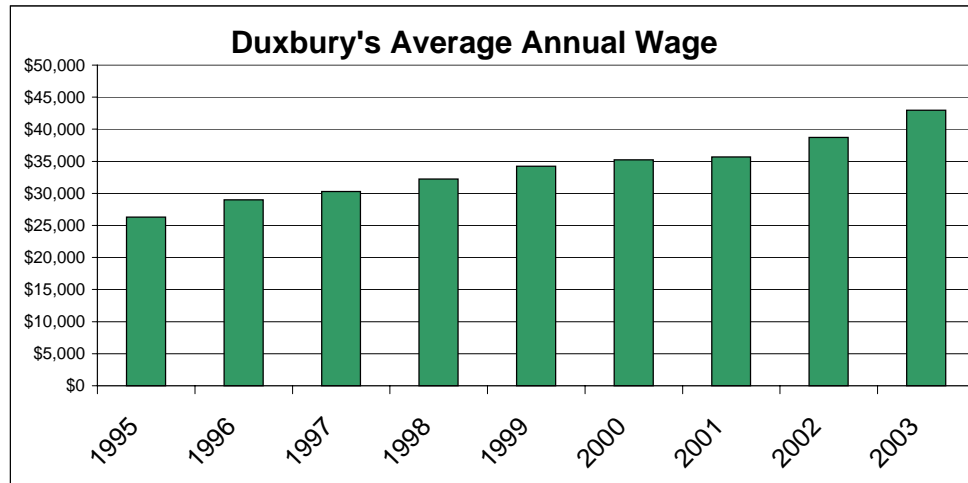
(1) Source: MA Department of Employment and Training

(2) Data as of September, 2004

Town of Duxbury, Massachusetts
 Employment by Industry (1)
 Last Ten Calendar Years

Category	1995	1996	1997	1998	1999	2000	2001	2002	2003	(2) 2004
Agriculture	45	47	40	53	46	45	45	15	15	14
Construction	84	84	88	94	98	93	89	148	164	142
Finance/Insurance/Real Estate	123	87	100	89	93	82	82	74	72	74
Government	543	532	554	556	556	552	536	*	*	*
Trade, Transportation, Utilities	117	132	113	111	114	109	111	57	64	71
Wholesale/Retail Trade	479	504	533	552	582	608	571	386	358	298
Services	753	845	910	973	993	1072	1074	*	*	*
Manufacturing	31	24	30	33	39	40	43	79	73	64
Information Services	*	*	*	*	*	*	*	45	53	34
Professional and Business Services	*	*	*	*	*	*	*	378	417	378
Education and Health Services	*	*	*	*	*	*	*	952	955	967
Leisure and Hospitality Services	*	*	*	*	*	*	*	296	306	225
Other Services	*	*	*	*	*	*	*	100	121	117
Total Employment	2,175	2,255	2,368	2,461	2,521	2,601	2,551	2,530	2,598	2,384
Average Annual Wage	\$26,305	\$28,981	\$30,310	\$32,216	\$34,252	\$35,214	\$35,697	\$38,730	\$42,944	(3)
Total Annual Payroll	\$57,214,000	\$65,352,000	\$71,775,000	\$79,283,000	\$86,349,000	\$91,591,000	\$91,064,000	\$97,986,234	\$111,568,641	(3)

*For years subsequent to 2001, the MA Department of Employment replaced its Standard Industrial Code (SIC) system with the new North American Industry Classification (NAICS). Consequently, information provided in this table from 1995 through 2001 is shown under the SIC classification system and 2002 through 2004 are shown under the NAICS classification system.



(1) Source: MA Department of Employment and Training.
 This reflects the most recent available data.

(2) Based on First Quarter Data

(3) Data not available

Town of Duxbury, Massachusetts
Property Value, Construction (1) and Bank Deposits
Last Ten Calendar Years

Calendar Year	Real Property Assessed Value	Building Permits Issued (3)	(2) Bank Deposits
1995	\$1,174,208,250	\$ 12,953,415	\$87,862,000
1996	\$1,256,079,650	\$ 11,473,865	\$94,605,000
1997	\$1,385,469,376	\$ 12,948,110	\$98,366,000
1998	\$1,420,035,174	\$ 12,773,554	\$106,234,000
1999	\$1,513,046,931	\$ 15,939,902	\$111,728,000
2000	\$1,734,365,992	\$ 13,505,405	\$95,503,000
2001	\$2,046,450,394	\$ 13,703,154	\$113,532,000
2002	\$2,291,957,100	\$ 20,712,422	\$128,443,000
2003	\$2,575,357,610	\$ 22,158,055	\$157,155,000
2004	\$2,875,209,840	\$ 14,209,594 (4)	\$168,032,000

(1) Not Available.

(2) Source: Federal Deposit Insurance Corporation. These figures represent deposits in Duxbury area banks; they do not include deposits in credit unions and savings and loan institutions.

(3) New Dwelling Permits.
Source: Building Inspection Department, Town of Duxbury.

(4) Through 11/01/04

Other Financial Comparisons*

Fiscal Year 2003									
	Canton	Concord	Hingham	Medfield	Sharon	Westwood	Wayland	Longmeadow	Duxbury
Total General Fund Expenditures	\$48,523,393	\$51,391,812	\$52,826,786	\$34,101,022	\$48,832,917	\$44,765,756	\$44,022,205	\$37,833,205	\$41,335,381
Police	\$3,008,038	\$2,625,038	\$3,675,960	\$1,720,110	\$2,242,013	\$2,379,482	\$1,936,342	\$2,122,943	\$2,430,381
% of Total	6%	5%	7%	5%	5%	5%	4%	6%	6%
Fire	\$3,356,915	\$2,436,731	\$3,172,786	\$462,780	\$1,262,279	\$2,096,187	\$1,743,968	\$1,082,417	\$1,740,029
% of Total	7%	5%	6%	1%	3%	5%	4%	3%	4%
Education	\$22,535,069	\$30,145,968	\$25,667,364	\$18,690,512	\$26,674,786	\$24,705,349	\$23,985,791	\$23,081,110	\$22,684,861
% of Total	46%	59%	49%	55%	55%	55%	54%	61%	55%
Public Works	\$3,471,565	\$2,760,040	\$3,521,395	\$2,119,084	\$2,375,868	\$3,553,405	\$1,916,896	\$2,091,099	\$3,116,485
% of Total	7%	5%	7%	6%	5%	8%	4%	6%	8%
All Other	\$16,151,806	\$13,424,035	\$16,789,281	\$11,108,536	\$16,277,971	\$12,031,333	\$14,439,208	\$9,455,636	\$11,363,625
% of Total	33%	26%	32%	33%	33%	27%	33%	25%	27%
Stabilization Fund (6/30/03)	\$917,569	\$2,136	\$0	\$1,073,178	\$6,274	\$773,284	\$151,836	\$401,837	\$1,463,807
Free Cash (7/01/03)	\$4,666,596	\$3,638,239	\$2,105,160	\$1,409,805	\$1,051,399	\$1,498,110	\$2,809,907	\$1,279,589	\$2,620,649
Bond Rating (10/04)	Aa2	Aaa	Aaa	Aa2	Aa3	Aa1	Aaa	Aa3	Aa2

Source: MA Department of Revenue, Division of Local Services.

* Information as provided in State of MA end of year report.



The expanded (1998) Duxbury Free Library.