

TOWN OF DUXBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2007**

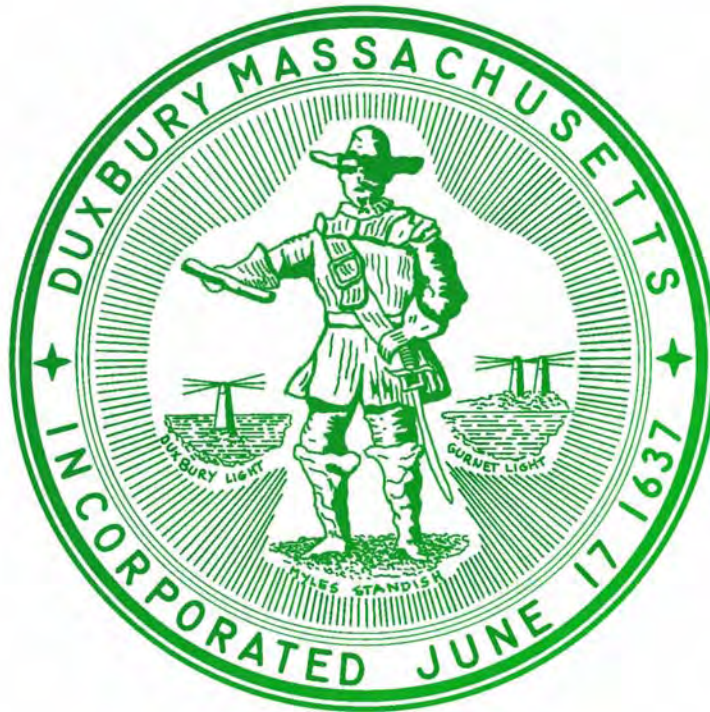
On the cover:
Island Creek Pond



Fish Ladder at Island Creek Pond.

The Duxbury Bay Management Commission established a comprehensive plan to restore the historic Island Creek Herring run which had fallen into disrepair and has been non-functional for many years. This project is designed to restore a natural function to the stream, reconnect the ecosystem of Duxbury Bay to the Island Creek system, and provide an important, supplemental food source to other species in the bay and, potentially, a future recreational resource to the Town's residents.

*The Town of
Duxbury, Massachusetts*



**Comprehensive
Annual Financial Report**

**For the Fiscal Year
July 1, 2006 through June 30, 2007**

Prepared by the Finance Department

Town of Duxbury, Massachusetts

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2007**

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Introductory Section



A snowy owl enjoys the ocean breeze.

Board of Selectmen
Andre P. Martecchini, Chair
Jonathan D. Witten
Elizabeth H. Sullivan



Richard MacDonald,
Town Manager

Town Of Duxbury, Massachusetts

December 12, 2007

Letter of Transmittal

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

Subsequent to the close of each fiscal year, state law requires the Town of Duxbury to publish a complete set of financial statements in conformity with accounting 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, 2007 for your review.

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

This report consists of management's representations concerning the finances of the Town of Duxbury. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. In order to provide a reasonable basis for making these financial representations, management continues to review and improve its established comprehensive internal controls. The framework for these controls is designed to protect, to the extent possible, the government's assets from loss, theft or misuse. The cost of internal controls should not outweigh their benefits. As a result, the Town of Duxbury's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements for the fiscal year ended June 30, 2007, are fairly presented in conformity with GAAP.

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, 2007, 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, 2007, and that they are, in fact, fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

GAAP 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 also home to the famous Island Creek oyster. Known for their quality and distinctive flavor, these oysters are in great demand and are shipped to points throughout the United States as well as Bermuda and the Caribbean. Duxbury is a town of quiet dignity and stability, with beautiful beaches, tides and marshes combined with Cape Cod homes and Sea Captain's Colonials.

The Town is governed by an open Town Meeting form of government and is located in Southeastern Massachusetts in Plymouth County approximately 33 miles from Boston. Duxbury is accessible by Route 3, a major highway, as well as secondary roads including Routes 3A and 114. The Town is bordered by the Towns of Pembroke on the west, Marshfield on the north, Kingston on the south and the Atlantic Ocean on the east and southeast. Duxbury occupies an area of approximately 23.76 square miles and its population is 15,294 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.

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.

Factors Affecting Economic Condition

Local Economy

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

In 2006 the average price of a home in Duxbury was \$649,100 (based upon 2005 sales data), an increase of 1.5% from the previous year. Housing prices have increased over 70% since 2000 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. Easy access to the commuter rail in neighboring Kingston facilitates the commute to Boston.

The Town continues to be faced with financial challenges. State funding, which was cut dramatically in 2004, still has not reached the levels realized in fiscal 2002. Rising health care costs and other fixed costs add to the economic pressures. Proposition 2 ½ caps 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 has long enjoyed a cooperative approach to problem solving among its many boards, departments, unions and citizens. This cooperation has led to solid fund balances. Constant oversight is given to the Health Claims Trust, resulting in an equity position that more than covers the 'incurred but not reported' claims accrual at the end of 2007. During 2007 management and staff negotiated an agreement resulting in higher employee co-payments for physician and hospital visits. This town-wide approach to problem solving in this area has resulted in a three year average annual increase in the Health Insurance budget of under six percent, well below the national average. During the 2007 budget cycle (March 2006) departments worked together to agree upon a budget that did not rely heavily on long term reserves. The Town further addressed revenue needs with increased fees wherever practical. The community continues to support a 3% Community Preservation surcharge and voted to utilize over \$500,000 to preserve open space through the purchase of cranberry bogs at the March 2006 Town Meeting.

Long Term Financial Planning

The Town's long term financial planning is focused on addressing the numerous needs of the community, particularly in view of the revenue constraints of Proposition 2 ½. Discussions are ongoing concerning issues regarding how to provide the community with the level of services it has come to expect under difficult financial conditions. Town Departments, the School Committee, Finance Committee, Fiscal Advisory Committee, and the Government Study Committee have all provided input.

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

and High School. These dialogues are expected to continue and the parties will need to agree on appropriate fiscal targets and timing of projects.

Relevant Financial Policies

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

- Stabilization and pension reserves were not utilized to balance the fiscal year 2007 budget.
- Available fund balances (free cash) was used to balance the fiscal year 2007 budget, however was replenished through conservative budgeting practices.

Major Initiatives

The Town issued \$1,150,000 in general obligation bonds in February 2007, for a number of capital items including departmental equipment, water & sewer rehabilitation and cemetery expansion. The Town successfully maintained its Aa2 bond rating and secured a very favorable interest rate. Going forward, the Town has secured very favorable Massachusetts Water Pollution Abatement Trust rates for its planned water tank construction and water mains expansion.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Duxbury for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2006. This was the third year that the Town submitted a CAFR to the GFOA. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



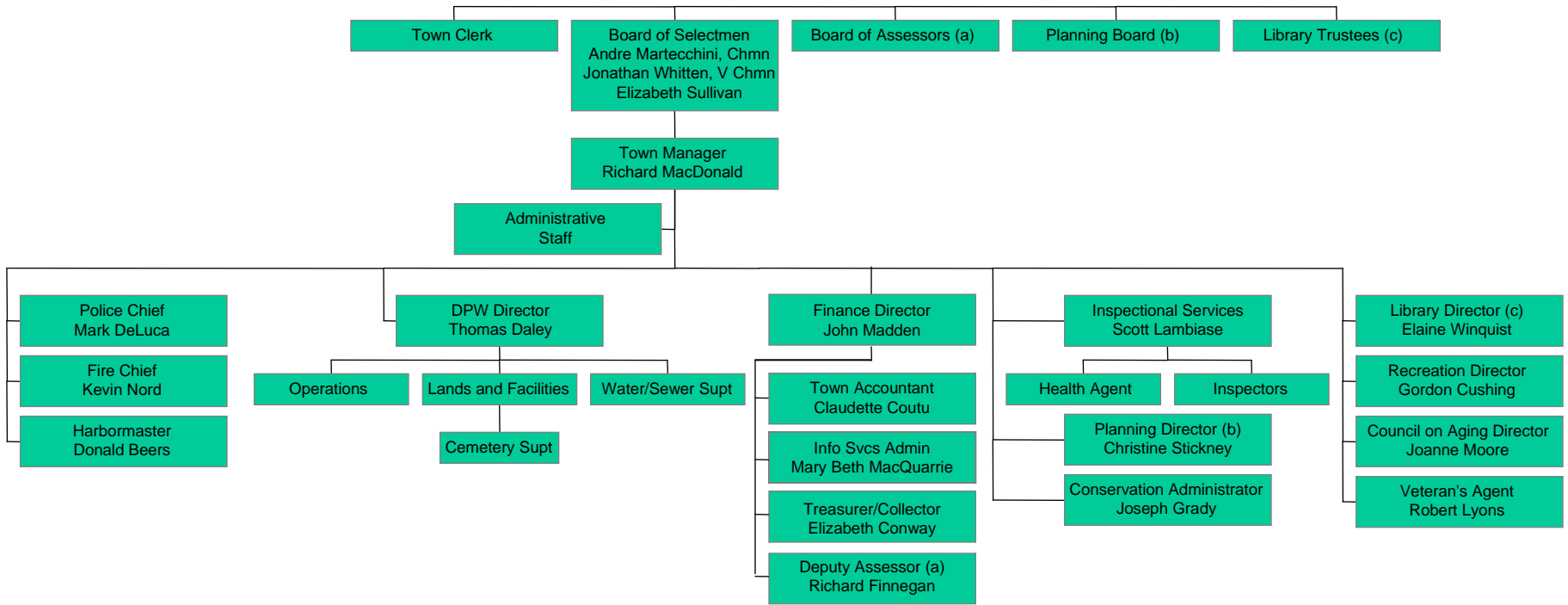
Richard MacDonald
Town Manager

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 | 2009 |
| Vice Chairman-Board of Selectmen | Jonathan D. Witten | Elected | 3 Years | 2010 |
| Selectman | Elizabeth H. Sullivan | Elected | 3 Years | 2008 |
| Town Manager | Richard MacDonald | Appointed | Indefinite | N/A |
| Finance Director | John M. Madden | Appointed | Indefinite | N/A |
| Town Accountant | Claudette Coutu | Appointed | Indefinite | N/A |
| Treasurer/Collector | Elizabeth Conway | Appointed | Indefinite | N/A |
| Town Clerk | Nancy M. Oates | Elected | 3 Years | 2010 |
| Assessor- Chairman | James G. MacNab | Elected | 3 Years | 2010 |
| Assessor | June E. Albritton | Elected | 3 Years | 2008 |
| Assessor | Linda M. Collari | Elected | 3 Years | 2009 |
| 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 | 2008 |
| 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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Duxbury
Massachusetts

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



President

Executive Director

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Financial Section



In 1908 the building now known as the Wright Building served as Duxbury's Public Library. In fiscal year 2005 the voters approved \$3 million for the reconstruction and rehabilitation of the Wright building which will be placed on the National Register of Historic Places.



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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, 2007, 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 an opinion on these financial statements based on our audit.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2007, on our consideration of the Town of Duxbury, Massachusetts' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was 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, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

December 12, 2007

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, 2007. 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, community preservation and interest. 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 proprietary funds.

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

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 \$99 million at the end of fiscal year 2007. 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 herein.

Governmental Activities

The results of operations of the governmental activities are discussed in the following paragraphs and tables. Net assets of \$70.5 million (81%) 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 \$2.6 million (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$13.8 million (16%) may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental activities net assets increased by \$2.4 million during the current fiscal year indicating that the overall financial health of the Town has improved. This increase was the net result of several factors. Increases in net assets were partially derived from community preservation taxes of \$1.1 million and state matching funds of \$1.1 million which are used to finance capital expenditures; a surplus of \$1.5 million in the internal service fund; and a net decrease of (\$1) million of depreciation expense exceeding debt principal expenditures.

| | Balance at June 30, 2007 | Balance at June 30, 2006 |
|--|--------------------------------|--------------------------------|
| Assets: | | |
| Current assets..... | \$ 23,150,026 | \$ 22,165,936 |
| Noncurrent assets (excluding capital)..... | 436,171 | 561,155 |
| Capital assets..... | 89,900,791 | 89,455,305 |
| Total assets..... | 113,486,988 | 112,182,396 |
| Liabilities: | | |
| Current liabilities (excluding debt)..... | 6,009,387 | 5,601,767 |
| Noncurrent liabilities (excluding debt)..... | 259,671 | 184,392 |
| Current debt..... | 3,121,985 | 2,663,906 |
| Noncurrent debt..... | 17,156,100 | 19,229,085 |
| Total liabilities..... | 26,547,143 | 27,679,150 |
| Net Assets: | | |
| Capital assets net of related debt..... | 70,497,727 | 68,589,041 |
| Restricted..... | 2,616,217 | 2,924,351 |
| Unrestricted..... | 13,825,901 | 12,989,854 |
| Total net assets..... | \$ 86,939,845 | \$ 84,503,246 |

| | Balance at June 30, 2007 | Balance at June 30, 2006 |
|--|--------------------------------|--------------------------------|
| Program revenues: | | |
| Charges for services..... | \$ 11,917,076 | \$ 10,172,407 |
| Operating grants and contributions..... | 10,414,641 | 10,421,134 |
| Capital grants and contributions..... | 1,191,310 | 2,923,241 |
| General Revenues: | | |
| Real estate and personal property taxes..... | 36,999,317 | 35,101,777 |
| Tax liens..... | 134,662 | 168,191 |
| Motor vehicle and other excise taxes..... | 2,308,774 | 2,388,822 |
| Community preservation taxes..... | 1,077,315 | 1,011,323 |
| Penalties and interest on taxes..... | 138,442 | 146,204 |
| Payments in lieu of taxes..... | 7,917 | 3,913 |
| Nonrestricted grants and contributions..... | 1,275,273 | 991,109 |
| Unrestricted investment income..... | 904,835 | 682,910 |
| Miscellaneous revenues..... | 223,442 | 104,980 |
| Total revenues..... | 66,593,004 | 64,116,012 |
| Expenses: | | |
| General Government..... | 3,559,670 | 3,328,178 |
| Public Safety..... | 8,340,515 | 7,918,379 |
| Education..... | 42,797,340 | 40,478,390 |
| Public Works..... | 5,426,106 | 5,073,679 |
| Human Services..... | 686,413 | 605,609 |
| Culture and Recreation..... | 2,235,018 | 2,333,282 |
| Community Preservation..... | 239,207 | 72,667 |
| Interest..... | 1,157,136 | 1,015,461 |
| Total expenses..... | 64,441,405 | 60,825,645 |
| Excess (deficiency) before transfers..... | 2,151,599 | 3,290,367 |
| Transfers..... | 285,000 | 250,000 |
| Change in net assets..... | \$ 2,436,599 | \$ 3,540,367 |

Business-type Activities

The results of operations for the business-type activities are discussed in the following paragraphs and tables. For the Town's water business-type activities, assets exceeded liabilities by \$12.1 million at the close of FY2007. Of this amount \$8.9 million (74%) is invested in capital assets, net of related debt and \$3.2 million (26%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

There was an increase of \$336 thousand in net assets related to the Water Department's operations during the fiscal year. The major factors include the acquisition of capital assets from current revenues and conservative budgeting of revenues to cover operating costs.

| | Balance at June 30, 2007 | Balance at June 30, 2006 |
|--|--------------------------------|--------------------------------|
| Assets: | | |
| Current assets..... | \$ 3,371,845 | \$ 2,580,155 |
| Capital assets..... | <u>12,414,436</u> | <u>12,985,263</u> |
| Total assets..... | <u>15,786,281</u> | <u>15,565,418</u> |
| Liabilities: | | |
| Current liabilities (excluding debt)..... | 196,408 | 137,747 |
| Noncurrent liabilities (excluding debt)..... | 5,233 | 5,106 |
| Current debt..... | 637,000 | 650,000 |
| Noncurrent debt..... | <u>2,859,000</u> | <u>3,020,000</u> |
| Total liabilities..... | <u>3,697,641</u> | <u>3,812,853</u> |
| Net Assets: | | |
| Capital assets net of related debt..... | 8,918,436 | 9,315,263 |
| Unrestricted..... | <u>3,170,204</u> | <u>2,437,302</u> |
| Total net assets..... | <u>\$ 12,088,640</u> | <u>\$ 11,752,565</u> |
| | Balance at June 30, 2007 | Balance at June 30, 2006 |
| Program revenues: | | |
| Charges for services..... | <u>\$ 2,783,180</u> | <u>\$ 2,795,272</u> |
| Expenses: | | |
| Water..... | <u>2,162,105</u> | <u>1,787,554</u> |
| Excess (deficiency) before transfers..... | 621,075 | 1,007,718 |
| Transfers..... | <u>(285,000)</u> | <u>(250,000)</u> |
| Change in net assets..... | <u>\$ 336,075</u> | <u>\$ 757,718</u> |

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *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 \$12.2 million, a decrease of \$490,000 from the prior year. Most of the decrease is attributable to the Town spending funds received in prior fiscal years. Within the nonmajor funds, school grant expenditures exceeded revenues during fiscal year 2007 by approximately \$313,000 and capital project expenditures exceeded revenues by approximately \$217,000.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$5.1 million, while total fund balance is \$5.9 million. 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 7% of total general fund expenditures, while total fund balance represents 11% of that same amount.

The fund balance of the General Fund increased by \$104,000, this resulted primarily from budgetary surpluses of approximately \$1.9 million exceeding planned uses of reserves to balance the budget of approximately \$1.8 million.

The Community Preservation Act Fund had a fund balance at June 30, 2007 of \$2 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation Act's fund balance decreased \$151,000 mainly due to the Town spending funds in fiscal year 2007 that were received in prior fiscal years on projects such as the Wright building and the fish ladder rehabilitation projects.

The Highway Improvements Fund is used to account for the construction, reconstruction and improvements of roadways, streets and sidewalks funded by state grants. The Town spent \$542,000 on projects in FY2007 which was fully supported by the state grant and therefore the fund balance remains at zero at fiscal year end.

The Town Services Fund is a permanent fund used to account for various contributions associated with Town services such as the cemetery and library. Fund balance increased by \$231,000 in fiscal year 2007 through contributions and investment earnings to reach a level of \$2.3 million.

General Fund Budgetary Highlights

The \$850,000 increase from the original budget to the final amended budget resulted from a fall Special Town Meeting vote to use available funds mainly for the settlement of collective bargaining agreements.

General Fund revenues came in approximately \$1,062,000 more than budgeted. There were several factors that contributed to this increase. Real estate revenue had a surplus of \$317,000 which was mainly due to \$157,000 in tax liens being collected from prior fiscal years. Departmental and other revenue came in \$357,000 more than

budgeted due to surpluses of \$81,000 in licenses and permits, \$159,000 in ambulance and Medicare receipts and \$70,000 in cemetery receipts.

General fund expenditures came in approximately \$756,000 less than budgeted. This was primarily due to departments coming in under budget. Some of these include \$90,000 for the transfer station, \$78,000 for property and liability insurance and \$45,000 for interest expense. Another contributing factor was the Town did not use any of the \$150,000 budgeted in the reserve fund.

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 2007 includes an addition to construction in progress of approximately \$2.1 million for Community Preservation Act projects including the Wright Building renovation and the fish ladder restoration projects.

| | Capital Assets | | |
|-------------------------------------|--|--|--------------------------------|
| | <u>Cost of Capital Assets at end of year</u> | <u>Accumulated Depreciation at end of year</u> | <u>Capital Assets, net</u> |
| Governmental activities | | | |
| <i>Function:</i> | | | |
| General government..... \$ | 23,405,733 | \$ (470,920) | \$ 22,934,813 |
| Public safety..... | 6,711,570 | (3,282,649) | 3,428,921 |
| Education..... | 56,705,039 | (15,773,355) | 40,931,684 |
| Public works..... | 17,012,858 | (8,969,830) | 8,043,028 |
| Culture and recreation..... | 11,705,578 | (3,053,908) | 8,651,670 |
| Community preservation.... | <u>5,915,808</u> | <u>(5,133)</u> | <u>5,910,675</u> |
| Total by function..... \$ | <u>121,456,586</u> | <u>\$ (31,555,795)</u> | <u>\$ 89,900,791</u> |
| Business-type activities | | | |
| Water..... \$ | <u>18,540,036</u> | <u>\$ (6,125,600)</u> | <u>\$ 12,414,436</u> |

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$19.9 million at the end of the current fiscal year. Of this amount, \$1.6 million is related to the renovation of the library, \$1.4 million is related to the senior center project, \$1.5 million relates to sewer projects, \$470,000 relates to land purchases and \$12.6 million is related to school equipment and improvements. The remaining \$2.3 million relates to other capital related projects. The enterprise fund has \$3.5 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy.

For further discussion please refer to Note 5 for major capital activity and Notes 7 and 8 for debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Duxbury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town Hall, 878 Tremont Street, Duxbury, Massachusetts 02332.

Basic Financial Statements

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STATEMENT OF NET ASSETS

JUNE 30, 2007

| | <i>Primary Government</i> | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| CURRENT: | | | |
| Cash and cash equivalents..... | \$ 14,983,873 | \$ 2,264,696 | \$ 17,248,569 |
| Investments..... | 3,931,960 | - | 3,931,960 |
| Receivables, net of allowance for uncollectibles: | | | |
| Real estate and personal property taxes..... | 365,086 | - | 365,086 |
| Tax liens..... | 58,471 | - | 58,471 |
| Motor vehicle and other excise taxes..... | 89,006 | - | 89,006 |
| User fees..... | 12,426 | 1,107,149 | 1,119,575 |
| Departmental and other..... | 435,376 | - | 435,376 |
| Intergovernmental..... | 2,058,902 | - | 2,058,902 |
| Tax foreclosures..... | 622,088 | - | 622,088 |
| Working capital deposit..... | 592,838 | - | 592,838 |
| Total current assets..... | 23,150,026 | 3,371,845 | 26,521,871 |
| NONCURRENT: | | | |
| Receivables, net of allowance for uncollectibles: | | | |
| Intergovernmental..... | 320,276 | - | 320,276 |
| Real estate tax deferrals..... | 115,895 | - | 115,895 |
| Capital assets: | | | |
| Nondepreciable..... | 33,257,616 | 3,149,567 | 36,407,183 |
| Depreciable..... | 56,643,175 | 9,264,869 | 65,908,044 |
| Total noncurrent assets..... | 90,336,962 | 12,414,436 | 102,751,398 |
| TOTAL ASSETS..... | 113,486,988 | 15,786,281 | 129,273,269 |
| LIABILITIES | | | |
| CURRENT: | | | |
| Warrants payable..... | 2,251,463 | 55,447 | 2,306,910 |
| Accrued liabilities..... | 1,313,531 | - | 1,313,531 |
| Health claims payable..... | 843,110 | - | 843,110 |
| Accrued interest..... | 302,494 | 23,589 | 326,083 |
| Other liabilities..... | 489,460 | 91,605 | 581,065 |
| Compensated absences..... | 809,329 | 25,767 | 835,096 |
| Bonds and notes payable..... | 3,121,985 | 637,000 | 3,758,985 |
| Total current liabilities..... | 9,131,372 | 833,408 | 9,964,780 |
| NONCURRENT: | | | |
| Compensated absences..... | 259,671 | 5,233 | 264,904 |
| Bonds and notes payable..... | 17,156,100 | 2,859,000 | 20,015,100 |
| Total noncurrent liabilities..... | 17,415,771 | 2,864,233 | 20,280,004 |
| TOTAL LIABILITIES..... | 26,547,143 | 3,697,641 | 30,244,784 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt..... | 70,497,727 | 8,918,436 | 79,416,163 |
| Restricted for: | | | |
| Permanent funds: | | | |
| Expendable..... | 633,668 | - | 633,668 |
| Nonexpendable..... | 1,686,435 | - | 1,686,435 |
| Gifts and grants..... | 296,114 | - | 296,114 |
| Unrestricted..... | 13,825,901 | 3,170,204 | 16,996,105 |
| TOTAL NET ASSETS..... | \$ 86,939,845 | \$ 12,088,640 | \$ 99,028,485 |

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2007

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary Government: | | | | | |
| <i>Governmental Activities:</i> | | | | | |
| General government..... | \$ 3,559,670 | \$ 477,420 | \$ 138,212 | \$ - | \$ (2,944,038) |
| Public safety..... | 8,340,515 | 1,716,362 | 184,090 | - | (6,440,063) |
| Education..... | 42,797,340 | 5,592,607 | 9,791,473 | - | (27,413,260) |
| Public works..... | 5,426,106 | 1,969,311 | 138,902 | 114,738 | (3,203,155) |
| Human services..... | 686,413 | 152,651 | 96,071 | - | (437,691) |
| Culture and recreation..... | 2,235,018 | 2,008,725 | 49,420 | - | (176,873) |
| Community preservation..... | 239,207 | - | - | 1,076,572 | 837,365 |
| Interest..... | 1,157,136 | - | 16,473 | - | (1,140,663) |
| Total Governmental Activities..... | <u>64,441,405</u> | <u>11,917,076</u> | <u>10,414,641</u> | <u>1,191,310</u> | (40,918,378) |
| <i>Business-Type Activities:</i> | | | | | |
| Water..... | <u>2,162,105</u> | <u>2,783,180</u> | <u>-</u> | <u>-</u> | 621,075 |
| Total Primary Government..... | <u>\$ 66,603,510</u> | <u>\$ 14,700,256</u> | <u>\$ 10,414,641</u> | <u>\$ 1,191,310</u> | \$ (40,297,303) |

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (Continued)

FISCAL YEAR ENDED JUNE 30, 2007

| | Primary Government | | |
|---|----------------------------|-----------------------------|------------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Changes in net assets: | | | |
| Net (expense) revenue from previous page..... | \$ (40,918,378) | \$ 621,075 | \$ (40,297,303) |
| <i>General revenues:</i> | | | |
| Real estate and personal property taxes, net of tax refunds payable..... | 36,999,317 | - | 36,999,317 |
| Tax liens..... | 134,662 | - | 134,662 |
| Motor vehicle and other excise taxes..... | 2,308,774 | - | 2,308,774 |
| Community preservation taxes..... | 1,077,315 | - | 1,077,315 |
| Penalties and interest on taxes..... | 138,442 | - | 138,442 |
| Payments in lieu of taxes..... | 7,917 | - | 7,917 |
| Grants and contributions not restricted to specific programs..... | 1,275,273 | - | 1,275,273 |
| Unrestricted investment income..... | 904,835 | - | 904,835 |
| Miscellaneous..... | 223,442 | - | 223,442 |
| <i>Transfers, net</i> | 285,000 | (285,000) | - |
| Total general revenues and transfers..... | 43,354,977 | (285,000) | 43,069,977 |
| Change in net assets..... | 2,436,599 | 336,075 | 2,772,674 |
| <i>Net Assets:</i> | | | |
| Beginning of year..... | 84,503,246 | 11,752,565 | 96,255,811 |
| End of year..... | \$ <u>86,939,845</u> | \$ <u>12,088,640</u> | \$ <u>99,028,485</u> |

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2007

| ASSETS | General | Community Preservation Act | Highway Improvements | Town Services Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|----------------------|-------------------------------|-------------------------|-----------------------|-----------------------------------|--------------------------------|
| Cash and cash equivalents..... | \$ 7,866,395 | \$ 1,992,075 | \$ - | \$ 33,878 | \$ 1,186,141 | \$ 11,078,489 |
| Investments..... | - | - | - | 2,286,225 | 1,645,735 | 3,931,960 |
| Receivables, net of uncollectibles: | | | | | | |
| Real estate and personal property taxes..... | 365,086 | - | - | - | - | 365,086 |
| Real estate tax deferrals..... | 115,895 | - | - | - | - | 115,895 |
| Tax liens..... | 57,738 | 733 | - | - | - | 58,471 |
| Motor vehicle and other excise taxes..... | 89,006 | - | - | - | - | 89,006 |
| User fees..... | 12,426 | - | - | - | - | 12,426 |
| Departmental and other..... | 196,928 | - | - | - | 10,073 | 207,001 |
| Intergovernmental..... | 488,077 | 1,088,004 | 803,097 | - | - | 2,379,178 |
| Tax foreclosures..... | 622,088 | - | - | - | - | 622,088 |
| Due from other funds..... | 509,188 | - | - | - | - | 509,188 |
| TOTAL ASSETS..... | \$ 10,322,827 | \$ 3,080,812 | \$ 803,097 | \$ 2,320,103 | \$ 2,841,949 | \$ 19,368,788 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| Warrants payable..... | \$ 1,223,100 | \$ 2,499 | \$ 25,180 | \$ - | \$ 134,828 | \$ 1,385,607 |
| Accrued liabilities..... | 1,313,531 | - | - | - | - | 1,313,531 |
| Other liabilities..... | 222,115 | 7,636 | - | - | 259,709 | 489,460 |
| Deferred revenues..... | 1,713,277 | 1,088,737 | 268,729 | - | 10,073 | 3,080,816 |
| Due to other funds..... | - | - | 509,188 | - | - | 509,188 |
| Notes payable..... | - | - | - | - | 375,000 | 375,000 |
| TOTAL LIABILITIES..... | 4,472,023 | 1,098,872 | 803,097 | - | 779,610 | 7,153,602 |
| FUND BALANCES: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances and continuing appropriations..... | 774,504 | - | - | - | - | 774,504 |
| Perpetual permanent funds..... | - | - | - | 1,686,435 | - | 1,686,435 |
| Unreserved: | | | | | | |
| Designated for subsequent year's expenditures.... | 1,100,000 | - | - | - | - | 1,100,000 |
| Undesignated, reported in: | | | | | | |
| General fund..... | 3,976,300 | - | - | - | - | 3,976,300 |
| Special revenue funds..... | - | 1,981,940 | - | - | 2,205,569 | 4,187,509 |
| Capital projects funds..... | - | - | - | - | (143,230) | (143,230) |
| Permanent funds..... | - | - | - | 633,668 | - | 633,668 |
| TOTAL FUND BALANCES..... | 5,850,804 | 1,981,940 | - | 2,320,103 | 2,062,339 | 12,215,186 |
| TOTAL LIABILITIES AND FUND BALANCES..... | \$ 10,322,827 | \$ 3,080,812 | \$ 803,097 | \$ 2,320,103 | \$ 2,841,949 | \$ 19,368,788 |

See notes to basic financial statements.

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

JUNE 30, 2007

| | | |
|---|--------------------|--------------------------|
| Total governmental fund balances..... | \$ | 12,215,186 |
| Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds..... | | 89,900,791 |
| Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds..... | | 3,080,816 |
| 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..... | | 3,017,631 |
| In the statement of net assets, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due..... | | (302,494) |
| 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..... | (19,903,085) | |
| Compensated absences..... | <u>(1,069,000)</u> | |
| Net effect of reporting long-term liabilities..... | | <u>(20,972,085)</u> |
| Net assets of governmental activities..... | \$ | <u><u>86,939,845</u></u> |

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2007

| | General | Community Preservation Act | Highway Improvements | Town Services Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---------------------|-------------------------------|-------------------------|-----------------------|-----------------------------------|--------------------------------|
| REVENUES: | | | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ 36,977,095 | \$ - | \$ - | \$ - | \$ - | \$ 36,977,095 |
| Tax and trash liens..... | 148,223 | 3,679 | - | - | - | 151,902 |
| Motor vehicle and other excise taxes..... | 2,303,816 | - | - | - | - | 2,303,816 |
| Sewer charges..... | 305,628 | - | - | - | - | 305,628 |
| Trash disposal..... | 542,227 | - | - | - | - | 542,227 |
| Intergovernmental..... | 9,023,676 | 1,023,066 | 542,385 | - | 2,454,618 | 13,043,745 |
| Departmental and other..... | 3,972,527 | 122,996 | - | - | 3,412,523 | 7,508,046 |
| Special assessments..... | - | 1,077,315 | - | - | - | 1,077,315 |
| Contributions..... | - | - | - | 48,720 | 55,813 | 104,533 |
| Investment income..... | 710,020 | - | - | 256,753 | 194,815 | 1,161,588 |
| TOTAL REVENUES..... | 53,983,212 | 2,227,056 | 542,385 | 305,473 | 6,117,769 | 63,175,895 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government..... | 2,268,346 | - | - | 29,787 | 204,117 | 2,502,250 |
| Public safety..... | 5,477,446 | - | - | - | 454,934 | 5,932,380 |
| Education..... | 24,884,647 | - | - | - | 5,100,693 | 29,985,340 |
| Public works..... | 3,437,425 | - | 542,385 | 7,000 | 634,222 | 4,621,032 |
| Human services..... | 432,862 | - | - | - | 114,663 | 547,525 |
| Culture and recreation..... | 1,477,007 | - | - | - | 237,905 | 1,714,912 |
| Community preservation..... | - | 2,378,213 | - | - | - | 2,378,213 |
| Pension benefits - Town..... | 1,490,088 | - | - | - | - | 1,490,088 |
| Pension benefits - School..... | 4,266,000 | - | - | - | - | 4,266,000 |
| Property and liability insurance..... | 249,654 | - | - | - | - | 249,654 |
| Employee benefits..... | 7,216,358 | - | - | - | - | 7,216,358 |
| State and county charges..... | 244,562 | - | - | - | - | 244,562 |
| Debt service: | | | | | | |
| Principal..... | 2,554,906 | - | - | - | - | 2,554,906 |
| Interest..... | 930,217 | - | - | - | - | 930,217 |
| TOTAL EXPENDITURES..... | 54,929,518 | 2,378,213 | 542,385 | 36,787 | 6,746,534 | 64,633,437 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | (946,306) | (151,157) | - | 268,686 | (628,765) | (1,457,542) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Issuance of long-term bonds..... | - | - | - | - | 674,000 | 674,000 |
| Premium from issuance of long-term bonds..... | 8,518 | - | - | - | - | 8,518 |
| Transfers in..... | 1,053,324 | - | - | - | 151,855 | 1,205,179 |
| Transfers out..... | (11,000) | - | - | (37,500) | (871,679) | (920,179) |
| TOTAL OTHER FINANCING SOURCES (USES)..... | 1,050,842 | - | - | (37,500) | (45,824) | 967,518 |
| NET CHANGE IN FUND BALANCES..... | 104,536 | (151,157) | - | 231,186 | (674,589) | (490,024) |
| FUND BALANCES AT BEGINNING OF YEAR..... | 5,746,268 | 2,133,097 | - | 2,088,917 | 2,736,928 | 12,705,210 |
| FUND BALANCES AT END OF YEAR..... | \$ 5,850,804 | \$ 1,981,940 | \$ - | \$ 2,320,103 | \$ 2,062,339 | \$ 12,215,186 |

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2007

Net change in fund balances - total governmental funds..... \$ (490,024)

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..... | 3,960,064 |
| Depreciation expense..... | <u>(3,514,578)</u> |

Net effect of reporting capital assets..... 445,486

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.....

(452,199)

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..... | (674,000) |
| Debt service principal payments..... | <u>2,554,906</u> |

Net effect of reporting long-term debt..... 1,880,906

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..... | (198,000) |
| Net change in accrued interest on long-term debt..... | <u>(226,919)</u> |

Net effect of recording long-term liabilities and amortizing deferred losses..... (424,919)

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..... 1,477,349

Change in net assets of governmental activities..... \$ 2,436,599

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2007

| | Business-type Activities - Enterprise Fund | Governmental Activities - Internal Service Funds |
|--|---|---|
| | Water Enterprise | |
| ASSETS | | |
| CURRENT: | | |
| Cash and cash equivalents..... | \$ 2,264,696 | \$ 3,905,384 |
| Receivables, net of allowance for uncollectibles: | | |
| User fees..... | 1,107,149 | - |
| Departmental and other..... | - | 228,375 |
| Working capital deposit..... | - | 592,838 |
| Total current assets..... | <u>3,371,845</u> | <u>4,726,597</u> |
| NONCURRENT: | | |
| Capital assets: | | |
| Nondepreciable..... | 3,149,567 | - |
| Depreciable..... | <u>9,264,869</u> | <u>-</u> |
| Total noncurrent assets..... | <u>12,414,436</u> | <u>-</u> |
| TOTAL ASSETS..... | <u>15,786,281</u> | <u>4,726,597</u> |
| LIABILITIES | | |
| CURRENT: | | |
| Warrants payable..... | 55,447 | 865,856 |
| Health claims payable..... | - | 843,110 |
| Accrued interest..... | 23,589 | - |
| Other liabilities..... | 91,605 | - |
| Compensated absences..... | 25,767 | - |
| Bonds and notes payable..... | <u>637,000</u> | <u>-</u> |
| Total current liabilities..... | <u>833,408</u> | <u>1,708,966</u> |
| NONCURRENT: | | |
| Compensated absences..... | 5,233 | - |
| Bonds and notes payable..... | <u>2,859,000</u> | <u>-</u> |
| Total noncurrent liabilities..... | <u>2,864,233</u> | <u>-</u> |
| TOTAL LIABILITIES..... | <u>3,697,641</u> | <u>1,708,966</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt..... | 8,918,436 | - |
| Unrestricted..... | <u>3,170,204</u> | <u>3,017,631</u> |
| TOTAL NET ASSETS..... | <u>\$ 12,088,640</u> | <u>\$ 3,017,631</u> |

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Business-type Activities - Enterprise Fund | Governmental Activities - Internal Service Funds |
|---|---|---|
| | Water Enterprise | |
| OPERATING REVENUES: | | |
| Employee contributions | \$ - | \$ 2,967,260 |
| Employer contributions | - | 6,630,347 |
| Charges for services | 2,783,180 | - |
| Other..... | - | 896,240 |
| TOTAL OPERATING REVENUES | 2,783,180 | 10,493,847 |
| OPERATING EXPENSES: | | |
| Cost of services and administration | 1,221,463 | 9,016,498 |
| Depreciation..... | 732,432 | - |
| TOTAL OPERATING EXPENSES | 1,953,895 | 9,016,498 |
| OPERATING INCOME (LOSS)..... | 829,285 | 1,477,349 |
| NONOPERATING REVENUES (EXPENSES): | | |
| Interest expense..... | (208,210) | - |
| INCOME (LOSS) BEFORE TRANSFERS..... | 621,075 | 1,477,349 |
| TRANSFERS: | | |
| Transfers out..... | (285,000) | - |
| CHANGE IN NET ASSETS..... | 336,075 | 1,477,349 |
| NET ASSETS AT BEGINNING OF YEAR..... | 11,752,565 | 1,540,282 |
| NET ASSETS AT END OF YEAR..... | \$ 12,088,640 | \$ 3,017,631 |

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2007

| | Business-type Activities - Enterprise Fund | Governmental Activities - Internal Service Funds |
|--|---|---|
| | Water Enterprise | |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES:</u> | | |
| Receipts from customers and users..... | \$ 2,621,025 | \$ - |
| Receipts from interfund services provided..... | - | 10,347,918 |
| Payments to vendors..... | (674,941) | (8,347,325) |
| Payments to employees..... | (500,629) | - |
| NET CASH FROM OPERATING ACTIVITIES..... | 1,445,455 | 2,000,593 |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u> | | |
| Transfers out..... | (285,000) | - |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u> | | |
| Proceeds from the issuance of bonds and notes..... | 476,000 | - |
| Acquisition and construction of capital assets..... | (161,605) | - |
| Principal payments on bonds and notes..... | (650,000) | - |
| Interest expense..... | (195,315) | - |
| NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES..... | (530,920) | - |
| NET CHANGE IN CASH AND CASH EQUIVALENTS..... | 629,535 | 2,000,593 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR..... | 1,635,161 | 1,904,791 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR..... | \$ 2,264,696 | \$ 3,905,384 |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u> | | |
| Operating income (loss)..... | \$ 829,285 | \$ 1,477,349 |
| Adjustments to reconcile operating income (loss) to net cash from operating activities: | | |
| Depreciation..... | 732,432 | - |
| Changes in assets and liabilities: | | |
| User fees..... | (162,155) | - |
| Departmental and other..... | - | (145,929) |
| Working capital deposit..... | - | 488,362 |
| Warrants payable..... | 25,893 | 93,701 |
| Health claims payable..... | - | 87,110 |
| Other liabilities..... | 16,000 | - |
| Accrued compensated absences..... | 4,000 | - |
| Total adjustments..... | 616,170 | 523,244 |
| NET CASH FROM OPERATING ACTIVITIES..... | \$ 1,445,455 | \$ 2,000,593 |

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2007

| | Private Purpose Trust Funds | Agency Funds |
|---------------------------------|-----------------------------------|-----------------|
| ASSETS | | |
| Cash and cash equivalents..... | \$ 51,479 | \$ 478,671 |
| Investments..... | <u>1,073,612</u> | <u>-</u> |
| TOTAL ASSETS..... | <u>1,125,091</u> | <u>478,671</u> |
| LIABILITIES | | |
| Warrants payable..... | - | 25,303 |
| Liabilities due depositors..... | <u>-</u> | <u>453,368</u> |
| TOTAL LIABILITIES..... | <u>-</u> | <u>478,671</u> |
| NET ASSETS | | |
| Held in trust..... | <u>\$ 1,125,091</u> | <u>\$ -</u> |

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2007

| | <u>Private Purpose Trust Funds</u> |
|--------------------------------------|--|
| <u>ADDITIONS:</u> | |
| Net investment income (loss): | |
| Interest..... | \$ <u>128,739</u> |
| <u>DEDUCTIONS:</u> | |
| Scholarships and other..... | <u>22,808</u> |
| CHANGE IN NET ASSETS..... | 105,931 |
| NET ASSETS AT BEGINNING OF YEAR..... | <u>1,019,160</u> |
| NET ASSETS AT END OF YEAR..... | <u>\$ <u>1,125,091</u></u> |

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Fund Financial Statements

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

Major Fund Criteria

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

- If the total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 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. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, 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 *highway improvement fund* is a special revenue fund used to account for construction, reconstruction and improvements of roadways, streets and sidewalks. Funding is provided primarily by state grants.

The *town services 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.

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

The *special revenue fund* is used to account for 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 Funds).

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 Town's 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. Agency funds have no measurement focus.

The following fiduciary fund types are reported:

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

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

Government-Wide and Fund Financial Statements

For the enterprise funds, 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 yearly after the close of the valuation year on delinquent properties and are recorded as receivables in the fiscal year they are processed.

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

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

Motor Vehicle 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 the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allows the trustees to approve spending of the realized investment earnings.

"Permanent funds - nonexpendable" represents the endowment portion of donor restricted trusts.

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

Fund Financial Statements (Fund Balances)

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 2008 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 upon maturity of the liability.

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

In addition to providing pension benefits, the Town provides health insurance coverage for approximately 276 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, 2007, this expenditure totaled approximately \$1,193,000.

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, 2007, the Miscellaneous Small Capital Projects fund classified within the Nonmajor Governmental Funds has a deficit balance of (\$175,882). This deficit will be funded through grants and 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 balance sheet as "Cash and cash equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

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

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

Custodial Credit Risk – Deposits

In the case of deposits, the custodial credit risk is the risk that, in the event of a bank failure the Town of Duxbury's deposits may not be recovered. At fiscal year-end, the carrying amount of deposits totaled \$15,092,636 and the bank balance totaled \$16,206,618. Of the bank balance, \$600,000 was covered by Federal Depository Insurance, \$5,354,258 was collateralized, and \$10,252,360 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) prequalifying banks, 2) diversifying its investments across several banks and collateralizing deposits where practical.

Investments

As of June 30, 2007, the Town of Duxbury had the following investments:

| Investment Type | Fair Value | Maturity | | | |
|---|--------------|--------------|--------------|------------|---------------|
| | | Under 1 Year | 1-5 Years | 6-10 Years | Over 10 Years |
| <u>Debt Securities:</u> | | | | | |
| Government Sponsored Enterprises..... | \$ 958,137 | \$ - | \$ 750,954 | \$ 48,141 | \$ 159,042 |
| Government National Mortgage Association..... | 89,465 | - | - | - | 89,465 |
| U.S. Treasury Notes..... | 983,993 | 148,946 | 835,047 | - | - |
| Total Debt Securities..... | 2,031,595 | \$ 148,946 | \$ 1,586,001 | \$ 48,141 | \$ 248,507 |
| <u>Other Investments:</u> | | | | | |
| Equity Securities..... | 2,973,977 | | | | |
| MMDT..... | 2,686,083 | | | | |
| Total Investments..... | \$ 7,691,655 | | | | |

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investments of \$250,204 in Federal Home Loan Bank securities, \$112,788 in Federal Home Loan Mortgage Corporation securities, \$595,145 in Federal National Mortgage Association securities, \$89,465 in Government National Mortgage Association securities, \$983,993 in United States Treasury Notes, and \$2,973,981 in equity securities, the Town is exposed to custodial credit risk as the securities are uninsured. The securities are registered to Dunn & Co. as nominee for the Town of Duxbury. The Town of Duxbury's investment policy allows for custodial safekeeping in the name of a nominee. It also requires proof that securities purchased from any bank or dealer be provided to the Treasurer and recorded on the Town's books.

Interest Rate Risk

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

Credit Risk

The Town's investment policy states that for Bank Deposits, including Repurchase Agreements; Certificates of Deposit; and Demand Deposits that exceed the FDIC insured amount are to be made in Banks or Savings and Loan Associations with a Moody's Rating of A3 or above; a Standard & Poor's and Finch rating of A or above; or a Thompson Bond Watch Rating of A or B. The Town's investments in Government Sponsored Enterprises were all rated AAA. The Town's investment in MMDT is unrated. However, the investment policy of MMDT limits the Trust's investments to only the highest quality securities as rated by at least two nationally recognized rating services.

Concentration of Credit Risk

The Town places no limit on the amount the government may invest in any one issuer. More than 5 percent of the Town's investments are in the Federal National Mortgage Association. These investments represent 7.74% of the Town's total investments.

NOTE 4 – RECEIVABLES

At June 30, 2007, 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:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|--|---------------------|------------------------------------|---------------------|
| <u>Receivables:</u> | | | |
| Real estate and personal property taxes..... | \$ 366,739 | \$ (1,653) | \$ 365,086 |
| Real estate tax deferrals..... | 115,895 | - | 115,895 |
| Tax liens..... | 58,471 | - | 58,471 |
| Motor vehicle and other excise taxes..... | 172,391 | (83,385) | 89,006 |
| User fees..... | 12,426 | - | 12,426 |
| Departmental and other..... | 435,376 | - | 435,376 |
| Intergovernmental..... | 2,379,178 | - | 2,379,178 |
| Total..... | <u>\$ 3,540,476</u> | <u>\$ (85,038)</u> | <u>\$ 3,455,438</u> |

At June 30, 2007, receivables for the water enterprise consist of the following:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|---------------------|-----------------|------------------------------------|---------------|
| <u>Receivables:</u> | | | |
| Water..... | \$ 1,107,149 | \$ - | \$ 1,107,149 |

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

| | General Fund | Community Preservation Act | Highway Improvements | Nonmajor Governmental Funds | Total |
|--|---------------------|-------------------------------|-------------------------|-----------------------------------|---------------------|
| <u>Receivable and other asset type:</u> | | | | | |
| Real estate and personal property taxes..... | \$ 131,119 | \$ - | \$ - | \$ - | \$ 131,119 |
| Real estate tax deferrals..... | 115,895 | - | - | - | 115,895 |
| Tax liens..... | 57,738 | 733 | - | - | 58,471 |
| Motor vehicle and other excise taxes..... | 89,006 | - | - | - | 89,006 |
| User fees..... | 12,426 | - | - | - | 12,426 |
| Departmental and other..... | 196,928 | - | - | 10,073 | 207,001 |
| Intergovernmental..... | 488,077 | 1,088,004 | 268,729 | - | 1,844,810 |
| Tax foreclosures..... | 622,088 | - | - | - | 622,088 |
| Total..... | <u>\$ 1,713,277</u> | <u>\$ 1,088,737</u> | <u>\$ 268,729</u> | <u>\$ 10,073</u> | <u>\$ 3,080,816</u> |

NOTE 5 – CAPITAL ASSETS

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

Governmental Activities

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|--------------------|---------------------|----------------------|
| Governmental Activities: | | | | |
| <u>Capital assets not being depreciated:</u> | | | | |
| Land..... | \$ 29,500,767 | \$ 462,000 | \$ - | \$ 29,962,767 |
| Construction in progress..... | 1,600,509 | 2,141,023 | (446,683) | 3,294,849 |
| Total capital assets not being depreciated..... | <u>31,101,276</u> | <u>2,603,023</u> | <u>(446,683)</u> | <u>33,257,616</u> |
| <u>Capital assets being depreciated:</u> | | | | |
| Buildings..... | 50,395,228 | - | - | 50,395,228 |
| Infrastructure..... | 17,740,666 | 461,526 | (233,975) | 17,968,217 |
| Vehicles..... | 6,172,784 | 603,375 | (236,732) | 6,539,427 |
| Computers..... | 2,082,490 | 171,284 | (335,455) | 1,918,319 |
| Furniture, fixtures and equipment..... | 1,791,462 | 47,293 | - | 1,838,755 |
| Improvements..... | 7,969,780 | 318,217 | - | 8,287,997 |
| Library books..... | 833,105 | 104,755 | (137,276) | 800,584 |
| School books..... | 476,812 | 97,274 | (123,644) | 450,442 |
| Total capital assets being depreciated..... | <u>87,462,327</u> | <u>1,803,724</u> | <u>(1,067,082)</u> | <u>88,198,969</u> |
| <u>Less accumulated depreciation for:</u> | | | | |
| Buildings..... | (8,304,400) | (1,148,505) | - | (9,452,905) |
| Infrastructure..... | (8,529,806) | (650,827) | 233,975 | (8,946,658) |
| Vehicles..... | (3,152,973) | (671,960) | 236,732 | (3,588,201) |
| Computers..... | (1,077,967) | (400,081) | 335,455 | (1,142,593) |
| Furniture, fixtures and equipment..... | (709,844) | (181,511) | - | (891,355) |
| Improvements..... | (6,614,894) | (245,588) | - | (6,860,482) |
| Library books..... | (440,535) | (116,252) | 137,276 | (419,511) |
| School books..... | (277,879) | (99,854) | 123,644 | (254,089) |
| Total accumulated depreciation..... | <u>(29,108,298)</u> | <u>(3,514,578)</u> | <u>1,067,082</u> | <u>(31,555,794)</u> |
| Total capital assets being depreciated, net..... | <u>58,354,029</u> | <u>(1,710,854)</u> | <u>-</u> | <u>56,643,175</u> |
| Total governmental activities capital assets, net..... | <u>\$ 89,455,305</u> | <u>\$ 892,169</u> | <u>\$ (446,683)</u> | <u>\$ 89,900,791</u> |

Business-Type Activities

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|---------------------|--------------------|----------------------|
| Water Enterprise Fund Activities: | | | | |
| <u>Capital assets not being depreciated:</u> | | | | |
| Land..... | \$ 2,849,437 | \$ - | \$ - | \$ 2,849,437 |
| Construction in progress..... | 218,457 | 111,673 | (30,000) | 300,130 |
| | <u>3,067,894</u> | <u>111,673</u> | <u>(30,000)</u> | <u>3,149,567</u> |
| <u>Capital assets being depreciated:</u> | | | | |
| Plant, facilities and infrastructure..... | 15,047,157 | 30,000 | - | 15,077,157 |
| Equipment and motor vehicles..... | 263,380 | 49,932 | - | 313,312 |
| | <u>15,310,537</u> | <u>79,932</u> | <u>-</u> | <u>15,390,469</u> |
| <u>Less accumulated depreciation for:</u> | | | | |
| Plant, facilities and infrastructure..... | (5,093,196) | (619,603) | - | (5,712,799) |
| Equipment and motor vehicles..... | (299,972) | (112,829) | - | (412,801) |
| | <u>(5,393,168)</u> | <u>(732,432)</u> | <u>-</u> | <u>(6,125,600)</u> |
| Total capital assets being depreciated, net..... | <u>9,917,369</u> | <u>(652,500)</u> | <u>-</u> | <u>9,264,869</u> |
| Total Water Enterprise capital assets..... | <u>\$ 12,985,263</u> | <u>\$ (540,827)</u> | <u>\$ (30,000)</u> | <u>\$ 12,414,436</u> |

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

Governmental Activities:

| | |
|---|---------------------|
| General government..... | \$ 80,037 |
| Public safety..... | 424,121 |
| Education..... | 1,813,340 |
| Public works..... | 750,158 |
| Culture and recreation..... | 441,789 |
| Community preservation..... | <u>5,133</u> |
| Total depreciation expense - governmental activities..... | <u>\$ 3,514,578</u> |

Business-Type Activities:

| | |
|------------|-------------------|
| Water..... | <u>\$ 732,432</u> |
|------------|-------------------|

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2007, interfund payables and receivables between the General Fund and the Highway Improvements major governmental fund, totaling \$509,188, were related to the timing of highway projects funding.

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

| Transfers Out: | Transfers In: | | |
|----------------------------------|---------------------|-----------------------------|---------------------|
| | General Fund | Nonmajor Governmental Funds | Total |
| General Fund..... | \$ - | \$ 11,000 (1) | \$ 11,000 |
| Town Services Fund..... | 37,500 (2) | - | 37,500 |
| Nonmajor Governmental Funds..... | 730,824 (3) | 140,855 (4) | 871,679 |
| Water Enterprise Fund..... | 285,000 (5) | - | 285,000 |
| Total..... | <u>\$ 1,053,324</u> | <u>\$ 151,855</u> | <u>\$ 1,205,179</u> |

- (1) Represents a budgeted transfer to the conservation revolving fund within the nonmajors fund from the general fund.
- (2) Represents budgeted transfers to the general fund from the Lucy Hathaway town services fund to fund the FY07 operating budget.
- (3) Represents transfers to the general fund from various nonmajor funds for indirect costs.
- (4) Represents transfer to reclassify receipts reserved for appropriations from special revenue trust funds.
- (5) Represents a budgeted transfer to the general fund from the water enterprise fund.

NOTE 7 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the fiscal year ended June 30, 2007, is as follows:

| Type | Purpose | Rate (%) | Due Date | Balance at June 30, 2006 | Renewed/ Issued | Retired/ Redeemed | Balance at June 30, 2007 |
|--------------------------------------|-----------------------------|----------|----------|--------------------------|-------------------|-------------------|--------------------------|
| <i>Governmental Funds</i> | | | | | | | |
| BAN | Animal Shelter..... | 3.90% | 03/15/07 | \$ 7,000 | \$ - | \$ 7,000 | \$ - |
| BAN | School Bonds..... | 3.90% | 03/15/07 | 65,575 | - | 65,575 | - |
| BAN | Town Building Alarms..... | 3.90% | 03/15/07 | 11,525 | - | 11,525 | - |
| BAN | Departmental Equipment..... | 3.90% | 03/15/07 | 24,900 | - | 24,900 | - |
| GAN | Storm Water Drainage..... | 4.00% | 07/30/07 | - | 125,000 | - | 125,000 (1) |
| GAN | Seawalls..... | 4.00% | 07/30/07 | - | 125,000 | - | 125,000 (1) |
| BAN | Seawalls..... | 4.00% | 06/27/08 | - | 125,000 | - | 125,000 |
| <i>Total Governmental Funds.....</i> | | | | <u>109,000</u> | <u>375,000</u> | <u>109,000</u> | <u>375,000</u> |
| <i>Enterprise Fund</i> | | | | | | | |
| BAN | Water Projects..... | 3.90% | 03/15/07 | <u>100,000</u> | <u>-</u> | <u>100,000</u> | <u>-</u> |
| <i>Total.....</i> | | | | <u>\$ 209,000</u> | <u>\$ 375,000</u> | <u>\$ 209,000</u> | <u>\$ 375,000</u> |

(1) On July 30, 2007, the Town paid down these GANs.

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, 2007, and the debt service requirements are as follows:

General Obligation Bonds and Notes Payable Schedule – Governmental Funds

| Project | Interest Rate (%) | Outstanding at June 30, 2006 | Issued | Redeemed | Outstanding at June 30, 2007 |
|------------------------------------|-------------------|------------------------------|------------|--------------|------------------------------|
| Library..... | 5.00 | \$ 1,720,000 | \$ - | \$ 160,000 | \$ 1,560,000 |
| Sewer Connections..... | 5.00 | 20,000 | - | 10,000 | 10,000 |
| MWPAT 1997..... | 5.27 | 400,232 | - | 31,321 | 368,911 |
| Land acquisition..... | 3.89 | 460,000 | - | 155,000 | 305,000 |
| School..... | 4.99 | 640,000 | - | 170,000 | 470,000 |
| Fire Station..... | 4.99 | 240,000 | - | 60,000 | 180,000 |
| Senior Center..... | 3.50-4.50 | 1,580,000 | - | 145,000 | 1,435,000 |
| MWPAT 2001 Title V..... | 4.50 | 141,316 | - | 10,872 | 130,444 |
| Sewer..... | 4.00 | 860,000 | - | 55,000 | 805,000 |
| Land Acquisition..... | 3.10 | 200,000 | - | 35,000 | 165,000 |
| MWPAT 2004 Title V..... | 3.30-5.25 | 160,443 | - | 10,713 | 149,730 |
| Fire Truck..... | 2.00 | 310,000 | - | 155,000 | 155,000 |
| School..... | 4.00 | 11,578,000 | - | 778,000 | 10,800,000 |
| School Sewer..... | 4.00 | 1,457,000 | - | 102,000 | 1,355,000 |
| Departmental Equipment..... | 4.00 | 1,972,000 | - | 662,000 | 1,310,000 |
| Animal Shelter..... | 4.00 | 45,000 | - | 15,000 | 30,000 |
| Remodeling..... | 4.00 | - | 84,000 | - | 84,000 |
| Departmental Equipment..... | 4.00 | - | 290,000 | - | 290,000 |
| Truck Rehabilitation..... | 4.00 | - | 90,000 | - | 90,000 |
| Cemetery Bonds..... | 4.00 | - | 80,000 | - | 80,000 |
| School Sewer..... | 4.00 | - | 65,000 | - | 65,000 |
| Parking Lot..... | 4.00 | - | 65,000 | - | 65,000 |
| | | | | | |
| Total Bonds and Notes Payable..... | | \$ 21,783,991 | \$ 674,000 | \$ 2,554,906 | \$ 19,903,085 |

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

| Fiscal Year | Principal | Interest | Total |
|-------------|----------------------|---------------------|----------------------|
| 2008..... | \$ 2,746,985 | \$ 780,199 | \$ 3,527,184 |
| 2009..... | 2,554,860 | 679,088 | 3,233,948 |
| 2010..... | 1,731,774 | 584,422 | 2,316,196 |
| 2011..... | 1,376,513 | 511,551 | 1,888,064 |
| 2012..... | 1,317,726 | 455,162 | 1,772,888 |
| 2013..... | 1,303,792 | 410,591 | 1,714,383 |
| 2014..... | 1,269,889 | 347,465 | 1,617,354 |
| 2015..... | 1,266,053 | 294,125 | 1,560,178 |
| 2016..... | 1,267,267 | 240,957 | 1,508,224 |
| 2017..... | 1,268,518 | 186,663 | 1,455,181 |
| 2018..... | 936,558 | 139,752 | 1,076,310 |
| 2019..... | 931,558 | 101,982 | 1,033,540 |
| 2020..... | 920,690 | 63,493 | 984,183 |
| 2021..... | 920,902 | 24,160 | 945,062 |
| 2022..... | 45,000 | 3,162 | 48,162 |
| 2023..... | 45,000 | 1,058 | 46,058 |
| Totals..... | \$ <u>19,903,085</u> | \$ <u>4,823,830</u> | \$ <u>24,726,915</u> |

Bonds and Notes Payable Schedule – Enterprise Fund

| Project | Interest Rate (%) | Outstanding at June 30, 2006 | Issued | Redeemed | Outstanding at June 30, 2007 |
|------------------------------------|-------------------|------------------------------|-------------------|-------------------|------------------------------|
| Municipal Bond..... | 3.89 | \$ 1,175,000 | \$ - | \$ 225,000 | \$ 950,000 |
| Water..... | 4.99 | 160,000 | - | 40,000 | 120,000 |
| Water Projects..... | 3.50-4.50 | 125,000 | - | 25,000 | 100,000 |
| Water..... | 3.10 | 410,000 | - | 60,000 | 350,000 |
| Water..... | 2.50-4.00 | 880,000 | - | 110,000 | 770,000 |
| Water..... | 2.00-3.60 | 320,000 | - | 40,000 | 280,000 |
| Water..... | 4.00 | 500,000 | - | 50,000 | 450,000 |
| Water..... | 4.00 | - | 476,000 | - | 476,000 |
| Total Bonds and Notes Payable..... | | \$ <u>3,570,000</u> | \$ <u>476,000</u> | \$ <u>550,000</u> | \$ <u>3,496,000</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> |
|--------------------|---------------------|-------------------|---------------------|
| 2008..... | \$ 637,000 | \$ 125,722 | \$ 762,722 |
| 2009..... | 640,000 | 102,317 | 742,317 |
| 2010..... | 519,000 | 80,992 | 599,992 |
| 2011..... | 475,000 | 61,368 | 536,368 |
| 2012..... | 470,000 | 43,418 | 513,418 |
| 2013..... | 355,000 | 25,464 | 380,464 |
| 2014..... | 300,000 | 12,308 | 312,308 |
| 2015..... | 50,000 | 3,000 | 53,000 |
| 2016..... | 50,000 | 1,000 | 51,000 |
| Totals..... | <u>\$ 3,496,000</u> | <u>\$ 455,589</u> | <u>\$ 3,951,589</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 \$101,084 and interest costs for \$195,192. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$572,073. 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 2007 principal and interest subsidies totaled approximately \$7,400 and \$31,000, respectively.

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and related debt interest and borrowing costs. The Town has been approved for a grant equal to 67% of allowable costs, as defined, for the construction of the new sewer system for the High School Complex and the renovation and addition to the Alden and Chandler Elementary Schools. During fiscal year 2007 the Town received approximately \$167,800 in MSBA grant funding. The anticipated future reimbursement of approximately \$488,000 has been recorded as an intergovernmental receivable and deferred revenue in the School Renovations major fund in the fund based financial statements. The 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, 2007, the Town had the following authorized and unissued debt:

| Purpose | Amount |
|------------------------------|--------------------------------|
| School Facilities..... | \$ 20,000 |
| Water Wells..... | 580,000 |
| Town Building Alarms..... | 16,000 |
| Equipment..... | 100 |
| Route 3 Water Main..... | 550,000 |
| Birch Street Water Tank..... | 3,179,000 |
| Seawalls..... | <u>350,000</u> |
| Total..... | \$ <u><u>4,695,100</u></u> |

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2007, the following changes occurred in long-term liabilities:

| | Balance June 30, 2006 | Additions | Reductions | Balance June 30, 2007 | Current Portion |
|--|-----------------------------|---------------------|-----------------------|-----------------------------|---------------------|
| Governmental Activities: | | | | | |
| Long-Term Bonds and Notes..... | \$ 21,783,991 | \$ 674,000 | \$ (2,554,906) | \$ 19,903,085 | \$ 2,746,985 |
| Compensated Absences..... | <u>871,000</u> | <u>884,608</u> | <u>(686,608)</u> | <u>1,069,000</u> | <u>809,329</u> |
| Total governmental activity long-term liabilities..... | <u>\$ 22,654,991</u> | <u>\$ 1,558,608</u> | <u>\$ (3,241,514)</u> | <u>\$ 20,972,085</u> | <u>\$ 3,556,314</u> |
| Business-Type Activities: | | | | | |
| Long-Term Bonds and Notes..... | \$ 3,570,000 | \$ 476,000 | \$ (550,000) | \$ 3,496,000 | \$ 637,000 |
| Compensated Absences..... | <u>27,000</u> | <u>25,894</u> | <u>(21,894)</u> | <u>31,000</u> | <u>25,767</u> |
| Total business-type activity long-term liabilities..... | <u>\$ 3,597,000</u> | <u>\$ 501,894</u> | <u>\$ (571,894)</u> | <u>\$ 3,527,000</u> | <u>\$ 662,767</u> |

Compensated absences liabilities related to both governmental and business-type activities are normally paid from the general fund and water enterprise fund, respectively.

NOTE 9 – STABILIZATION AND PENSION TRUST FUNDS

Stabilization Fund – At June 30, 2007, \$715,779 has been set aside in a stabilization fund, which is classified as a nonmajor 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, 2007, \$909,206 has been set aside in a pension trust fund, which is classified as a nonmajor fund in the governmental funds financial statements. The pension trust fund is distinct and separate from the System information in Note 12. 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 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, 2007, the CPA fund has a balance of \$1,981,940 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 10% claims paid average. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$75,000 per claim. At June 30, 2007, the amount of the liability for health insurance claims totaled \$843,110. This liability is the Town’s best estimate based on available information. Changes in the reported liability since July 1, 2005, 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 2006..... \$ | 866,000 | \$ 7,430,177 | \$ (7,540,177) | \$ 756,000 |
| Fiscal Year 2007..... | 756,000 | 8,077,969 | (7,990,859) | 843,110 |

(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, 2007, 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 \$4,266,000 for the fiscal year ended June 30, 2007, 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, 2007, 2006, and 2005 were \$1,460,631, \$1,308,623, and \$1,213,539, 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 2007 totaled approximately \$29,000.

NOTE 13 – COMMITMENTS

The Town has various commitments totaling approximately \$4,325,000 for projects related primarily to the Birch Street water tank, seawalls, 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, 2007, 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, 2007, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2007.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

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

The GASB issued Statement #49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which is required to be implemented in fiscal year 2008. Management has elected to implement this GASB early. The basic financial statements were not impacted by this GASB.

The GASB issued Statement #51, *Accounting and Financial Reporting for Intangible Assets*, which is required to be implemented in fiscal year 2010. Management has elected to implement this GASB early. The basic financial statements were not impacted by this GASB.

Future Implementation of GASB Pronouncements:

The GASB issued Statement #43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in fiscal year 2008. The standards in this statement currently do not apply and therefore 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 year 2009. Management expects that this pronouncement will require additional disclosure and impact the basic financial statements.

The GASB issued Statement #50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*, which is required to be implemented in fiscal year 2008. This GASB will change the disclosures related to pensions.

The GASB issued Statement #52, *Land and Other Real Estate Held as Investments by Endowments*, which is required to be implemented in fiscal year 2009. Management believes this statement will not effect the basic financial statements.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

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

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | | | Actual | Amounts Carried Forward To Next Year | Variance to Final Budget |
|---|---|-----------------------------------|--------------------|-------------------|-------------------|----------|--|-----------------------------|
| | Amounts Carried forward From Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | | |
| REVENUES: | | | | | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ - | \$ 36,894,273 | \$ 36,894,273 | \$ 36,894,273 | \$ 37,211,051 | \$ - | \$ 316,778 | |
| Motor vehicle and other excise taxes..... | - | 2,381,870 | 2,381,870 | 2,381,870 | 2,303,816 | - | (78,054) | |
| Sewer charges..... | - | 270,000 | 270,000 | 270,000 | 305,628 | - | 35,628 | |
| Trash disposal..... | - | 490,000 | 490,000 | 490,000 | 542,227 | - | 52,227 | |
| Intergovernmental..... | - | 4,590,261 | 4,590,261 | 4,590,261 | 4,757,676 | - | 167,415 | |
| Departmental and other..... | - | 3,626,800 | 3,626,800 | 3,626,800 | 3,984,279 | - | 357,479 | |
| Investment income..... | - | 500,000 | 500,000 | 500,000 | 710,035 | - | 210,035 | |
| TOTAL REVENUES..... | - | 48,753,204 | 48,753,204 | 48,753,204 | 49,814,712 | - | 1,061,508 | |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| General government | | | | | | | | |
| Town Meeting | | | | | | | | |
| Expenditures..... | - | 8,901 | 8,901 | 8,901 | 6,859 | - | 2,042 | |
| Town Moderator | | | | | | | | |
| Salaries..... | - | 40 | 40 | 40 | 40 | - | - | |
| Selectmen | | | | | | | | |
| Salaries..... | - | 226,537 | 226,537 | 234,608 | 233,445 | - | 1,163 | |
| Expenditures..... | - | 30,562 | 30,562 | 30,542 | 24,720 | 1,399 | 4,423 | |
| Articles..... | 28,124 | 428,000 | 456,124 | 501,124 | 430,386 | 70,638 | 100 | |
| Total..... | 28,124 | 685,099 | 713,223 | 766,274 | 688,551 | 72,037 | 5,686 | |
| Finance Committee | | | | | | | | |
| Expenditures..... | - | 200 | 200 | 220 | 220 | - | - | |
| Computers | | | | | | | | |
| Salaries..... | - | 53,946 | 53,946 | 55,160 | 55,160 | - | - | |
| Expenditures..... | 2,210 | 59,313 | 61,523 | 61,523 | 59,732 | 1,290 | 501 | |
| Articles..... | 47,519 | 28,500 | 76,019 | 76,019 | 39,909 | 36,110 | - | |
| Total..... | 49,729 | 141,759 | 191,488 | 192,702 | 154,801 | 37,400 | 501 | |
| Finance Director | | | | | | | | |
| Salaries..... | - | 79,000 | 79,000 | 79,000 | 79,000 | - | - | |
| Expenditures..... | - | 3,000 | 3,000 | 3,000 | 1,667 | - | 1,333 | |
| Total..... | - | 82,000 | 82,000 | 82,000 | 80,667 | - | 1,333 | |
| Accounting | | | | | | | | |
| Salaries..... | - | 191,616 | 191,616 | 191,616 | 169,598 | - | 22,018 | |
| Expenditures..... | - | 44,352 | 44,352 | 44,352 | 42,327 | 10 | 2,015 | |
| Articles..... | 60,000 | - | 60,000 | 60,000 | - | 60,000 | - | |
| Total..... | 60,000 | 235,968 | 295,968 | 295,968 | 211,925 | 60,010 | 24,033 | |
| Audit | | | | | | | | |
| Expenditures..... | - | 40,000 | 40,000 | 40,000 | 40,000 | - | - | |
| Assessor | | | | | | | | |
| Salaries..... | - | 188,498 | 188,498 | 192,795 | 191,991 | - | 804 | |
| Expenditures..... | - | 27,664 | 27,664 | 27,664 | 24,142 | 1,030 | 2,492 | |
| Articles..... | - | - | - | 48,000 | 7,392 | 40,608 | - | |
| Total..... | - | 216,162 | 216,162 | 268,459 | 223,525 | 41,638 | 3,296 | |
| Treasurer/Collector | | | | | | | | |
| Salaries..... | - | 279,243 | 279,243 | 281,121 | 277,108 | - | 4,013 | |
| Expenditures..... | - | 61,000 | 61,000 | 61,000 | 46,714 | - | 14,286 | |
| Total..... | - | 340,243 | 340,243 | 342,121 | 323,822 | - | 18,299 | |
| Legal | | | | | | | | |
| Expenditures..... | - | 200,000 | 200,000 | 200,000 | 191,339 | - | 8,661 | |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | | | Actual | Amounts Carried Forward To Next Year | Variance to Final Budget |
|--------------------------------------|---|-----------------------------------|--------------------|------------------|------------------|----------------|--|-----------------------------|
| | Amounts Carried forward From Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | | |
| Personnel Board | | | | | | | | |
| Salaries..... | - | 4,660 | 4,660 | 4,885 | 4,000 | - | 885 | |
| Expenditures..... | - | 3,000 | 3,000 | 3,000 | 927 | - | 2,073 | |
| Articles..... | - | 101,382 | 101,382 | 11,663 | 300 | 11,363 | - | |
| Total..... | - | 109,042 | 109,042 | 19,548 | 5,227 | 11,363 | 2,958 | |
| Town Clerk | | | | | | | | |
| Salaries..... | - | 101,115 | 101,115 | 101,115 | 100,966 | - | 149 | |
| Expenditures..... | - | 3,475 | 3,475 | 3,475 | 2,723 | - | 752 | |
| Total..... | - | 104,590 | 104,590 | 104,590 | 103,689 | - | 901 | |
| Election/Registration | | | | | | | | |
| Salaries..... | - | 15,062 | 15,062 | 15,062 | 15,062 | - | - | |
| Expenditures..... | - | 22,043 | 22,043 | 22,043 | 19,343 | - | 2,700 | |
| Total..... | - | 37,105 | 37,105 | 37,105 | 34,405 | - | 2,700 | |
| Conservation | | | | | | | | |
| Salaries..... | - | 83,579 | 83,579 | 87,358 | 86,245 | - | 1,113 | |
| Expenditures..... | - | 7,000 | 7,000 | 7,000 | 6,926 | - | 74 | |
| Articles..... | - | 17,000 | 17,000 | 17,000 | 12,536 | 4,464 | - | |
| Total..... | - | 107,579 | 107,579 | 111,358 | 105,707 | 4,464 | 1,187 | |
| Planning Board | | | | | | | | |
| Salaries..... | - | 82,695 | 82,695 | 84,228 | 83,887 | - | 341 | |
| Expenditures..... | - | 12,000 | 12,000 | 12,000 | 11,414 | 441 | 145 | |
| Articles..... | 6,267 | - | 6,267 | 6,267 | 1,405 | 4,862 | - | |
| Total..... | 6,267 | 94,695 | 100,962 | 102,495 | 96,706 | 5,303 | 486 | |
| Tax Title | | | | | | | | |
| Articles..... | 35,245 | - | 35,245 | 35,245 | 629 | 10,000 | 24,616 | |
| Cable Advisory | | | | | | | | |
| Expenditures..... | - | 250 | 250 | 250 | - | - | 250 | |
| Historical Commission | | | | | | | | |
| Expenditures..... | - | 250 | 250 | 250 | 234 | 16 | - | |
| Total General Government..... | 179,365 | 2,403,883 | 2,583,248 | 2,607,526 | 2,268,346 | 242,231 | 96,949 | |
| Public safety | | | | | | | | |
| Police | | | | | | | | |
| Salaries..... | - | 2,504,615 | 2,504,615 | 2,568,547 | 2,567,304 | - | 1,243 | |
| Expenditures..... | 1,071 | 223,715 | 224,786 | 224,786 | 220,273 | 2,934 | 1,579 | |
| Total..... | 1,071 | 2,728,330 | 2,729,401 | 2,793,333 | 2,787,577 | 2,934 | 2,822 | |
| Fire | | | | | | | | |
| Salaries..... | - | 1,857,227 | 1,857,227 | 1,871,478 | 1,845,498 | - | 25,980 | |
| Expenditures..... | 2,204 | 175,880 | 178,084 | 207,162 | 206,003 | 1,159 | - | |
| Total..... | 2,204 | 2,033,107 | 2,035,311 | 2,078,640 | 2,051,501 | 1,159 | 25,980 | |
| Inspectional Services | | | | | | | | |
| Salaries..... | - | 372,200 | 372,200 | 375,375 | 330,481 | - | 44,894 | |
| Expenditures..... | 110 | 34,100 | 34,210 | 34,210 | 31,319 | - | 2,891 | |
| Total..... | 110 | 406,300 | 406,410 | 409,585 | 361,800 | - | 47,785 | |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | | | Actual | Amounts Carried Forward To Next Year | Variance to Final Budget |
|--------------------------------------|---|-----------------------------------|--------------------|-------------------|-------------------|----------------|--|-----------------------------|
| | Amounts Carried forward From Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | | |
| Animal Control | | | | | | | | |
| Salaries..... | - | 40,950 | 40,950 | 43,670 | 43,666 | - | 4 | |
| Expenditures..... | 1,099 | 10,000 | 11,099 | 9,779 | 9,086 | - | 693 | |
| Total..... | 1,099 | 50,950 | 52,049 | 53,449 | 52,752 | - | 697 | |
| Harbormaster/Beach Management | | | | | | | | |
| Salaries..... | - | 176,445 | 176,445 | 180,698 | 180,698 | - | - | |
| Expenditures..... | - | 28,000 | 28,000 | 26,579 | 25,878 | 266 | 435 | |
| Articles..... | 2,449 | - | 2,449 | 2,449 | 607 | 719 | 1,123 | |
| Total..... | 2,449 | 204,445 | 206,894 | 209,726 | 207,183 | 985 | 1,558 | |
| Total Public Safety..... | 6,933 | 5,423,132 | 5,430,065 | 5,544,733 | 5,460,813 | 5,078 | 78,842 | |
| Education..... | 42,779 | 24,300,000 | 24,342,779 | 24,914,237 | 24,913,695 | - | 542 | |
| Public works | | | | | | | | |
| DPW Management | | | | | | | | |
| Salaries..... | - | 220,229 | 220,229 | 224,488 | 222,520 | - | 1,968 | |
| Expenditures..... | 150 | 28,150 | 28,300 | 37,300 | 25,499 | 10,052 | 1,749 | |
| Articles..... | 343,346 | 71,175 | 414,521 | 414,521 | 146,861 | 266,003 | 1,657 | |
| Total..... | 343,496 | 319,554 | 663,050 | 676,309 | 394,880 | 276,055 | 5,374 | |
| Vehicle Maintenance | | | | | | | | |
| Salaries..... | - | 86,470 | 86,470 | 71,470 | 69,412 | - | 2,058 | |
| Expenditures..... | 114 | 68,800 | 68,914 | 83,914 | 66,024 | 5,896 | 11,994 | |
| Total..... | 114 | 155,270 | 155,384 | 155,384 | 135,436 | 5,896 | 14,052 | |
| Highway Department | | | | | | | | |
| Salaries..... | - | 361,358 | 361,358 | 353,858 | 330,895 | - | 22,963 | |
| Expenditures..... | 4,238 | 58,590 | 62,828 | 62,828 | 62,778 | - | 50 | |
| Total..... | 4,238 | 419,948 | 424,186 | 416,686 | 393,673 | - | 23,013 | |
| Snow & Ice | | | | | | | | |
| Salaries..... | - | 55,000 | 55,000 | 55,000 | 41,914 | - | 13,086 | |
| Expenditures..... | - | 94,200 | 94,200 | 94,200 | 76,773 | - | 17,427 | |
| Total..... | - | 149,200 | 149,200 | 149,200 | 118,687 | - | 30,513 | |
| Fuel Depot | | | | | | | | |
| Expenditures..... | - | 200,000 | 200,000 | 200,000 | 179,365 | - | 20,635 | |
| Land & Natural Resources | | | | | | | | |
| Salaries..... | - | 334,223 | 334,223 | 336,273 | 331,713 | - | 4,560 | |
| Expenditures..... | 274 | 43,900 | 44,174 | 49,174 | 43,643 | 5,127 | 404 | |
| Total..... | 274 | 378,123 | 378,397 | 385,447 | 375,356 | 5,127 | 4,964 | |
| Street Lights | | | | | | | | |
| Expenditures..... | - | 35,000 | 35,000 | 35,000 | 34,995 | - | 5 | |
| Transfer Station | | | | | | | | |
| Salaries..... | - | 182,262 | 182,262 | 212,262 | 195,238 | - | 17,024 | |
| Expenditures..... | 11,860 | 843,146 | 855,006 | 779,006 | 640,888 | 64,904 | 73,214 | |
| Total..... | 11,860 | 1,025,408 | 1,037,268 | 991,268 | 836,126 | 64,904 | 90,238 | |
| Sewer Department | | | | | | | | |
| Salaries..... | - | 4,945 | 4,945 | 4,945 | - | - | 4,945 | |
| Expenditures..... | - | 208,809 | 208,809 | 205,065 | 201,905 | 241 | 2,919 | |
| Total..... | - | 213,754 | 213,754 | 210,010 | 201,905 | 241 | 7,864 | |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | | | Actual | Amounts Carried Forward To Next Year | Variance to Final Budget |
|------------------------------------|---|-----------------------------------|--------------------|------------------|------------------|----------------|--|-----------------------------|
| | Amounts Carried forward From Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | | |
| Cemetery | | | | | | | | |
| Salaries..... | - | 291,348 | 291,348 | 305,688 | 299,334 | 138 | 6,216 | |
| Expenditures..... | 9,130 | 134,390 | 143,520 | 162,264 | 154,653 | 3,743 | 3,868 | |
| Articles..... | - | 30,000 | 30,000 | 75,000 | 35,076 | 39,924 | - | |
| Total..... | 9,130 | 455,738 | 464,868 | 542,952 | 489,063 | 43,805 | 10,084 | |
| Central Building | | | | | | | | |
| Salaries..... | - | 38,256 | 38,256 | 38,256 | 37,645 | - | 611 | |
| Expenditures..... | - | 185,550 | 185,550 | 195,550 | 191,283 | 4,236 | 31 | |
| Articles..... | 11,400 | - | 11,400 | 11,400 | - | 11,400 | - | |
| Total..... | 11,400 | 223,806 | 235,206 | 245,206 | 228,928 | 15,636 | 642 | |
| Building Maintenance | | | | | | | | |
| Expenditures..... | - | 35,000 | 35,000 | 42,000 | 25,668 | 10,171 | 6,161 | |
| Tarkiln | | | | | | | | |
| Expenditures..... | - | 8,100 | 8,100 | 8,100 | 4,719 | - | 3,381 | |
| Lucy Hathaway: Public Works | | | | | | | | |
| Articles..... | 4,770 | - | 4,770 | 42,270 | 18,624 | 23,646 | - | |
| Total Public Works..... | 385,282 | 3,618,901 | 4,004,183 | 4,099,832 | 3,437,425 | 445,481 | 216,926 | |
| Human services | | | | | | | | |
| Council on Aging | | | | | | | | |
| Salaries..... | - | 282,463 | 282,463 | 291,736 | 291,261 | - | 475 | |
| Expenditures..... | - | 90,950 | 90,950 | 91,015 | 90,652 | 314 | 49 | |
| Articles..... | 283 | 4,500 | 4,783 | 4,783 | 1,500 | 3,283 | - | |
| Total..... | 283 | 377,913 | 378,196 | 387,534 | 383,413 | 3,597 | 524 | |
| Veterans | | | | | | | | |
| Salaries..... | - | 19,807 | 19,807 | 20,302 | 20,302 | - | - | |
| Expenditures..... | 24 | 34,900 | 34,924 | 34,522 | 29,147 | 36 | 5,339 | |
| | 24 | 54,707 | 54,731 | 54,824 | 49,449 | 36 | 5,339 | |
| Total Human Services..... | 307 | 432,620 | 432,927 | 442,358 | 432,862 | 3,633 | 5,863 | |
| Culture and recreation | | | | | | | | |
| Library | | | | | | | | |
| Salaries..... | - | 776,491 | 776,491 | 802,199 | 789,673 | - | 12,526 | |
| Expenditures..... | 4,716 | 273,926 | 278,642 | 278,642 | 259,922 | 6,370 | 12,350 | |
| Articles..... | 31,731 | - | 31,731 | 31,731 | 6,290 | 25,441 | - | |
| Total..... | 36,447 | 1,050,417 | 1,086,864 | 1,112,572 | 1,055,885 | 31,811 | 24,876 | |
| Recreation | | | | | | | | |
| Salaries..... | - | 129,260 | 129,260 | 134,777 | 134,352 | - | 425 | |
| Expenditures..... | 750 | 10,000 | 10,750 | 10,750 | 10,179 | - | 571 | |
| Total..... | 750 | 139,260 | 140,010 | 145,527 | 144,531 | - | 996 | |
| Pool | | | | | | | | |
| Salaries..... | - | 175,985 | 175,985 | 162,057 | 161,325 | - | 732 | |
| Expenditures..... | 6,300 | 96,100 | 102,400 | 119,400 | 110,213 | 6,150 | 3,037 | |
| Articles..... | - | 35,000 | 35,000 | 35,000 | - | 35,000 | - | |
| Total..... | 6,300 | 307,085 | 313,385 | 316,457 | 271,538 | 41,150 | 3,769 | |
| North Hill | | | | | | | | |
| Expenditures..... | - | 2,500 | 2,500 | 2,500 | 951 | - | 1,549 | |
| Articles..... | 4,000 | - | 4,000 | 4,000 | - | 4,000 | - | |
| Total..... | 4,000 | 2,500 | 6,500 | 6,500 | 951 | 4,000 | 1,549 | |

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Budgeted Amounts | | | | Actual | Amounts Carried Forward To Next Year | Variance to Final Budget |
|---|---|-----------------------------------|--------------------|-----------------|--------------|--|-----------------------------|
| | Amounts Carried forward From Prior Year | Current Year Initial Budget | Original Budget | Final Budget | | | |
| Lifeguards | | | | | | | |
| Salaries..... | - | 16,000 | 16,000 | 16,000 | 14,603 | - | 1,397 |
| Expenditures..... | - | 2,030 | 2,030 | 2,030 | 2,030 | - | - |
| Total..... | - | 18,030 | 18,030 | 18,030 | 16,633 | - | 1,397 |
| Public Celebrations | | | | | | | |
| Expenditures..... | - | 3,500 | 3,500 | 3,902 | 3,902 | - | - |
| Plymouth County Cooperative | | | | | | | |
| Expenditures..... | - | 200 | 200 | 200 | 200 | - | - |
| Total Culture and Recreation..... | 47,497 | 1,520,992 | 1,568,489 | 1,603,188 | 1,493,640 | 76,961 | 32,587 |
| Pension benefits | | | | | | | |
| Contributory Retirement..... | - | 1,460,631 | 1,460,631 | 1,460,631 | 1,460,631 | - | - |
| Non-Contributory Retirement..... | - | 26,500 | 26,500 | 29,457 | 29,457 | - | - |
| Total..... | - | 1,487,131 | 1,487,131 | 1,490,088 | 1,490,088 | - | - |
| Property and liability insurance..... | - | 327,750 | 327,750 | 327,750 | 249,654 | - | 78,096 |
| Employee benefits..... | - | 7,243,000 | 7,243,000 | 7,240,043 | 7,216,358 | 1,120 | 22,565 |
| Reserve fund..... | - | 150,000 | 150,000 | 150,000 | - | - | 150,000 |
| State and county charges..... | - | 273,428 | 273,428 | 273,428 | 244,562 | - | 28,866 |
| Debt Service Principal..... | - | 2,554,906 | 2,554,906 | 2,554,906 | 2,554,906 | - | - |
| Debt Service Interest..... | - | 975,438 | 975,438 | 975,438 | 930,217 | - | 45,221 |
| TOTAL EXPENDITURES..... | 662,163 | 50,711,181 | 51,373,344 | 52,223,527 | 50,692,566 | 774,504 | 756,457 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | (662,163) | (1,957,977) | (2,620,140) | (3,470,323) | (877,854) | (774,504) | 1,817,965 |
| OTHER FINANCING SOURCES (USES): | | | | | | | |
| Premium from issuance of bonds..... | - | - | - | - | 8,518 | - | 8,518 |
| Transfers in..... | - | 852,057 | 852,057 | 889,557 | 1,053,324 | - | 163,767 |
| Transfers out..... | - | (11,000) | (11,000) | (11,000) | (11,000) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES)..... | - | 841,057 | 841,057 | 878,557 | 1,050,842 | - | 172,285 |
| NET CHANGE IN FUND BALANCE..... | (662,163) | (1,116,920) | (1,779,083) | (2,591,766) | 172,988 | (774,504) | 1,990,250 |
| BUDGETARY FUND BALANCE, Beginning of year..... | 5,443,849 | 5,443,849 | 5,443,849 | 5,443,849 | 5,443,849 | - | - |
| BUDGETARY FUND BALANCE, End of year..... | \$ 4,781,686 | \$ 4,326,929 | \$ 3,664,766 | \$ 2,852,083 | \$ 5,616,837 | \$ (774,504) | \$ 1,990,250 |

(Concluded)

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTINGA. 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 2007 approved budget for the General Fund includes \$50,711,181 in current year appropriations and other amounts to be raised and \$662,163 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2007, the Town approved supplemental appropriations totaling \$850,183.

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

B. Budgetary - GAAP Reconciliation

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

| | | |
|---|----|--------------------|
| Net Change in Fund Balance - budgetary basis..... | \$ | 172,988 |
| <u>Basis of accounting differences:</u> | | |
| Net change in revenue accrual..... | | (97,500) |
| Net change in expenditure accrual..... | | 29,048 |
| Recognition of revenue for on-behalf payments..... | | 4,266,000 |
| Recognition of expenditures for on-behalf payments..... | | <u>(4,266,000)</u> |
| Net Change in Fund Balance - GAAP basis..... | \$ | <u>104,536</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.
- ***School Grants*** – accounts for educational programs specifically financed by grants and other restricted revenues.
- ***Recreation Revolving*** – accounts for self-supporting recreational programs and activities.
- ***Receipts Reserved for Appropriation*** – accounts for the sale of cemetery lots.
- ***Town Grants*** – accounts for various grants and legally restricted revenues for special programs administered by Town departments.
- ***Stabilization*** – accounts for the accumulation of resources to be used for general and/or capital purposes upon approval of Town Meeting.
- ***Pension Trust*** – accounts for the accumulation of resources to meet future annual contributions to the County Retirement System.
- ***Special Revenue Trust Funds*** – accounts for statutory trust accounts that may be spent to support the government.

Capital Projects Funds

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

- ***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.
- ***School Renovations*** – accounts for financial resources to expand and upgrade the Town's school facilities.

- **Land Acquisition** – accounts for various land acquisition projects, primarily the Camp Wing project.
- **Senior Center** – accounts for the construction of a new senior center.
- **High School Sewerage Plant** – accounts for the construction of a sewerage plant at the High School. The Town expects 52% reimbursement from the Commonwealth (exempt debt).

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**NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET**

JUNE 30, 2007

| | Special Revenue Funds | | | | | | | |
|---|------------------------------|-------------------|-------------------------|--|-------------------|-------------------|-------------------|-----------------------------------|
| | School Lunch | School Grants | Recreation Revolving | Receipts Reserved for Appropriations | Town Grants | Stabilization | Pension Trust | Special Revenue Trust Funds |
| ASSETS | | | | | | | | |
| Cash and cash equivalents..... | \$ 66,931 | \$ 433,874 | \$ 131,710 | \$ 8,613 | \$ 198,535 | \$ 52,490 | \$ 66,674 | \$ 120,544 |
| Investments..... | - | - | - | 108,843 | - | 663,289 | 842,532 | 31,071 |
| Receivables, net of uncollectibles: | | | | | | | | |
| Departmental and other..... | - | - | - | - | 10,073 | - | - | - |
| TOTAL ASSETS..... | \$ 66,931 | \$ 433,874 | \$ 131,710 | \$ 117,456 | \$ 208,608 | \$ 715,779 | \$ 909,206 | \$ 151,615 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| LIABILITIES: | | | | | | | | |
| Warrants payable..... | \$ 6,002 | \$ 73,880 | \$ 28,715 | \$ - | \$ 25,373 | \$ - | \$ - | \$ 858 |
| Other liabilities..... | - | 166,714 | 92,995 | - | - | - | - | - |
| Deferred revenues..... | - | - | - | - | 10,073 | - | - | - |
| Notes payable..... | - | - | - | - | 125,000 | - | - | - |
| TOTAL LIABILITIES..... | 6,002 | 240,594 | 121,710 | - | 160,446 | - | - | 858 |
| FUND BALANCES: | | | | | | | | |
| Unreserved: | | | | | | | | |
| Undesignated, reported in: | | | | | | | | |
| Special revenue funds..... | 60,929 | 193,280 | 10,000 | 117,456 | 48,162 | 715,779 | 909,206 | 150,757 |
| Capital projects funds..... | - | - | - | - | - | - | - | - |
| TOTAL FUND BALANCES..... | 60,929 | 193,280 | 10,000 | 117,456 | 48,162 | 715,779 | 909,206 | 150,757 |
| TOTAL LIABILITIES AND FUND BALANCES. | \$ 66,931 | \$ 433,874 | \$ 131,710 | \$ 117,456 | \$ 208,608 | \$ 715,779 | \$ 909,206 | \$ 151,615 |

(Continued)

| Capital Projects Funds | | | | | | | | |
|------------------------|------------------------------------|--------------------------|-----------------------|---------------------|------------------|----------------------------------|-------------------|--|
| Subtotal | Miscellaneous Small Projects | Wadworth Share Septic | School Renovations | Land Acquisition | Senior Center | High School Sewerage Plant | Subtotal | Total Nonmajor Governmental Funds |
| \$ 1,079,371 | \$ 74,118 | \$ 1,932 | \$ - | \$ 29,512 | \$ 1,208 | \$ - | \$ 106,770 | \$ 1,186,141 |
| 1,645,735 | - | - | - | - | - | - | - | 1,645,735 |
| 10,073 | - | - | - | - | - | - | - | 10,073 |
| <u>\$ 2,735,179</u> | <u>\$ 74,118</u> | <u>\$ 1,932</u> | <u>\$ -</u> | <u>\$ 29,512</u> | <u>\$ 1,208</u> | <u>\$ -</u> | <u>\$ 106,770</u> | <u>\$ 2,841,949</u> |
| | | | | | | | | |
| \$ 134,828 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 134,828 |
| 259,709 | - | - | - | - | - | - | - | 259,709 |
| 10,073 | - | - | - | - | - | - | - | 10,073 |
| 125,000 | 250,000 | - | - | - | - | - | 250,000 | 375,000 |
| 529,610 | 250,000 | - | - | - | - | - | 250,000 | 779,610 |
| | | | | | | | | |
| 2,205,569 | - | - | - | - | - | - | - | 2,205,569 |
| - | (175,882) | 1,932 | - | 29,512 | 1,208 | - | (143,230) | (143,230) |
| 2,205,569 | (175,882) | 1,932 | - | 29,512 | 1,208 | - | (143,230) | 2,062,339 |
| <u>\$ 2,735,179</u> | <u>\$ 74,118</u> | <u>\$ 1,932</u> | <u>\$ -</u> | <u>\$ 29,512</u> | <u>\$ 1,208</u> | <u>\$ -</u> | <u>\$ 106,770</u> | <u>\$ 2,841,949</u> |

(Concluded)

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

FISCAL YEAR ENDED JUNE 30, 2007

| | Special Revenue Funds | | | | | | | |
|---|------------------------------|-------------------|-------------------------|--|------------------|-------------------|-------------------|-----------------------------------|
| | School Lunch | School Grants | Recreation Revolving | Receipts Reserved for Appropriations | Town Grants | Stabilization | Pension Trust | Special Revenue Trust Funds |
| REVENUES: | | | | | | | | |
| Intergovernmental..... | \$ 1,021,859 | \$ 1,188,491 | \$ - | \$ - | \$ 243,693 | \$ - | \$ - | \$ - |
| Departmental and other..... | 14,080 | 2,947,123 | 221,860 | 15,800 | 213,660 | - | - | - |
| Contributions..... | - | - | - | - | 27,000 | - | - | 28,813 |
| Investment income..... | - | - | - | 5,801 | - | 76,289 | 105,979 | 6,746 |
| TOTAL REVENUES..... | 1,035,939 | 4,135,614 | 221,860 | 21,601 | 484,353 | 76,289 | 105,979 | 35,559 |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| General government..... | - | - | - | - | 154,694 | - | - | 49,423 |
| Public safety..... | - | - | - | - | 188,843 | - | - | - |
| Education..... | 800,994 | 4,201,635 | - | - | - | - | - | - |
| Public works..... | - | - | - | - | 123,750 | - | - | - |
| Human services..... | - | - | - | - | 114,663 | - | - | - |
| Culture and recreation..... | - | - | 189,499 | - | 31,178 | - | - | - |
| TOTAL EXPENDITURES..... | 800,994 | 4,201,635 | 189,499 | - | 613,128 | - | - | 49,423 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES..... | 234,945 | (66,021) | 32,361 | 21,601 | (128,775) | 76,289 | 105,979 | (13,864) |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Proceeds from bonds and notes..... | - | - | - | - | - | - | - | - |
| Transfers in..... | - | - | - | 140,855 | - | - | - | 11,000 |
| Transfers out..... | (252,629) | (246,927) | (32,361) | (45,000) | (3,140) | - | (150,767) | (140,855) |
| TOTAL OTHER FINANCING SOURCES (USES).... | (252,629) | (246,927) | (32,361) | 95,855 | (3,140) | - | (150,767) | (129,855) |
| NET CHANGE IN FUND BALANCES..... | (17,684) | (312,948) | - | 117,456 | (131,915) | 76,289 | (44,788) | (143,719) |
| FUND BALANCES AT BEGINNING OF YEAR..... | 78,613 | 506,228 | 10,000 | - | 180,077 | 639,490 | 953,994 | 294,476 |
| FUND BALANCES AT END OF YEAR..... | \$ 60,929 | \$ 193,280 | \$ 10,000 | \$ 117,456 | \$ 48,162 | \$ 715,779 | \$ 909,206 | \$ 150,757 |

(Continued)

| Capital Project Funds | | | | | | | | |
|-----------------------|------------------------------------|--------------------------|-----------------------|---------------------|------------------|----------------------------------|---------------------|--|
| Sub-total | Miscellaneous Small Projects | Wadworth Share Septic | School Renovations | Land Acquisition | Senior Center | High School Sewerage Plant | Sub-total | Total Nonmajor Governmental Funds |
| \$ 2,454,043 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 575 | \$ 575 | \$ 2,454,618 |
| 3,412,523 | - | - | - | - | - | - | - | 3,412,523 |
| 55,813 | - | - | - | - | - | - | - | 55,813 |
| 194,815 | - | - | - | - | - | - | - | 194,815 |
| <u>6,117,194</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>575</u> | <u>575</u> | <u>6,117,769</u> |
| 204,117 | - | - | - | - | - | - | - | 204,117 |
| 188,843 | 266,091 | - | - | - | - | - | 266,091 | 454,934 |
| 5,002,629 | - | - | 98,064 | - | - | - | 98,064 | 5,100,693 |
| 123,750 | 502,612 | 7,860 | - | - | - | - | 510,472 | 634,222 |
| 114,663 | - | - | - | - | - | - | - | 114,663 |
| 220,677 | - | - | - | - | 17,228 | - | 17,228 | 237,905 |
| <u>5,854,679</u> | <u>768,703</u> | <u>7,860</u> | <u>98,064</u> | <u>-</u> | <u>17,228</u> | <u>-</u> | <u>891,855</u> | <u>6,746,534</u> |
| <u>262,515</u> | <u>(768,703)</u> | <u>(7,860)</u> | <u>(98,064)</u> | <u>-</u> | <u>(17,228)</u> | <u>575</u> | <u>(891,280)</u> | <u>(628,765)</u> |
| - | 609,000 | - | - | - | - | 65,000 | 674,000 | 674,000 |
| 151,855 | - | - | - | - | - | - | - | 151,855 |
| (871,679) | - | - | - | - | - | - | - | (871,679) |
| <u>(719,824)</u> | <u>609,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>65,000</u> | <u>674,000</u> | <u>(45,824)</u> |
| (457,309) | (159,703) | (7,860) | (98,064) | - | (17,228) | 65,575 | (217,280) | (674,589) |
| <u>2,662,878</u> | <u>(16,179)</u> | <u>9,792</u> | <u>98,064</u> | <u>29,512</u> | <u>18,436</u> | <u>(65,575)</u> | <u>74,050</u> | <u>2,736,928</u> |
| <u>\$ 2,205,569</u> | <u>\$ (175,882)</u> | <u>\$ 1,932</u> | <u>\$ -</u> | <u>\$ 29,512</u> | <u>\$ 1,208</u> | <u>\$ -</u> | <u>\$ (143,230)</u> | <u>\$ 2,062,339</u> |

(Concluded)

Agency Fund

Fund Description

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

AGENCY FUND
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FISCAL YEAR ENDED JUNE 30, 2007

| | <u>July 1, 2006</u> | <u>Additions</u> | <u>Deletions</u> | <u>June 30, 2007</u> |
|--------------------------------|---------------------|-------------------|---------------------|----------------------|
| <u>ASSETS</u> | | | | |
| Cash and cash equivalents..... | \$ 553,723 | \$ 783,728 | \$ (858,780) | \$ 478,671 |
| <u>LIABILITIES</u> | | | | |
| Warrants payable..... | \$ 32,093 | \$ 25,303 | \$ (32,093) | \$ 25,303 |
| Liabilities due depositors: | | | | |
| Performance Bonds..... | 546,081 | 195,866 | (243,099) | 498,848 |
| Special Details..... | (51,069) | 519,474 | (532,339) | (63,934) |
| Deposits..... | 23,792 | - | (10,250) | 13,542 |
| Fees and Licenses..... | 2,826 | 43,085 | (40,999) | 4,912 |
| TOTAL LIABILITIES..... | \$ 553,723 | \$ 783,728 | \$ (858,780) | \$ 478,671 |

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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 restoration of the 100-year-old Bluefish River Firehouse was paid for with Community Preservation Funds and generous donations.

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Town implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

Net Assets By Component

Last Five Fiscal Years

| | Fiscal Year | | | | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| Governmental activities | | | | | |
| Invested in capital assets, net of related debt..... | \$ 60,550,060 | \$ 65,929,104 | \$ 64,789,656 | \$ 68,589,041 | \$ 70,497,727 |
| Restricted..... | 3,664,001 | 3,316,195 | 3,448,411 | 2,924,351 | 2,616,217 |
| Unrestricted..... | <u>9,289,298</u> | <u>10,678,994</u> | <u>12,724,812</u> | <u>12,989,854</u> | <u>13,825,901</u> |
| Total governmental activities net assets..... | \$ <u>73,503,359</u> | \$ <u>79,924,293</u> | \$ <u>80,962,879</u> | \$ <u>84,503,246</u> | \$ <u>86,939,845</u> |
| Business-type activities | | | | | |
| Invested in capital assets, net of related debt..... | 8,203,366 | 7,565,168 | 9,075,575 | 9,315,263 | 8,918,436 |
| Unrestricted..... | <u>1,752,689</u> | <u>2,805,970</u> | <u>1,919,272</u> | <u>2,437,302</u> | <u>3,170,204</u> |
| Total business-type activities net assets..... | \$ <u>9,956,055</u> | \$ <u>10,371,138</u> | \$ <u>10,994,847</u> | \$ <u>11,752,565</u> | \$ <u>12,088,640</u> |
| Primary government | | | | | |
| Invested in capital assets, net of related debt..... | \$ 68,753,426 | \$ 73,494,272 | \$ 73,865,231 | \$ 77,904,304 | \$ 79,416,163 |
| Restricted..... | 3,664,001 | 3,316,195 | 3,448,411 | 2,924,351 | 2,616,217 |
| Unrestricted..... | <u>11,041,987</u> | <u>13,484,964</u> | <u>14,644,084</u> | <u>15,427,156</u> | <u>16,996,105</u> |
| Total primary government net assets..... | \$ <u>83,459,414</u> | \$ <u>90,295,431</u> | \$ <u>91,957,726</u> | \$ <u>96,255,811</u> | \$ <u>99,028,485</u> |

Changes in Net Assets

Last Five Fiscal Years

| | Fiscal Year | | | | |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| Expenses | | | | | |
| Governmental activities: | | | | | |
| General government..... | \$ 2,956,056 | \$ 3,023,855 | \$ 2,982,415 | \$ 3,328,181 | \$ 3,559,670 |
| Public safety..... | 6,479,713 | 7,208,099 | 7,111,573 | 7,918,377 | 8,340,515 |
| Education..... | 33,955,030 | 35,450,143 | 39,529,289 | 40,478,391 | 42,797,340 |
| Public works..... | 4,418,446 | 3,417,632 | 4,600,868 | 5,073,683 | 5,426,106 |
| Human services..... | 507,138 | 516,163 | 533,679 | 605,610 | 686,413 |
| Culture and recreation..... | 2,184,149 | 2,272,190 | 2,296,766 | 2,333,285 | 2,235,018 |
| Community Preservation..... | 55,620 | 238,645 | 161,988 | 72,667 | 239,207 |
| Interest..... | 1,193,807 | 1,299,940 | 1,510,468 | 1,015,461 | 1,157,136 |
| Total government activities expenses..... | <u>51,749,959</u> | <u>53,426,667</u> | <u>58,727,046</u> | <u>60,825,655</u> | <u>64,441,405</u> |
| Business-type activities: | | | | | |
| Sewer..... | 1,539,972 | 1,469,322 | 2,021,809 | 1,787,554 | 2,162,105 |
| Total primary government expenses..... | <u>\$ 53,289,931</u> | <u>\$ 54,895,989</u> | <u>\$ 60,748,855</u> | <u>\$ 62,613,209</u> | <u>\$ 66,603,510</u> |
| Program Revenues | | | | | |
| Governmental activities: | | | | | |
| Education charges for services..... | \$ 2,042,233 | \$ 3,457,435 | \$ 5,446,732 | \$ 4,602,485 | \$ 5,592,607 |
| Public works charges for services..... | 1,299,462 | 1,450,480 | 1,530,883 | 1,635,482 | 1,969,311 |
| Culture and recreation charges for services..... | 1,670,649 | 1,814,874 | 1,878,790 | 1,960,026 | 2,008,725 |
| Other charges for services..... | 2,530,579 | 1,630,819 | 1,720,665 | 1,974,422 | 2,346,433 |
| Operating grants and contributions..... | 8,286,268 | 7,893,943 | 7,850,107 | 10,421,134 | 10,414,641 |
| Capital grant and contributions..... | 10,746,357 | 5,998,907 | 2,088,395 | 2,923,241 | 1,191,310 |
| Total government activities program revenues..... | <u>26,575,548</u> | <u>22,246,458</u> | <u>20,515,572</u> | <u>23,516,790</u> | <u>23,523,027</u> |
| Business-type activities: | | | | | |
| Charges for services - water..... | 2,058,068 | 2,054,405 | 2,895,518 | 2,795,272 | 2,783,180 |
| Total business-type activities program revenues..... | <u>2,058,068</u> | <u>2,054,405</u> | <u>2,895,518</u> | <u>2,795,272</u> | <u>2,783,180</u> |
| Total primary government program revenues..... | <u>\$ 28,633,616</u> | <u>\$ 24,300,863</u> | <u>\$ 23,411,090</u> | <u>\$ 26,312,062</u> | <u>\$ 26,306,207</u> |
| Net (Expense)/Revenue | | | | | |
| Governmental activities..... | \$ (25,174,411) | \$ (31,180,209) | \$ (38,211,474) | \$ (37,308,865) | \$ (40,918,378) |
| Business-type activities..... | 518,096 | 585,083 | 873,709 | 1,007,718 | 621,075 |
| Total primary government net expense..... | <u>\$ (24,656,315)</u> | <u>\$ (30,595,126)</u> | <u>\$ (37,337,765)</u> | <u>\$ (36,301,147)</u> | <u>\$ (40,297,303)</u> |
| General Revenues and other Changes in Net Assets | | | | | |
| Governmental activities: | | | | | |
| Real estate and personal property taxes, net of tax refunds payable..... | \$ 31,571,815 | \$ 33,164,957 | \$ 33,250,856 | \$ 35,101,777 | \$ 36,999,317 |
| Tax liens..... | 167,821 | 154,882 | 88,824 | 168,191 | 134,662 |
| Motor vehicle and other excise taxes..... | 1,898,153 | 2,377,327 | 2,427,919 | 2,388,823 | 2,308,774 |
| Community preservation taxes..... | 938,570 | 925,304 | 964,373 | 1,011,323 | 1,077,315 |
| Penalties and interest on taxes..... | 190,307 | 169,501 | 130,612 | 146,205 | 138,442 |
| Payments in lieu of taxes..... | - | 6,369 | 11,417 | 3,913 | 7,917 |
| Grants and contributions not restricted to specific programs..... | 44,901 | 33,508 | 872,488 | 991,109 | 1,275,273 |
| Unrestricted investment income..... | 511,843 | 118,867 | 444,772 | 682,910 | 904,835 |
| Miscellaneous..... | 463,544 | 480,428 | 808,799 | 104,981 | 223,442 |
| Transfers..... | 156,000 | 170,000 | 250,000 | 250,000 | 285,000 |
| Total governmental activities..... | <u>35,942,954</u> | <u>37,601,143</u> | <u>39,250,060</u> | <u>40,849,232</u> | <u>43,354,977</u> |
| Business-type activities: | | | | | |
| Transfers..... | (170,000) | (170,000) | (250,000) | (250,000) | (285,000) |
| Total primary government..... | <u>\$ 35,772,954</u> | <u>\$ 37,431,143</u> | <u>\$ 39,000,060</u> | <u>\$ 40,599,232</u> | <u>\$ 43,069,977</u> |
| Changes in Net Assets | | | | | |
| Governmental activities..... | \$ 10,768,543 | \$ 6,420,934 | \$ 1,038,586 | \$ 3,540,367 | \$ 2,436,599 |
| Business-type activities..... | 348,096 | 415,083 | 623,709 | 757,718 | 336,075 |
| Total primary government..... | <u>\$ 11,116,639</u> | <u>\$ 6,836,017</u> | <u>\$ 1,662,295</u> | <u>\$ 4,298,085</u> | <u>\$ 2,772,674</u> |

Fund Balances, Governmental Funds

Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|------------------------------|------------------------------|----------------------------|------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| General Fund | | | | | | | | | | |
| Reserved..... | \$ 1,246,611 | \$ 963,360 | \$ 953,225 | \$ 906,448 | \$ 1,370,601 | \$ 1,221,077 | \$ 1,116,553 | \$ 878,160 | \$ 668,372 | \$ 774,504 |
| Unreserved..... | <u>4,853,773</u> | <u>5,582,973</u> | <u>5,269,895</u> | <u>4,776,441</u> | <u>4,774,661</u> | <u>5,161,562</u> | <u>3,830,999</u> | <u>4,467,858</u> | <u>5,077,896</u> | <u>5,076,300</u> |
| Total general fund..... | <u>\$ 6,100,384</u> | <u>\$ 6,546,333</u> | <u>\$ 6,223,120</u> | <u>\$ 5,682,889</u> | <u>\$ 6,145,262</u> | <u>\$ 6,382,639</u> | <u>\$ 4,947,552</u> | <u>\$ 5,346,018</u> | <u>\$ 5,746,268</u> | <u>\$ 5,850,804</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved..... | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,030,069 | \$ 1,631,623 | \$ 1,666,623 | \$ 1,666,623 | \$ 1,686,435 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds..... | 502,798 | 669,065 | 785,024 | 907,667 | 1,662,547 | 4,905,845 | 5,563,192 | 4,351,573 | 4,795,975 | 4,187,509 |
| Capital projects funds..... | (3,202,710) | (1,864,576) | (398,179) | (2,345,357) | (19,972,705) | (36,368,107) | (41,614,779) | (42,477,004) | 74,050 | (143,230) |
| Permanent funds..... | - | - | - | - | - | 79,872 | 256,055 | 298,611 | 422,294 | 633,668 |
| Total all other governmental funds.... | <u>\$ (2,699,912)</u> | <u>\$ (1,195,511)</u> | <u>\$ 386,845</u> | <u>\$ (1,437,690)</u> | <u>\$ (18,310,158)</u> | <u>\$ (29,352,321)</u> | <u>\$ (34,163,909)</u> | <u>\$ (36,160,197)</u> | <u>\$ 6,958,942</u> | <u>\$ 6,364,382</u> |

Fiscal years 1998 through 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|---------------------|---------------------|---------------------|-----------------------|------------------------|------------------------|-----------------------|-----------------------|----------------------|---------------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Revenues: | | | | | | | | | | |
| Real estate and personal property taxes, net of tax refunds..... | \$ 23,514,570 | \$ 24,622,846 | \$ 25,628,018 | \$ 26,765,959 | \$ 28,660,751 | \$ 30,724,161 | \$ 32,372,355 | \$ 33,264,076 | \$ 35,160,519 | \$ 36,977,095 |
| Tax and trash liens..... | - | - | - | - | - | 304,438 | 189,612 | 123,322 | 197,592 | 151,902 |
| Motor vehicle and other excise taxes..... | 1,899,389 | 1,849,084 | 2,162,522 | 2,049,525 | 2,154,425 | 2,171,066 | 2,263,043 | 2,551,451 | 2,431,468 | 2,303,816 |
| Sewer charges..... | 62,364 | 111,427 | 120,143 | 117,694 | 175,866 | 340,968 | 285,785 | 335,133 | 278,132 | 305,628 |
| Trash disposal..... | 343,564 | 307,626 | 373,048 | 373,696 | 371,836 | 488,487 | 500,169 | 502,110 | 491,862 | 542,227 |
| Intergovernmental..... | 5,040,788 | 4,637,842 | 6,465,524 | 8,264,487 | 8,202,770 | 9,069,066 | 9,847,182 | 9,402,279 | 40,668,323 | 13,043,745 |
| Departmental and other..... | 4,139,018 | 4,453,079 | 4,559,444 | 4,830,356 | 5,279,641 | 5,741,560 | 5,530,992 | 7,765,978 | 6,557,484 | 7,508,046 |
| Special assessments..... | - | - | - | - | 835,838 | 925,304 | 938,570 | 964,373 | 1,011,323 | 1,077,315 |
| Contributions..... | 194,945 | - | - | - | - | 195,041 | 121,006 | 89,395 | 107,072 | 104,533 |
| Investment income..... | 540,945 | 621,539 | 577,622 | 523,287 | 308,217 | 667,517 | (94,259) | 527,828 | 776,444 | 1,161,588 |
| Total Revenues..... | 35,735,583 | 36,603,443 | 39,886,321 | 42,925,004 | 45,989,344 | 50,627,608 | 51,954,455 | 55,525,945 | 87,680,219 | 63,175,895 |
| Expenditures: | | | | | | | | | | |
| General government..... | 1,645,034 | 1,653,730 | 1,678,486 | 1,852,488 | 1,875,804 | 1,943,055 | 2,035,932 | 2,130,676 | 2,043,729 | 2,364,317 |
| Public safety..... | 4,105,049 | 4,174,150 | 4,667,509 | 4,775,718 | 4,930,916 | 4,917,121 | 4,897,076 | 5,058,061 | 5,416,025 | 5,602,814 |
| Education..... | 19,086,911 | 20,493,776 | 21,895,301 | 23,274,255 | 24,609,729 | 25,637,518 | 27,335,609 | 27,657,108 | 28,301,899 | 29,804,161 |
| Public works..... | 3,249,969 | 3,271,811 | 3,181,537 | 3,713,629 | 3,737,060 | 3,426,003 | 3,539,164 | 3,742,100 | 3,364,200 | 3,770,837 |
| Human services..... | 196,052 | 203,820 | 212,307 | 263,775 | 279,839 | 398,116 | 407,892 | 416,302 | 488,701 | 547,525 |
| Culture and recreation..... | 1,240,487 | 1,320,273 | 1,427,400 | 1,569,421 | 1,561,039 | 1,730,232 | 1,571,731 | 1,626,560 | 1,532,698 | 1,397,860 |
| Community preservation..... | - | - | - | - | - | 2,200,620 | 238,645 | 2,296,065 | 72,667 | 234,074 |
| Pension benefits - Town..... | 750,051 | 872,953 | 972,696 | 1,008,290 | 1,047,329 | 1,069,489 | 1,201,990 | 1,243,039 | 1,335,123 | 1,490,088 |
| Pension benefits - School..... | - | - | 1,793,000 | 2,043,000 | 1,939,139 | 2,190,000 | 2,861,000 | 3,193,000 | 3,528,000 | 4,266,000 |
| Property and liability insurance..... | 161,315 | 182,440 | 202,532 | 230,195 | 259,633 | 206,191 | 233,699 | 276,747 | 289,216 | 249,654 |
| Employee benefits..... | 2,178,481 | 2,036,645 | 2,330,151 | 2,598,116 | 2,821,794 | 3,995,801 | 6,209,929 | 6,097,345 | 6,687,718 | 7,216,358 |
| Other..... | - | - | - | - | - | 24,936 | 17,956 | - | - | - |
| State and county charges..... | 396,837 | 313,078 | 435,557 | 429,410 | 398,380 | 364,458 | 328,705 | 327,869 | 283,710 | 244,562 |
| Capital outlay..... | 4,434,127 | 946,866 | 833,603 | 3,805,115 | 18,759,381 | 18,468,402 | 5,871,672 | 857,979 | 4,033,641 | 3,960,064 |
| Debt service..... | | | | | | | | | | |
| Principal..... | 730,604 | 831,080 | 1,051,536 | 1,272,052 | 1,253,478 | 1,133,085 | 1,323,432 | 1,366,138 | 1,161,862 | 2,554,906 |
| Interest..... | 347,792 | 371,471 | 400,563 | 420,982 | 234,919 | 845,097 | 921,698 | 1,084,778 | 995,249 | 930,217 |
| Total Expenditures..... | 38,522,709 | 36,672,093 | 41,082,178 | 47,256,446 | 63,708,440 | 68,550,124 | 58,996,130 | 57,373,767 | 59,534,438 | 64,633,437 |
| Excess (deficiency) of revenues over (under) expenditures..... | (2,787,126) | (68,650) | (1,195,857) | (4,331,442) | (17,719,096) | (17,922,516) | (7,041,675) | (1,847,822) | 28,145,781 | (1,457,542) |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of bonds and notes..... | 3,915,000 | 1,835,000 | 2,300,000 | 1,785,676 | 1,029,000 | 1,815,582 | 625,000 | - | 15,052,000 | 674,000 |
| Premium from issuance of bonds..... | - | - | - | - | - | - | - | - | 71,608 | 8,518 |
| Transfers in..... | 460,649 | 485,314 | 455,382 | 484,758 | 594,908 | 545,764 | 1,131,445 | 1,237,914 | 960,181 | 1,205,179 |
| Transfers out..... | (219,649) | (301,314) | (300,382) | (303,758) | (314,909) | (389,764) | (961,445) | (987,914) | (710,181) | (920,179) |
| Total other financing sources (uses)..... | 4,156,000 | 2,019,000 | 2,455,000 | 1,966,676 | 1,308,999 | 1,971,582 | 795,000 | 250,000 | 15,373,608 | 967,518 |
| Net change in fund balance..... | \$ 1,368,874 | \$ 1,950,350 | \$ 1,259,143 | \$ (2,364,766) | \$ (16,410,097) | \$ (15,950,934) | \$ (6,246,675) | \$ (1,597,822) | \$ 43,519,389 | \$ (490,024) |
| Debt service as a percentage of noncapital expenditures..... | 3.16% | 3.37% | 3.61% | 3.90% | 3.31% | 5.74% | 4.39% | 4.64% | 3.89% | 5.74% |

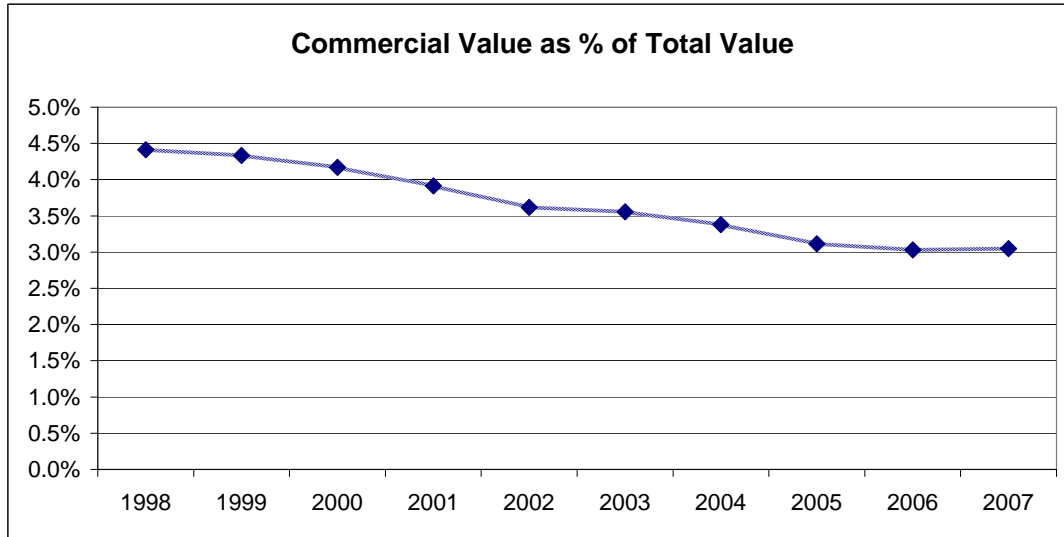
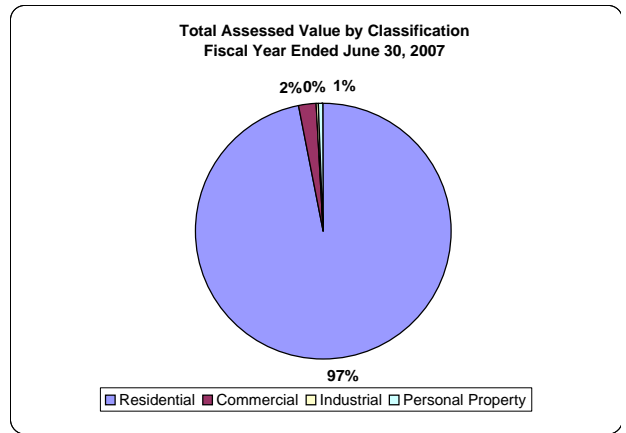
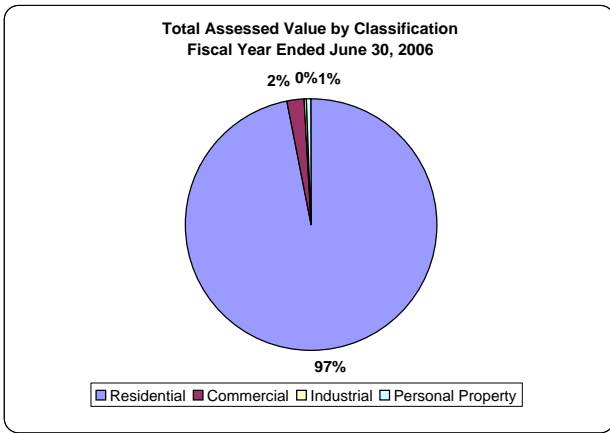
Notes:

Fiscal years 1998 through 2002 exclude Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.
 In fiscal year 2000, the on-behalf payments by the Commonwealth for teachers pension benefits were reported for the first time.
 In fiscal year 2003, sewer charges for services were reclassified to the Sewer Enterprise Fund which was established in accordance with GASB 34.

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

Last Ten Fiscal Years

| Fiscal Year | Assessed and Actual Values and Tax Rates | | | | | | | |
|-------------|--|--|------------------|------------------|-------------------|------------------------|---------------------|------------------|
| | Residential Value | Residential & Personal Property Tax Rate | Commercial Value | Industrial Value | Personal Property | Total Commercial Value | Commercial Tax Rate | Total Town Value |
| 1998 | \$1,357,392,194 | \$16.60 | \$44,372,820 | \$668,100 | \$17,602,060 | \$62,642,980 | \$16.60 | \$1,420,035,174 |
| 1999 | \$1,447,489,529 | \$16.25 | \$46,775,022 | \$668,100 | \$18,114,280 | \$65,557,402 | \$16.25 | \$1,513,046,931 |
| 2000 (1) | \$1,662,032,405 | \$14.84 | \$52,865,687 | \$1,631,200 | \$17,836,700 | \$72,333,587 | \$14.84 | \$1,734,365,992 |
| 2001 | \$1,966,361,045 | \$13.17 | \$59,424,509 | \$1,846,200 | \$18,818,640 | \$80,089,349 | \$13.17 | \$2,046,450,394 |
| 2002 | \$2,209,062,754 | \$12.42 | \$61,518,646 | \$1,924,500 | \$19,451,200 | \$82,894,346 | \$12.42 | \$2,291,957,100 |
| 2003 (1) | \$2,483,838,545 | \$12.06 | \$70,975,755 | \$1,986,300 | \$18,557,010 | \$91,519,065 | \$12.06 | \$2,575,357,610 |
| 2004 | \$2,778,019,842 | \$11.33 | \$73,961,358 | \$2,195,500 | \$21,033,140 | \$97,189,998 | \$11.33 | \$2,875,209,840 |
| 2005 | \$3,194,763,079 | \$10.14 | \$78,663,121 | \$2,003,400 | \$22,077,720 | \$102,744,241 | \$10.14 | \$3,297,507,320 |
| 2006 (1) | \$3,484,297,092 | \$9.84 | \$83,823,108 | \$2,042,500 | \$23,009,700 | \$108,875,308 | \$9.84 | \$3,593,172,400 |
| 2007 | \$3,556,472,301 | \$10.14 | \$84,874,799 | \$2,095,500 | \$24,798,370 | \$111,768,669 | \$10.14 | \$3,668,240,970 |



(1) Revaluation year.

Source: Assessor's Department, Town of Duxbury

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

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

Principal Taxpayers

Current Year and Nine Years Ago

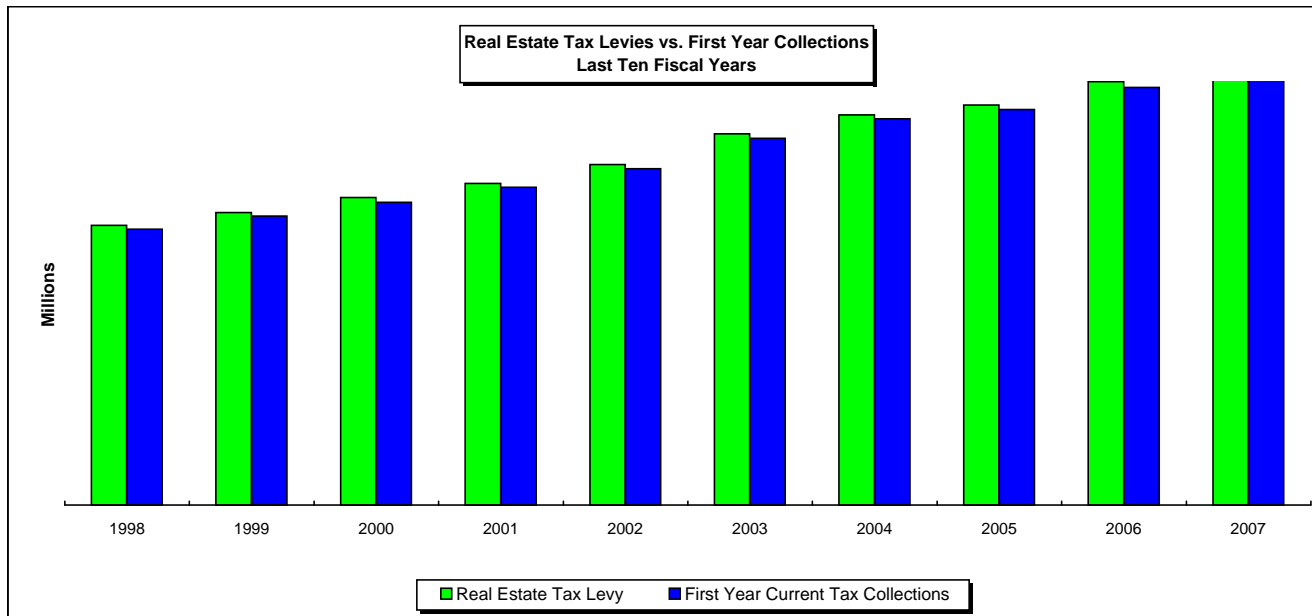
| Name | Nature of Business | 2007 | | | 1998 | | |
|---------------------------------------|-------------------------|----------------------|------|--|---------------------|------|--|
| | | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Value |
| The Village at Duxbury | Retirement Community | \$37,590,470 | 1 | 1.02% | \$28,500,000 | 1 | 2.01% |
| Village at Duxbury Homeowners | Retirement Community | \$12,468,800 | 2 | 0.34% | - | - | - |
| Nstar Service | Utility | \$8,975,130 | 3 | 0.24% | - | - | - |
| Sheehan, Gerald V. | Residence | \$8,922,600 | 4 | 0.24% | \$3,430,100 | 4 | 0.24% |
| Reed, Cynthia L. | Residence | \$8,679,900 | 5 | 0.24% | - | - | - |
| Welch, Thomas L. | Nursing Home | \$8,008,670 | 6 | 0.22% | \$4,200,000 | 2 | 0.30% |
| Dunn, Steven M. & Mary B. | Residence | \$6,882,600 | 7 | 0.19% | \$3,502,600 | 3 | 0.25% |
| Standish LLC | Medical Office Building | \$6,176,200 | 8 | 0.17% | - | - | - |
| Kellywood Nominee Trust | Residence | \$4,530,500 | 9 | 0.12% | - | - | - |
| McGrath, Edward J. | Residence | \$4,407,100 | 10 | 0.12% | - | - | - |
| Island Creek Village | Real Estate | - | - | - | \$3,007,100 | 5 | 0.21% |
| Trapelo Realty, Inc. | Real Estate | - | - | - | \$2,750,600 | 6 | 0.19% |
| Jannetty, Louis M. | Residence | - | - | - | \$1,583,000 | 7 | 0.11% |
| Weyerhaeuser, C A Micallef J S Truste | Residence | - | - | - | \$1,464,900 | 8 | 0.10% |
| Schofield, Albert R. Jr. | Apartment | - | - | - | \$1,456,000 | 9 | 0.10% |
| Scheicher, Don R. | Residence | - | - | - | \$1,451,600 | 10 | 0.10% |
| Totals | | <u>\$106,641,970</u> | | <u>2.91%</u> | <u>\$51,345,900</u> | | <u>3.61%</u> |

Source: Assessor's Department

Property Tax Levies and Collections

Last Ten Fiscal Years

| Fiscal Year | (2) Total Tax Levy | Less 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 |
|--------------------|---------------------------|---|-------------------------|--------------------------|---|--------------------------------------|-----------------------------------|------------------------------|---|
| 1998 | \$23,572,583 | \$262,975 | \$23,309,608 | 98.88% | \$22,970,756 | 98.55% | \$338,852 | \$23,309,608 | 100.00% |
| 1999 | \$24,587,013 | \$223,540 | \$24,363,473 | 99.09% | \$24,065,194 | 98.78% | \$298,279 | \$24,363,473 | 100.00% |
| 2000 (1) | \$25,737,991 | \$124,136 | \$25,613,855 | 99.52% | \$25,206,187 | 98.41% | \$407,668 | \$25,613,855 | 100.00% |
| 2001 | \$26,951,751 | \$154,035 | \$26,797,716 | 99.43% | \$26,481,552 | 98.82% | \$316,164 | \$26,797,716 | 100.00% |
| 2002 | \$28,466,107 | \$101,481 | \$28,364,626 | 99.64% | \$28,008,980 | 98.75% | \$355,646 | \$28,364,626 | 100.00% |
| 2003 (1) | \$31,058,813 | \$126,554 | \$30,932,259 | 99.59% | \$30,546,914 | 98.75% | \$385,345 | \$30,932,259 | 100.00% |
| 2004 | \$32,576,128 | \$74,104 | \$32,502,024 | 99.77% | \$32,184,832 | 99.02% | \$317,192 | \$32,502,024 | 100.00% |
| 2005 | \$33,436,724 | \$113,945 | \$33,322,779 | 99.66% | \$32,956,365 | 98.90% | \$416,659 | \$33,373,024 | 100.15% |
| 2006 (1) | \$35,356,818 | \$94,249 | \$35,262,569 | 99.73% | \$34,780,185 | 98.63% | \$481,586 | \$35,261,771 | 100.00% |
| 2007 | \$37,195,963 | \$102,370 | \$37,093,593 | 99.72% | \$36,703,997 | 98.95% | \$0 | \$36,703,997 | 98.95% |



(1) Revaluation year.

(2) Includes tax liens.

Source: Official Statements, Town of Duxbury.

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Fiscal Years

| Fiscal Year | U. S. Census Population | Personal Income | Assessed Value | Governmental Activities Debt | | | | |
|-------------|-------------------------|-----------------|-----------------|------------------------------|----------------|------------|-------------------------------|------------------------------|
| | | | | General Obligation Bonds | Capital Leases | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
| 1998 | 14,480 | 406,924,048 | \$1,408,233,000 | \$6,110,000 | \$0 | \$422 | 1.50% | 0.43% |
| 1999 | 14,880 | 440,173,730 | \$1,578,071,900 | \$7,140,000 | \$0 | \$480 | 1.62% | 0.45% |
| 2000 | 14,890 | 463,652,153 | \$1,734,365,922 | \$8,415,000 | \$0 | \$565 | 1.81% | 0.49% |
| 2001 | 14,847 | 486,645,472 | \$2,046,450,394 | \$7,170,000 | \$0 | \$483 | 1.47% | 0.35% |
| 2002 | 14,696 | 507,048,516 | \$2,291,957,100 | \$8,574,000 | \$0 | \$583 | 1.69% | 0.37% |
| 2003 | 15,121 | 549,170,602 | \$2,575,357,610 | \$9,103,000 | \$0 | \$602 | 1.66% | 0.35% |
| 2004 | 15,127 | 578,303,697 | \$2,875,209,840 | \$8,454,997 | \$0 | \$559 | 1.46% | 0.29% |
| 2005 | 15,210 | 612,080,820 | \$3,297,507,320 | \$7,893,853 | \$0 | \$519 | 1.29% | 0.24% |
| 2006 | 15,241 | 643,993,214 | \$3,593,172,400 | \$21,783,991 | \$0 | \$1,429 | 3.38% | 0.61% |
| 2007 | 15,294 | 676,117,152 | \$3,668,240,970 | \$19,903,085 | \$0 | \$1,301 | 2.94% | 0.54% |

| Fiscal Year | Business-type Activities (1) | | Total Primary Government | | | |
|-------------|------------------------------|----------------|--------------------------|------------|-------------------------------|------------------------------|
| | General Obligation Bonds | Capital Leases | Total Debt Outstanding | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
| 1998 | \$2,173,947 | \$0 | \$8,283,947 | \$572 | 2.04% | 0.59% |
| 1999 | \$4,691,316 | \$0 | \$11,831,316 | \$795 | 2.69% | 0.75% |
| 2000 | \$4,844,780 | \$0 | \$13,259,780 | \$891 | 2.86% | 0.76% |
| 2001 | \$4,340,404 | \$0 | \$11,510,404 | \$775 | 2.37% | 0.56% |
| 2002 | \$4,061,926 | \$0 | \$12,635,926 | \$860 | 2.49% | 0.55% |
| 2003 | \$4,155,841 | \$0 | \$13,258,841 | \$877 | 2.41% | 0.51% |
| 2004 | \$5,249,991 | \$0 | \$13,704,988 | \$906 | 2.37% | 0.48% |
| 2005 | \$3,755,000 | \$0 | \$11,648,853 | \$766 | 1.90% | 0.35% |
| 2006 | \$3,570,000 | \$0 | \$25,353,991 | \$1,664 | 3.94% | 0.71% |
| 2007 | \$3,496,000 | \$0 | \$23,399,085 | \$1,530 | 3.46% | 0.64% |

(1) Water Fund

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2007

| <u>Town of Duxbury, Massachusetts</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|---|-----------------------------|--|--|
| Debt repaid with property taxes | | | |
| Plymouth County..... | \$ 1,171,793 | 5.29% | \$ 61,988 |
| Massachusetts Bay Transportation Authority..... | 139,427,540 | 0.06% | <u>83,657</u> |
| Subtotal, overlapping debt..... | | | 145,644 |
| Town direct debt..... | | | <u>19,903,085</u> |
| Total direct and overlapping debt..... | | | <u>\$ 20,048,729</u> |

Source: Plymouth County and Massachusetts Bay Transportation Authority

Computation of Legal Debt Margin

Last Ten Fiscal Years

(Amounts in Thousands)

| | Fiscal Year | | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Equalized Valuation..... | \$ 1,408,233 | \$ 1,578,072 | \$ 1,578,072 | \$ 1,892,796 | \$ 1,892,796 | \$ 2,564,487 | \$ 2,564,487 | \$ 3,133,658 | \$ 3,837,216 | \$ 3,837,216 |
| Debt Limit -5% of Equalized Valuation..... | \$ 70,412 | \$ 78,904 | \$ 78,904 | \$ 94,640 | \$ 94,640 | \$ 128,224 | \$ 128,224 | \$ 156,683 | \$ 191,861 | \$ 191,861 |
| Less: | | | | | | | | | | |
| Outstanding debt applicable to limit..... | 8,279 | 11,831 | 13,060 | 13,302 | 12,636 | 13,451 | 13,705 | 11,649 | 25,354 | 23,399 |
| Authorized and unissued debt..... | 7,875 | 2,540 | 5,955 | 47,999 | 48,492 | 45,889 | 47,276 | 51,297 | 5,286 | 4,695 |
| Legal debt margin..... | \$ 54,258 | \$ 64,533 | \$ 59,889 | \$ 33,339 | \$ 33,512 | \$ 68,884 | \$ 67,243 | \$ 93,737 | \$ 161,221 | \$ 163,767 |
| Total debt applicable to the limit as a percentage of debt limit..... | 22.94% | 18.21% | 24.10% | 64.77% | 64.59% | 46.28% | 47.56% | 40.17% | 15.97% | 14.64% |

Source: Assessor's Office

Demographic and Economic Statistics

Last Ten Fiscal Years

| Fiscal Year | Population Estimates | Personal Income | Per Capita Personal Income | Median Age | School Enrollment | Unemployment Rate |
|-------------|----------------------|-----------------|----------------------------|------------|-------------------|-------------------|
| 1998 | 14,480 | 406,924,048 | \$28,102 | 37.2 | 2,940 | 2.2% |
| 1999 | 14,880 | 440,173,730 | \$29,582 | 37.2 | 2,961 | 2.2% |
| 2000 | 14,890 | 463,652,153 | \$31,138 | 37.2 | 3,048 | 1.6% |
| 2001 | 14,847 | 486,645,472 | \$32,777 | 40.3 | 3,085 | 1.8% |
| 2002 | 14,696 | 507,048,516 | \$34,502 | 40.3 | 3,150 | 2.7% |
| 2003 | 15,121 | 549,170,602 | \$36,318 | 40.3 | 3,191 | 3.9% |
| 2004 | 15,127 | 578,303,697 | \$38,230 | 40.3 | 3,231 | 3.9% |
| 2005 | 15,210 | 612,080,820 | \$40,242 | 40.3 | 3,282 | 3.2% |
| 2006 | 15,241 | 643,993,214 | \$42,254 | 40.3 | 3,405 | 3.8% |
| 2007 | 15,294 | 676,117,152 | \$44,208 | 40.3 | 3,402 | 4.5% |

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

Principal Employers (excluding Town)

Current Year and Nine Years Ago

| Employer | Nature of Business | 2007 | | | 1998 | | |
|------------------------------------|-----------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
| | | Employees | Rank | Percentage of Total Town Employment | Employees | Rank | Percentage of Total Town Employment |
| Bay Path Nursing Home | Nursing Home | 176 | 1 | 2.53% | 180 | 1 | 2.33% |
| The Village at Duxbury | Retirement Condos | 160 | 2 | 2.30% | 100 | 3 | 1.29% |
| Batelle Labs | Science and Technology Research | 70 | 3 | 1.01% | 80 | 5 | 1.03% |
| Duxbury Yacht Club | Yacht Club, Golf Course, Tennis | 70 | 4 | 1.01% | 45 | 6 | 0.58% |
| Plymouth Bay Orthopedic Associates | Physician Services | 54 | 5 | 0.78% | - | - | - |
| South Shore Conservatory | Music & Art Institution | 50 | 6 | 0.72% | - | - | - |
| Millbrook Motors | Automotive | 39 | 7 | 0.56% | 16 | 9 | 0.21% |
| U.S. Post Office | Mail | 28 | 8 | 0.40% | 33 | 7 | 0.43% |
| Verc Enterprises | Convenience Store, Gasoline Sales | 7 | 9 | 0.10% | 30 | 8 | 0.39% |
| Utilities | Utilities | - | - | - | 130 | 2 | 1.68% |
| A&P Food Store | Grocery | - | - | - | 98 | 4 | 1.27% |
| Goodrich Lumber | Building Supplies | - | - | - | 11 | 10 | 0.14% |

For fiscal year 2007, only information on the 9 largest employers is available.

Source: Massachusetts Department of Employment and Training

Full-time Equivalent Town Employees by Function

Last Ten Fiscal Years

| Function | Fiscal Year | | | | | | | | | |
|-----------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| General government..... | 19 | 22 | 22 | 22 | 22 | 23 | 22 | 22 | 28 | 25 |
| Public safety..... | 66 | 66 | 66 | 66 | 66 | 66 | 67 | 67 | 62 | 68 |
| Education..... | 237 | 236 | 231 | 275 | 277 | 286 | 286 | 297 | 305 | 320 |
| Public works..... | 38 | 38 | 38 | 42 | 42 | 42 | 42 | 43 | 46 | 37 |
| Human services..... | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 4 |
| Culture and recreation..... | 14 | 20 | 20 | 20 | 22 | 22 | 19 | 19 | 21 | 15 |
| Total | 376 | 384 | 379 | 427 | 431 | 442 | 439 | 451 | 465 | 469 |

Source: Various Town Departments

Operating Indicators by Function/Program

Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Fire Department | | | | | | | | | | |
| Fire related calls..... | n/a | n/a | n/a | 878 | 671 | 785 | 645 | 794 | 881 | 719 |
| Rescue/EMS..... | n/a | n/a | n/a | 877 | 1,115 | 1,104 | 1,163 | 1,138 | 1,113 | 1,159 |
| Inspectional Services Department | | | | | | | | | | |
| Number of building permits (quick and zoning)..... | 491 | 577 | 513 | 511 | 554 | 717 | 631 | 507 | 668 | 697 |
| Number of electrical permits..... | 508 | 514 | 544 | 516 | 551 | 585 | 553 | 360 | 510 | 516 |
| Number of plumbing/gas permits..... | 415 | 555 | 589 | 567 | 602 | 644 | 635 | 436 | 668 | 685 |
| Water/Sewer | | | | | | | | | | |
| Number of gallons pumped (millions)..... | 584,433 | 541,120 | 480,278 | 530,384 | 501,266 | 523,613 | 487,600 | 550,523 | 583,674 | 504,641 |
| Number of new services added..... | 47 | 38 | 36 | 11 | 41 | 44 | 40 | 20 | 16 | 22 |
| Number of additional mains installed..... | 3 | 4 | 3 | - | - | 4 | 4 | 1 | 1 | - |
| Number of main improvements..... | 17 | 16 | 7 | 6 | 2 | 7 | 4 | 2 | - | - |
| Highway | | | | | | | | | | |
| Number of miles completed-road rehab..... | 9 | 6 | 5 | n/a | n/a | n/a | n/a | n/a | 7 | 4 |
| Number of snow operations..... | n/a | 33 | 17 | 43 | 25 | n/a | 28 | | 35 | 24 |
| Recreation | | | | | | | | | | |
| Number of programs offered..... | 25 | 28 | 35 | 36 | 41 | 45 | 48 | 52 | 52 | 52 |
| Number of participants-winter..... | n/a | n/a | n/a | 584 | 592 | 609 | 587 | n/a | 491 | 511 |
| Number of participants-spring..... | n/a | n/a | n/a | 362 | 380 | 331 | 358 | 260 | 253 | 250 |
| Number of participants-summer..... | n/a | n/a | n/a | 793 | 774 | 794 | 781 | 789 | 802 | 1,033 |
| Number of participants-fall..... | n/a | n/a | n/a | 439 | 453 | 602 | 444 | 550 | 573 | 600 |
| Parking Sticker Sales | | | | | | | | | | |
| Non resident oversand..... | 2,200 | 2,700 | 2,544 | 2,742 | 3,114 | 3,076 | 2,834 | 2,507 | 2,561 | 2,789 |
| Oversand..... | 2,600 | 2,700 | 2,757 | 2,748 | 2,846 | 2,822 | 2,850 | 3,131 | 2,763 | 2,859 |
| Parking lot..... | 3,500 | 3,600 | 3,627 | 3,588 | 3,586 | 3,367 | 3,396 | 3,380 | 3,569 | 3,554 |
| Transfer station..... | 7,500 | 7,800 | 7,476 | 7,972 | 7,310 | 7,349 | 6,192 | 6,046 | 6,371 | 6,306 |
| Senior Center | | | | | | | | | | |
| Number of visitors..... | n/a | n/a | n/a | n/a | 7,500 | 13,352 | 17,776 | 19,600 | 23,776 | 27,954 |
| Number of activities..... | n/a | n/a | n/a | 132 | 477 | 622 | 663 | 697 | 2,208 | 2,208 |
| Number of congregate meals..... | n/a | n/a | n/a | 1,560 | n/a | 7,129 | 7,657 | 5,493 | 4,169 | 5,430 |
| Number of delivered meals..... | n/a | n/a | n/a | n/a | n/a | 3,269 | 3,756 | 6,904 | 7,213 | 6,756 |
| Number of paying rentals..... | n/a | n/a | n/a | n/a | 12 | 59 | 64 | 84 | 108 | 166 |
| Number of committee meetings..... | n/a | n/a | n/a | n/a | 46 | 71 | 128 | 164 | 293 | 387 |
| Duxbury Free Library | | | | | | | | | | |
| Holdings..... | 90,226 | 101,688 | 98,663 | 104,163 | 107,478 | 111,584 | 114,928 | 116,131 | 119,524 | 124,035 |
| Reference questions answered..... | 8,926 | 8,736 | 7,213 | 10,249 | 13,536 | 12,878 | 10,854 | 9,935 | 9,957 | 9,406 |
| Print materials loaned..... | 141,368 | 156,134 | 160,377 | 162,300 | 166,131 | 170,188 | 169,868 | 153,802 | 153,603 | 157,537 |
| Videos loaned..... | 23,972 | 31,122 | 37,881 | 43,216 | 48,020 | 46,287 | 54,176 | 49,047 | 49,239 | 48,407 |
| All loans..... | 190,357 | 216,941 | 231,098 | 239,644 | 246,765 | 259,480 | 257,439 | 235,680 | 237,464 | 237,562 |
| Loans provided to other towns..... | 13,488 | 17,468 | 17,115 | 19,772 | 24,551 | 22,451 | 22,816 | 19,123 | 31,390 | 33,764 |
| Materials borrowed from other towns..... | 14,148 | 16,240 | 17,648 | 19,728 | 21,978 | 22,509 | 20,648 | 21,869 | 22,330 | 25,678 |
| Children's programs held..... | 241 | 306 | 300 | 317 | 327 | 332 | 262 | 218 | 235 | 241 |
| Children's program attendance..... | 5,743 | 6,213 | 6,914 | 7,430 | 7,999 | 7,568 | 6,015 | 6,229 | 6,372 | 6,144 |
| Adult & Teen programs held..... | 18 | 21 | 20 | 202 | 202 | 135 | 138 | 119 | 180 | 243 |
| Adult & Teen program attendance..... | 1,232 | 480 | 525 | 3,728 | 3,381 | 2,546 | 2,525 | 3,065 | 3,740 | 3,948 |
| Public computers..... | 21 | 21 | 23 | 27 | 30 | 28 | 28 | 30 | 30 | 26 |
| Public meeting room use..... | n/a | n/a | n/a | 768 | 739 | 834 | 709 | 640 | 805 | 1,076 |

Source: Various Town Departments

N/A - Information not available

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

| <u>Function/Program</u> | Fiscal Year | | | | | | | | | |
|---------------------------------------|-------------|------|------|------|------|------|-------|-------|-------|-------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| General Government | | | | | | | | | | |
| Number of buildings..... | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Police | | | | | | | | | | |
| Number of stations..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Animal control facilities..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Number of stations..... | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Antique apparatus storage..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Harbormaster | | | | | | | | | | |
| Number of buildings..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public beaches..... | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public landings..... | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| Education | | | | | | | | | | |
| Number of elementary schools..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of middle schools..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of high schools..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Performing arts center..... | - | - | - | - | - | 1 | 1 | 1 | 1 | 1 |
| Public Works | | | | | | | | | | |
| Water pumping stations..... | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Water towers..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Water other..... | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Sewage treatment plant..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Shared septic systems..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public works buildings..... | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Crematories..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Cemetery buildings..... | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Human Services | | | | | | | | | | |
| Council on aging - senior center..... | - | - | - | - | 1 | 1 | 1 | 1 | 1 | 1 |
| Culture and Recreation | | | | | | | | | | |
| Recreation land (acreage)..... | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 | 96.7 | 108.2 | 118.5 | 118.5 | 179.5 |
| Playgrounds*..... | - | - | - | 1 | 2 | 2 | 3 | 3 | 3 | 3 |
| Ball fields*..... | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 29 | 29 | 29 |
| Basketball courts..... | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 | 3 |
| Tennis courts..... | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 14 | 14 | 14 |
| Pools..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf courses..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf clubhouses..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Golf course buildings..... | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Libraries..... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: Various Town Departments

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



*Volunteers working at the Jaycox tree farm.
This farm was purchased with Community Preservation Funds.*