

# **TOWN OF DUXBURY, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



**For the fiscal year ended  
June 30, 2008**

On the cover:  
*Berrybrook Fields, recently purchased with Community Preservation Funds*



*Piping Plover on the shore at Duxbury Beach.*

*The Town of  
Duxbury, Massachusetts*



**Comprehensive  
Annual Financial Report**

**For the Fiscal Year  
July 1, 2007 through June 30, 2008**

Prepared by the Finance Department

**Town of Duxbury, Massachusetts**  
**Comprehensive Annual Financial Report**  
*For the Fiscal Year Ended June 30, 2008*

**Table of Contents**

	Page
<b>INTRODUCTORY SECTION .....</b>	<b>1</b>
Letter of Transmittal .....	1
Principal Executive Officers .....	5
Organizational Chart .....	6
Certificate of Achievement for Excellence in Financial Reporting .....	7
<b>FINANCIAL SECTION .....</b>	<b>9</b>
Independent Auditors' Report .....	9
Management's Discussion and Analysis.....	11
Basic Financial Statements.....	19
Government-wide Financial Statements.....	21
Statement of Net Assets .....	21
Statement of Activities.....	22
Fund Financial Statements .....	24
Governmental Funds – Balance Sheet.....	24
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Assets .....	25
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances .....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	27
Proprietary Funds – Statement of Net Assets.....	28
Proprietary Funds – Statement of Revenues, Expenses and Changes in Fund Net Assets.....	29
Proprietary Funds – Statement of Cash Flows .....	30
Fiduciary Funds – Statement of Fiduciary Net Assets.....	31
Fiduciary Funds – Statement of Changes in Fiduciary Net Assets.....	32
Notes to Basic Financial Statements .....	33
Required Supplementary Information .....	56
General Fund Budgetary Comparison Schedule.....	57
Schedule of Revenues, Expenditures and Changes in Fund Balance – General Fund – Budget and Actual .....	58
Retirement System Schedules .....	63
Retirement System Schedule of Funding Progress.....	64

Retirement System Schedule of Employer Contributions .....	65
Notes to Required Supplementary Information .....	66
Other Supplementary Information .....	69
Combining and Individual Fund Statements and Schedules .....	70
Nonmajor Governmental Funds.....	71
Nonmajor Governmental Funds - Combining Balance Sheet.....	72
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	74
Agency Fund.....	76
Agency Funds – Combining Statement of Changes in Assets and Liabilities .....	77
<b>STATISTICAL SECTION.....</b>	<b>79</b>
Net Assets by Components.....	80
Changes in Net Assets.....	81
Fund Balances, Governmental Funds .....	82
Changes in Fund Balances, Governmental Funds .....	83
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates.....	84
Principal Taxpayers.....	85
Property Tax Levies and Collections .....	86
Ratios of Outstanding Debt and General Bonded Debt.....	87
Direct and Overlapping Governmental Activities Debt.....	88
Computation of Legal Debt Margin .....	89
Demographic and Economic Statistics .....	90
Principal Employers (excluding Town).....	91
Full-time Equivalent Town Employees by Function .....	92
Operating Indicators by Function/Program .....	93
Capital Assets Statistics by Function/Program .....	94

## ***Introductory Section***



*A young osprey chick flexing its muscles for the first time on solid ground.*



Finance Director  
John Madden

# *Town of Duxbury, Massachusetts*

ACCOUNTING DEPARTMENT

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December 19, 2008

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, 2008 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, 2008, 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, 2008, 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, 2008, 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 15,360 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 2008 the average price of a home in Duxbury was \$641,300 (based upon 2007 sales data), a decrease of slightly less than .5% from the previous year. Housing prices have increased over 37% since 2004 because the housing stock is limited and the community is seen as highly desirable. The average increase over that same time period was 7.39%. 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, has finally risen to levels not seen since 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 2008. During 2008 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 what is projected to be a three year average annual increase in the Health Insurance budget of under six percent, well below the national average. The 2007 increase in the Town's health insurance appropriation was 8.12% over the prior year, in 2008 the increase was 6.24%, and looking forward to 2009 the projected increase is 3.18%.

During the 2008 budget cycle (March 2007) 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 \$625,000 to preserve open space and historical properties at the March 2007 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. Pension reserves and other available fund balances were used to balance the fiscal year 2008 budget.

#### *Major Initiatives*

The Town issued \$3,125,000 in general obligation bonds in May 2008 for a number of capital items including water well development, and seawall rehabilitation. The balance advance refunded building renovation debt. The Town, through its long range planning development and strong financial position, saw its bond rating reach AAA status. We are all very proud of this achievement. It was through these efforts that the Town secured 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, 2007. This was the fourth 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,



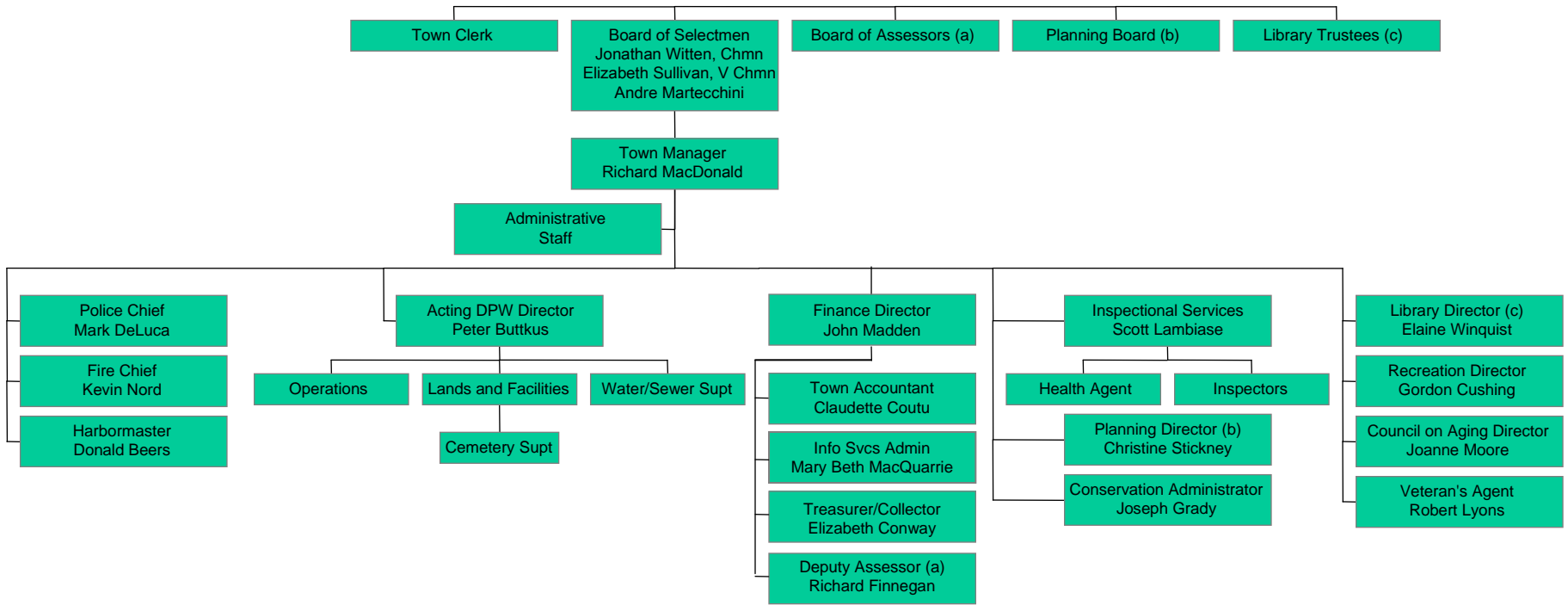
John Madden  
Finance Director

# Town of Duxbury, Massachusetts

## Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Length of Term</u>	<u>Expiration of Term</u>
Chairman-Board of Selectmen	Jonathan D. Witten	Elected	3 Years	2010
Vice Chairman-Board of Selectmen	Elizabeth H. Sullivan	Elected	3 Years	2011
Selectman	Andre P. Martecchini	Elected	3 Years	2009
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	2013
Assessor- Chairman	Linda M. Collari	Elected	3 Years	2011
Assessor-Vice Chairman	James G. MacNab	Elected	3 Years	2009
Assessor	June E. Albritton	Elected	3 Years	2010
Superintendent of Schools	Susan Skeiber	Appointed	Indefinite	N/A
School Business Manager	Peter Etzel	Appointed	Indefinite	N/A
Acting Director of Public Works	Peter Buttkus	Appointed	Indefinite	N/A
Town Moderator	Allen N. Bornheimer	Elected	1 Year	2009
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, 2007

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.



*Oliver S. Cox*

President

*Jeffrey R. Emen*

Executive Director

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## ***Financial Section***



*As harvest season approaches, the vibrant colors of the harvest can be seen on the local bogs.*



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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, 2008, 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, 2008, 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 19, 2008, 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, the other post-employment benefit schedule of funding progress, and schedule of employer contributions 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 "Bowers + Sullivan".

Wakefield, Massachusetts  
December 19, 2008

## 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, 2008. 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 \$102 million at the end of fiscal year 2008. 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 \$70.8 million (79%) 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 \$2.8 million (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$15.7 million (18%) 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 \$824,000 which are used to finance capital expenditures; the recovery approximately \$600,000 in stop-loss insurance within the internal service fund; and a net decrease of (\$900,000) of depreciation expense exceeding debt principal expenditures.

	Balance at June 30, 2008	Balance at June 30, 2007
	<u>                    </u>	<u>                    </u>
<b>Assets:</b>		
Current assets.....	\$ 24,511,951	\$ 23,150,026
Noncurrent assets (excluding capital).....	279,716	436,171
Capital assets.....	<u>87,809,132</u>	<u>89,900,791</u>
<b>Total assets.....</b>	<b><u>112,600,799</u></b>	<b><u>113,486,988</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	5,423,029	6,009,387
Noncurrent liabilities (excluding debt).....	349,050	259,671
Current debt.....	2,747,860	3,121,985
Noncurrent debt.....	<u>14,756,240</u>	<u>17,156,100</u>
<b>Total liabilities.....</b>	<b><u>23,276,179</u></b>	<b><u>26,547,143</u></b>
<b>Net Assets:</b>		
Capital assets net of related debt.....	70,846,707	70,497,727
Restricted.....	2,817,488	2,616,217
Unrestricted.....	<u>15,660,425</u>	<u>13,825,901</u>
<b>Total net assets.....</b>	<b><u>\$ 89,324,620</u></b>	<b><u>\$ 86,939,845</u></b>

	Balance at June 30, 2008	Balance at June 30, 2007
<b>Program revenues:</b>		
Charges for services.....	\$ 12,295,445	\$ 12,699,516
Operating grants and contributions.....	10,749,772	10,414,641
Capital grants and contributions.....	1,250,418	1,191,310
<b>General Revenues:</b>		
Real estate and personal property taxes.....	38,483,995	36,999,317
Tax liens.....	126,079	134,662
Motor vehicle and other excise taxes.....	2,262,861	2,308,774
Community preservation taxes.....	1,110,178	1,077,315
Penalties and interest on taxes.....	108,421	138,442
Payments in lieu of taxes.....	28,750	7,917
Nonrestricted grants and contributions.....	1,385,213	1,275,273
Unrestricted investment income.....	484,751	904,835
Miscellaneous revenues.....	30,914	223,442
<b>Total revenues.....</b>	<b>68,316,797</b>	<b>67,375,444</b>
<b>Expenses:</b>		
General Government.....	3,686,678	3,606,616
Public Safety.....	8,522,903	8,450,057
Education.....	44,398,693	43,337,224
Public Works.....	5,194,930	5,480,877
Human Services.....	710,722	694,237
Culture and Recreation.....	2,742,203	2,258,491
Community Preservation.....	200,192	239,207
Interest.....	784,810	1,157,136
<b>Total expenses.....</b>	<b>66,241,131</b>	<b>65,223,845</b>
<b>Excess (deficiency) before transfers.....</b>	<b>2,075,666</b>	<b>2,151,599</b>
<b>Transfers.....</b>	<b>309,109</b>	<b>285,000</b>
<b>Change in net assets.....</b>	<b>\$ 2,384,775</b>	<b>\$ 2,436,599</b>

**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 \$12.2 million at the close of FY2008. Of this amount \$9.4 million (77%) is invested in capital assets, net of related debt and \$2.8 million (31%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

There was an increase of \$105,000 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, 2008	Balance at June 30, 2007
<b>Assets:</b>		
Current assets.....	\$ 4,259,403	\$ 3,371,845
Capital assets.....	<u>12,884,815</u>	<u>12,414,436</u>
<b>Total assets.....</b>	<b><u>17,144,218</u></b>	<b><u>15,786,281</u></b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	384,007	196,408
Noncurrent liabilities (excluding debt).....	7,651	5,233
Current debt.....	765,000	637,000
Noncurrent debt.....	<u>3,794,000</u>	<u>2,859,000</u>
<b>Total liabilities.....</b>	<b><u>4,950,658</u></b>	<b><u>3,697,641</u></b>
<b>Net Assets:</b>		
Capital assets net of related debt.....	9,439,228	8,918,436
Unrestricted.....	<u>2,754,332</u>	<u>3,170,204</u>
<b>Total net assets.....</b>	<b><u>\$ 12,193,560</u></b>	<b><u>\$ 12,088,640</u></b>
	Balance at June 30, 2008	Balance at June 30, 2007
<b>Program revenues:</b>		
Charges for services.....	<u>\$ 2,901,469</u>	<u>\$ 2,783,180</u>
<b>Expenses:</b>		
Water.....	<u>2,487,440</u>	<u>2,162,105</u>
<b>Excess (deficiency) before transfers.....</b>	<b>414,029</b>	<b>621,075</b>
<b>Transfers.....</b>	<b><u>(309,109)</u></b>	<b><u>(285,000)</u></b>
<b>Change in net assets.....</b>	<b><u>\$ 104,920</u></b>	<b><u>\$ 336,075</u></b>

## ***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 \$13.9 million, an increase of \$1.7 million from the prior year. Most of the increase is attributable to the Community Preservation Trust Fund whose revenues exceeded expenditures by \$1.9 million.

The general fund is the chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was \$4.4 million, while total fund balance is \$4.9 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 8% of total general fund expenditures, while total fund balance represents 9% of that same amount.

The fund balance of the General Fund decreased by \$935,000, this resulted primarily from expenditures exceeding revenues by \$1.4 million due to the costs associated with health insurance.

The Community Preservation Act Fund had a fund balance at June 30, 2008 of \$3.9 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 increased \$1.9 million mainly due to the Town expending less in fiscal year 2008 due to a smaller number of 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 \$518,000 on projects in FY2008 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. At June 30, 2008 the fund balance was \$2.2 million which decreased by \$125,000 due to a loss on investment earnings.

### ***General Fund Budgetary Highlights***

The \$394,000 increase from the original budget to the final amended budget resulted from a Spring Special Town Meeting vote to use available funds mainly for the settlement of collective bargaining agreements.

General Fund revenues came in approximately \$800,000 more than budget. There were several factors that contributed to this increase. Motor vehicle excise taxes came in \$196,000 more than budgeted due to the Town's active collection process. Intergovernmental revenues came in higher than expected by \$310,000 due to an increase in state school funding and health care reimbursements. Departmental and other revenue came in \$450,000 more than budgeted due to surpluses of \$247,000 in licenses and permits, \$116,000 in ambulance and Medicare receipts and \$80,000 in cemetery receipts. Trash disposal came in \$184,000 less than budgeted due to

the Town originally setting the budget based on a \$118 user charge per household. The Town actually billed \$25 per household due to their upgraded recycling program.

General fund expenditures came in approximately \$659,000 less than budgeted. This was primarily due to departments coming in under budget. Some of these include \$35,000 for Fire, \$32,000 for inspectional services \$101,000 for DPW management, \$184,000 for the transfer station, \$39,000 for the Sewer department and \$37,000 for Central building.

**Capital Asset and Debt Administration**

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming fiscal year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures. The Town’s major governmental capital asset activity in fiscal year 2008 includes additions of \$263,000 for seawall improvements and \$269,000 for vehicles.

	<b>Capital Assets</b>		
	<u>Cost of Capital Assets at end of year</u>	<u>Accumulated Depreciation at end of year</u>	<u>Capital Assets, net</u>
<b>Governmental activities</b>			
<i>Function:</i>			
General government..... \$	23,385,685	\$ (484,523)	\$ 22,901,162
Public safety.....	6,667,604	(3,669,090)	2,998,514
Education.....	56,620,580	(16,583,991)	40,036,589
Public works.....	17,267,355	(9,217,604)	8,049,751
Culture and recreation.....	11,365,984	(3,602,425)	7,763,559
Community preservation....	<u>6,025,941</u>	<u>(12,631)</u>	<u>6,013,310</u>
 Total by function..... \$	 <u>121,333,149</u>	 <u>\$ (33,570,264)</u>	 <u>\$ 87,762,885</u>
 <b>Business-type activities</b>			
 Water..... \$	 <u>3,793,371</u>	 <u>\$ (6,808,906)</u>	 <u>\$ (3,015,535)</u>

The Town of Duxbury’s governmental funds had total bonded debt outstanding of \$17.3 million at the end of the current fiscal year. Of this amount, \$1.5 million is related to the renovation of the library, \$1.3 million is related to the senior center project, \$1.3 million relates to sewer projects, \$285,000 relates to land purchases and \$11.6 million is related to school equipment and improvements. The remaining \$1.3 million relates to other capital related projects.

The enterprise fund has \$4.6 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, 2008

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 17,188,892	\$ 3,178,219	\$ 20,367,111
Investments.....	3,599,945	-	3,599,945
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	597,971	-	597,971
Tax liens.....	57,810	-	57,810
Motor vehicle and other excise taxes.....	70,829	-	70,829
User fees.....	14,850	1,081,184	1,096,034
Departmental and other.....	695,634	-	695,634
Intergovernmental.....	1,670,517	-	1,670,517
Tax foreclosures.....	615,503	-	615,503
<b>Total current assets.....</b>	<b>24,511,951</b>	<b>4,259,403</b>	<b>28,771,354</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Intergovernmental.....	132,575	-	132,575
Real estate tax deferrals.....	147,141	-	147,141
Capital assets:			
Nondepreciable.....	33,292,295	4,237,914	37,530,209
Depreciable.....	54,516,837	8,646,901	63,163,738
<b>Total noncurrent assets.....</b>	<b>88,088,848</b>	<b>12,884,815</b>	<b>100,973,663</b>
<b>TOTAL ASSETS.....</b>	<b>112,600,799</b>	<b>17,144,218</b>	<b>129,745,017</b>
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,529,815	331,110	1,860,925
Accrued liabilities.....	1,396,069	1,729	1,397,798
Health claims payable.....	919,050	-	919,050
Accrued interest.....	268,731	22,819	291,550
Other liabilities.....	467,414	-	467,414
Compensated absences.....	841,950	28,349	870,299
Bonds and notes payable.....	2,747,860	765,000	3,512,860
<b>Total current liabilities.....</b>	<b>8,170,889</b>	<b>1,149,007</b>	<b>9,319,896</b>
<b>NONCURRENT:</b>			
Compensated absences.....	349,050	7,651	356,701
Bonds and notes payable.....	14,756,240	3,794,000	18,550,240
<b>Total noncurrent liabilities.....</b>	<b>15,105,290</b>	<b>3,801,651</b>	<b>18,906,941</b>
<b>TOTAL LIABILITIES.....</b>	<b>23,276,179</b>	<b>4,950,658</b>	<b>28,226,837</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt.....	70,846,707	9,439,228	80,285,935
Restricted for:			
Permanent funds:			
Expendable.....	406,604	-	406,604
Nonexpendable.....	1,788,474	-	1,788,474
Gifts and grants.....	622,410	-	622,410
Unrestricted.....	15,660,425	2,754,332	18,414,757
<b>TOTAL NET ASSETS.....</b>	<b>\$ 89,324,620</b>	<b>\$ 12,193,560</b>	<b>\$ 101,518,180</b>

See notes to basic financial statements.

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 3,686,678	\$ 434,487	\$ 106,177	\$ -	\$ (3,146,014)
Public safety.....	8,522,903	1,636,814	344,009	-	(6,542,080)
Education.....	44,398,693	6,232,869	9,712,060	-	(28,453,764)
Public works.....	5,194,930	1,698,068	339,297	426,500	(2,731,065)
Human services.....	710,722	151,766	52,965	-	(505,991)
Culture and recreation.....	2,742,203	2,141,441	57,555	-	(543,207)
Community preservation.....	200,192	-	-	823,918	623,726
Interest.....	784,810	-	137,709	-	(647,101)
<b>Total Governmental Activities.....</b>	<b>66,241,131</b>	<b>12,295,445</b>	<b>10,749,772</b>	<b>1,250,418</b>	<b>(41,945,496)</b>
<i>Business-Type Activities:</i>					
Water.....	2,487,440	2,901,469	-	-	<b>414,029</b>
<b>Total Primary Government.....</b>	<b>\$ 68,728,571</b>	<b>\$ 15,196,914</b>	<b>\$ 10,749,772</b>	<b>\$ 1,250,418</b>	<b>\$ (41,531,467)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

FISCAL YEAR ENDED JUNE 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net assets:</b>			
Net (expense) revenue from previous page.....	\$ <b>(41,945,496)</b>	\$ <b>414,029</b>	\$ <b>(41,531,467)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	38,483,995	-	38,483,995
Tax liens.....	126,079	-	126,079
Motor vehicle and other excise taxes.....	2,262,861	-	2,262,861
Community preservation taxes.....	1,110,178	-	1,110,178
Penalties and interest on taxes.....	108,421	-	108,421
Payments in lieu of taxes.....	28,750	-	28,750
Grants and contributions not restricted to specific programs.....	1,385,213	-	1,385,213
Unrestricted investment income.....	484,751	-	484,751
Miscellaneous.....	30,914	-	30,914
<i>Transfers, net</i> .....	309,109	(309,109)	-
Total general revenues and transfers.....	44,330,271	(309,109)	44,021,162
Change in net assets.....	2,384,775	104,920	2,489,695
<i>Net Assets:</i>			
Beginning of year.....	86,939,845	12,088,640	99,028,485
End of year.....	\$ <u>89,324,620</u>	\$ <u>12,193,560</u>	\$ <u>101,518,180</u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2008

<b>ASSETS</b>	General	Community Preservation Act	Highway Improvements	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents.....	\$ 6,764,159	\$ 3,914,997	\$ -	\$ 296,028	\$ 1,943,615	\$ 12,918,799
Investments.....	-	-	-	1,899,392	1,700,553	3,599,945
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	597,971	-	-	-	-	597,971
Real estate tax deferrals.....	147,141	-	-	-	-	147,141
Tax liens.....	57,192	618	-	-	-	57,810
Motor vehicle and other excise taxes.....	70,829	-	-	-	-	70,829
User fees.....	14,850	-	-	-	-	14,850
Departmental and other.....	264,879	-	-	-	21,637	286,516
Intergovernmental.....	275,409	833,948	693,735	-	-	1,803,092
Tax foreclosures.....	615,503	-	-	-	-	615,503
Due from other funds.....	521,461	-	-	-	-	521,461
<b>TOTAL ASSETS.....</b>	<b>\$ 9,329,394</b>	<b>\$ 4,749,563</b>	<b>\$ 693,735</b>	<b>\$ 2,195,420</b>	<b>\$ 3,665,805</b>	<b>\$ 20,633,917</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Warrants payable.....	\$ 1,269,055	\$ 33,911	\$ 1,310	\$ 342	\$ 225,197	\$ 1,529,815
Accrued liabilities.....	1,391,788	41	-	-	4,240	1,396,069
Other liabilities.....	148,842	6,319	-	-	312,253	467,414
Deferred revenues.....	1,603,946	834,566	177,704	-	21,637	2,637,853
Due to other funds.....	-	-	514,721	-	6,740	521,461
Notes payable.....	-	-	-	-	163,000	163,000
<b>TOTAL LIABILITIES.....</b>	<b>4,413,631</b>	<b>874,837</b>	<b>693,735</b>	<b>342</b>	<b>733,067</b>	<b>6,715,612</b>
<b>FUND BALANCES:</b>						
Reserved for:						
Encumbrances and continuing appropriations.....	474,343	-	-	-	-	474,343
Perpetual permanent funds.....	-	-	-	1,788,474	-	1,788,474
Unreserved:						
Designated for subsequent year's expenditures.....	1,922,114	-	-	-	-	1,922,114
Undesignated, reported in:						
General fund.....	2,519,306	-	-	-	-	2,519,306
Special revenue funds.....	-	3,874,726	-	-	2,829,472	6,704,198
Capital projects funds.....	-	-	-	-	103,266	103,266
Permanent funds.....	-	-	-	406,604	-	406,604
<b>TOTAL FUND BALANCES.....</b>	<b>4,915,763</b>	<b>3,874,726</b>	<b>-</b>	<b>2,195,078</b>	<b>2,932,738</b>	<b>13,918,305</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 9,329,394</b>	<b>\$ 4,749,563</b>	<b>\$ 693,735</b>	<b>\$ 2,195,420</b>	<b>\$ 3,665,805</b>	<b>\$ 20,633,917</b>

See notes to basic financial statements.

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

JUNE 30, 2008

Total governmental fund balances.....	\$	13,918,305
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		87,809,132
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		2,637,853
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.....		3,760,161
In the statement of net assets, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(268,731)
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.....	(17,341,100)	
Compensated absences.....	<u>(1,191,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(18,532,100)</u>
Net assets of governmental activities.....	\$	<u>89,324,620</u>

See notes to basic financial statements.



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

FISCAL YEAR ENDED JUNE 30, 2008

	General	Community Preservation Act	Highway Improvements	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 38,456,971	\$ -	\$ -	\$ -	\$ -	\$ 38,456,971
Tax and trash liens.....	99,305	2,659	-	-	-	101,964
Motor vehicle and other excise taxes.....	2,281,039	-	-	-	-	2,281,039
Sewer charges.....	320,752	-	-	-	-	320,752
Trash disposal.....	315,661	-	-	-	-	315,661
Intergovernmental.....	10,300,908	1,078,089	517,525	-	2,119,174	14,015,696
Departmental and other.....	4,110,494	-	-	-	4,669,141	8,779,635
Community preservation taxes.....	-	1,110,178	-	-	-	1,110,178
Contributions.....	-	-	-	38,650	45,596	84,246
Investment income.....	572,592	39,687	-	(157,675)	(127,528)	327,076
<b>TOTAL REVENUES.....</b>	<b>56,457,722</b>	<b>2,230,613</b>	<b>517,525</b>	<b>(119,025)</b>	<b>6,706,383</b>	<b>65,793,218</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	2,453,265	-	-	6,000	77,231	2,536,496
Public safety.....	5,747,220	-	-	-	145,492	5,892,712
Education.....	26,000,097	-	-	-	4,891,959	30,892,056
Public works.....	3,748,732	-	517,525	-	88,883	4,355,140
Human services.....	460,739	-	-	-	90,827	551,566
Culture and recreation.....	1,522,805	-	-	-	465,064	1,987,869
Community preservation.....	-	333,436	-	-	-	333,436
Pension benefits - Town.....	1,790,855	-	-	-	-	1,790,855
Pension benefits - School.....	4,970,000	-	-	-	-	4,970,000
Property and liability insurance.....	265,802	-	-	-	-	265,802
Employee benefits.....	7,209,088	-	-	-	-	7,209,088
State and county charges.....	251,548	-	-	-	-	251,548
Debt service:						
Principal.....	2,746,985	-	-	-	-	2,746,985
Interest.....	787,513	-	-	-	-	787,513
<b>TOTAL EXPENDITURES.....</b>	<b>57,954,649</b>	<b>333,436</b>	<b>517,525</b>	<b>6,000</b>	<b>5,759,456</b>	<b>64,571,066</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(1,496,927)</b>	<b>1,897,177</b>	<b>-</b>	<b>(125,025)</b>	<b>946,927</b>	<b>1,222,152</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of long-term bonds.....	-	-	-	-	125,000	125,000
Issuance of refunding bonds.....	1,300,000	-	-	-	-	1,300,000
Premium from issuance of long-term bonds.....	17,918	-	-	-	-	17,918
Premium from issuance of refunding bonds.....	23,014	-	-	-	-	23,014
Payments to refunded bonds escrow agent.....	(1,294,074)	-	-	-	-	(1,294,074)
Transfers in.....	878,221	-	-	-	363,193	1,241,414
Transfers out.....	(363,193)	(4,391)	-	-	(564,721)	(932,305)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>561,886</b>	<b>(4,391)</b>	<b>-</b>	<b>-</b>	<b>(76,528)</b>	<b>480,967</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(935,041)</b>	<b>1,892,786</b>	<b>-</b>	<b>(125,025)</b>	<b>870,399</b>	<b>1,703,119</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>5,850,804</b>	<b>1,981,940</b>	<b>-</b>	<b>2,320,103</b>	<b>2,062,339</b>	<b>12,215,186</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 4,915,763</b>	<b>\$ 3,874,726</b>	<b>\$ -</b>	<b>\$ 2,195,078</b>	<b>\$ 2,932,738</b>	<b>\$ 13,918,305</b>

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, 2008

Net change in fund balances - total governmental funds.....		\$ 1,703,119
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	1,499,905	
Depreciation expense.....	<u>(3,591,564)</u>	
Net effect of reporting capital assets.....		(2,091,659)
<p>Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue.....</p>		
		(442,963)
<p>The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Issuance of bonds and notes.....	(125,000)	
Debt service principal payments.....	2,746,985	
Issuance of refunding bonds.....	(1,300,000)	
Payments to refunded bond escrow agent.....	1,294,074	
Premium from issuance of refunding costs, net of issue costs.....	<u>5,926</u>	
Net effect of reporting long-term debt.....		2,621,985
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(122,000)	
Net change in accrued interest on long-term debt.....	33,763	
Amortization of deferred charge on refunding.....	<u>(60,000)</u>	
Net effect of recording long-term liabilities and amortizing deferred losses.....		(148,237)
<p>Internal service funds are used by management to account for health insurance and workers' compensation activities.</p>		
The net activity of internal service funds is reported with governmental activities.....		<u>742,530</u>
Change in net assets of governmental activities.....		<u>\$ 2,384,775</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET ASSETS

JUNE 30, 2008

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water Enterprise	Funds
<b>ASSETS</b>		
CURRENT:		
Cash and cash equivalents.....	\$ 3,178,219	\$ 4,270,093
Receivables, net of allowance for uncollectibles:		
User fees.....	1,081,184	-
Departmental and other.....	-	409,118
Total current assets.....	<u>4,259,403</u>	<u>4,679,211</u>
NONCURRENT:		
Capital assets:		
Nondepreciable.....	4,237,914	-
Depreciable.....	8,646,901	-
Total noncurrent assets.....	<u>12,884,815</u>	<u>-</u>
TOTAL ASSETS.....	<u>17,144,218</u>	<u>4,679,211</u>
<b>LIABILITIES</b>		
CURRENT:		
Warrants payable.....	331,110	-
Accrued liabilities.....	1,729	-
Health claims payable.....	-	919,050
Accrued interest.....	22,819	-
Compensated absences.....	28,349	-
Bonds and notes payable.....	765,000	-
Total current liabilities.....	<u>1,149,007</u>	<u>919,050</u>
NONCURRENT:		
Compensated absences.....	7,651	-
Bonds and notes payable.....	3,794,000	-
Total noncurrent liabilities.....	<u>3,801,651</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>4,950,658</u>	<u>919,050</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt.....	9,439,228	-
Unrestricted.....	2,754,332	3,760,161
TOTAL NET ASSETS.....	<u>\$ 12,193,560</u>	<u>\$ 3,760,161</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water Enterprise	
<b>OPERATING REVENUES:</b>		
Employee contributions .....	\$ -	\$ 2,960,188
Employer contributions .....	-	6,511,097
Charges for services .....	2,901,469	-
<b>TOTAL OPERATING REVENUES .....</b>	<b>2,901,469</b>	<b>9,471,285</b>
<b>OPERATING EXPENSES:</b>		
Cost of services and administration .....	1,593,600	8,728,755
Depreciation.....	734,639	-
<b>TOTAL OPERATING EXPENSES .....</b>	<b>2,328,239</b>	<b>8,728,755</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>573,230</b>	<b>742,530</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest expense.....	(159,201)	-
<b>INCOME (LOSS) BEFORE TRANSFERS.....</b>	<b>414,029</b>	<b>742,530</b>
<b>TRANSFERS:</b>		
Transfers in.....	4,391	-
Transfers out.....	(313,500)	-
<b>TOTAL TRANSFERS.....</b>	<b>(309,109)</b>	<b>-</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>104,920</b>	<b>742,530</b>
<b>NET ASSETS AT BEGINNING OF YEAR.....</b>	<b>12,088,640</b>	<b>3,017,631</b>
<b>NET ASSETS AT END OF YEAR.....</b>	<b>\$ 12,193,560</b>	<b>\$ 3,760,161</b>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2008

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Funds
	Water Enterprise	Funds
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Receipts from customers and users.....	\$ 2,927,434	\$ -
Receipts from interfund services provided.....	-	9,290,542
Payments to vendors.....	(1,098,159)	(8,925,833)
Payments to employees.....	(550,674)	-
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>1,278,601</b>	<b>364,709</b>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>		
Transfers in.....	4,391	-
Transfers out.....	(313,500)	-
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....</b>	<b>(309,109)</b>	<b>-</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Proceeds from the issuance of bonds and notes.....	1,700,000	-
Acquisition and construction of capital assets.....	(958,998)	-
Principal payments on bonds and notes.....	(637,000)	-
Interest expense.....	(159,971)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(55,969)</b>	<b>-</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>913,523</b>	<b>364,709</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>2,264,696</b>	<b>3,905,384</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 3,178,219</b>	<b>\$ 4,270,093</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:</u></b>		
Operating income (loss).....	\$ 573,230	\$ 742,530
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation.....	734,639	-
Changes in assets and liabilities:		
User fees.....	25,965	-
Departmental and other.....	-	(180,743)
Working capital deposit.....	-	592,838
Warrants payable.....	29,643	(865,856)
Accrued liabilities.....	1,729	-
Health claims payable.....	-	75,940
Other liabilities.....	(91,605)	-
Accrued compensated absences.....	5,000	-
Total adjustments.....	705,371	(377,821)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 1,278,601</b>	<b>\$ 364,709</b>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2008

	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 141,796	\$ 436,805
Investments.....	892,381	-
<b>TOTAL ASSETS.....</b>	<b>1,034,177</b>	<b>436,805</b>
<b>LIABILITIES</b>		
Warrants payable.....	1,696	18,282
Accrued liabilities.....	185	700
Liabilities due depositors.....	-	417,823
<b>TOTAL LIABILITIES.....</b>	<b>1,881</b>	<b>436,805</b>
<b>NET ASSETS</b>		
Held in trust.....	\$ 1,032,296	\$ -

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

FISCAL YEAR ENDED JUNE 30, 2008

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Net investment income (loss):	
Interest.....	\$ <u>(62,202)</u>
<u>DEDUCTIONS:</u>	
Scholarships and other.....	<u>30,593</u>
CHANGE IN NET ASSETS.....	(92,795)
NET ASSETS AT BEGINNING OF YEAR.....	<u>1,125,091</u>
NET ASSETS AT END OF YEAR.....	\$ <u><u>1,032,296</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*

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

#### D. Cash and Investments

##### *Government-Wide and Fund Financial Statements*

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

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

#### E. Accounts Receivable

##### *Government-Wide and Fund Financial Statements*

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

#### ***Real Estate, Personal Property Taxes and Tax Liens***

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

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

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

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

### ***Motor Vehicle and Other Excise Taxes***

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

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

### ***User Fees***

Water and sewer user fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at 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 reported as "invested in capital assets, net of related debt" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state's school building program is not considered to be capital related debt.

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

Net assets have been “restricted for” the following:

“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 2009 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 290 retired employees and their survivors in accordance with Chapter 32 of the Massachusetts General Laws. 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, 2008, this expenditure totaled approximately \$1,122,000.

#### 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 ACCOUNTABILITY**A. Fund Deficits

At June 30, 2008, the School Lunch Special Revenue fund classified within the Nonmajor Governmental Funds has a deficit balance of (\$7,939). This deficit will be funded through grants and future revenues.

B. Appropriation Deficits

During fiscal year 2008, expenditures exceeded budgeted appropriations for Snow and Ice and for State and County Charges. The Snow and Ice deficit will be funded in fiscal 2009 via the tax levy. State and County Charges is a legal deficit created solely by the Commonwealth and not under the control of the Town.

**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 \$14,655,338 and the bank balance totaled \$15,359,603. Of the bank balance, \$510,587 was covered by Federal Depository Insurance, \$5,502,615 was collateralized, and \$9,346,401 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, 2008, the Town of Duxbury had the following investments:

Investment Type	Fair Value	Maturity		
		Under 1 Year	1-5 Years	Over 10 Years
<u>Debt Securities:</u>				
Government Sponsored Enterprises.....	\$ 1,167,135	\$ 227,655	\$ 779,438	\$ 160,042
Government National Mortgage Association.....	88,507	-	-	88,507
U.S. Treasury Notes.....	864,910	451,607	413,303	-
Total Debt Securities.....	2,120,552	\$ 679,262	\$ 1,192,741	\$ 248,549
<u>Other Investments:</u>				
Equity Securities.....	2,371,774			
Money Market Mutual Funds.....	699,330			
MMDT.....	5,591,044			
Total Investments.....	\$ 10,782,700			

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 \$261,766 in Federal Home Loan Bank securities, \$138,974 in Federal Home Loan Mortgage Corporation securities, \$766,395 in Federal National Mortgage Association securities, \$88,507 in Government National Mortgage Association securities, \$864,910 in United States Treasury Notes, and \$2,371,774 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 and U.S. Treasury Notes 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 7.6% of the Town's total investments.

**NOTE 4 – RECEIVABLES**

At June 30, 2008, 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..... \$	601,488	\$ (3,517)	\$ 597,971
Real estate tax deferrals.....	147,141	-	147,141
Tax liens.....	57,810	-	57,810
Motor vehicle and other excise taxes.....	179,125	(108,296)	70,829
User fees.....	14,850	-	14,850
Departmental and other.....	695,634	-	695,634
Intergovernmental.....	1,803,092	-	1,803,092
Total.....	<u>\$ 3,499,140</u>	<u>\$ (111,813)</u>	<u>\$ 3,387,327</u>

At June 30, 2008, receivables for the water enterprise consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water.....	<u>\$ 1,081,184</u>	<u>\$ -</u>	<u>\$ 1,081,184</u>

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

	General Fund	Community Preservation Act	Highway Improvements	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>					
Real estate and personal property taxes..... \$	158,143	\$ -	\$ -	\$ -	\$ 158,143
Real estate tax deferrals.....	147,141	-	-	-	147,141
Tax liens.....	57,192	618	-	-	57,810
Motor vehicle and other excise taxes.....	70,829	-	-	-	70,829
User fees.....	14,850	-	-	-	14,850
Departmental and other.....	264,879	-	-	21,637	286,516
Intergovernmental.....	275,409	833,948	177,704	-	1,287,061
Tax foreclosures.....	615,503	-	-	-	615,503
Total.....	<u>\$ 1,603,946</u>	<u>\$ 834,566</u>	<u>\$ 177,704</u>	<u>\$ 21,637</u>	<u>\$ 2,637,853</u>

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 29,962,767	\$ -	\$ -	\$ 29,962,767
Construction in progress.....	3,294,849	342,725	(308,046)	3,329,528
Total capital assets not being depreciated.....	<u>33,257,616</u>	<u>342,725</u>	<u>(308,046)</u>	<u>33,292,295</u>
<u>Capital assets being depreciated:</u>				
Buildings.....	50,395,228	-	-	50,395,228
Infrastructure.....	17,968,217	825,571	(243,654)	18,550,134
Vehicles.....	6,539,427	268,691	(500,695)	6,307,423
Computers.....	1,918,319	123,782	(602,059)	1,440,042
Furniture, fixtures and equipment.....	1,838,755	22,087	-	1,860,842
Improvements.....	8,287,997	19,241	-	8,307,238
Library books.....	800,584	100,916	(131,089)	770,411
School books.....	450,442	104,938	(99,597)	455,783
Total capital assets being depreciated.....	<u>88,198,969</u>	<u>1,465,226</u>	<u>(1,577,094)</u>	<u>88,087,101</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	(9,452,905)	(1,147,119)	-	(10,600,024)
Infrastructure.....	(8,946,658)	(749,312)	243,654	(9,452,316)
Vehicles.....	(3,588,201)	(815,158)	500,695	(3,902,664)
Computers.....	(1,142,593)	(323,457)	602,059	(863,991)
Furniture, fixtures and equipment.....	(891,355)	(186,084)	-	(1,077,439)
Improvements.....	(6,860,482)	(157,513)	-	(7,017,995)
Library books.....	(419,511)	(105,006)	131,089	(393,428)
School books.....	(254,089)	(107,915)	99,597	(262,407)
Total accumulated depreciation.....	<u>(31,555,794)</u>	<u>(3,591,564)</u>	<u>1,577,094</u>	<u>(33,570,264)</u>
Total capital assets being depreciated, net.....	<u>56,643,175</u>	<u>(2,126,338)</u>	<u>-</u>	<u>54,516,837</u>
Total governmental activities capital assets, net.....	<u>\$ 89,900,791</u>	<u>\$ (1,783,613)</u>	<u>\$ (308,046)</u>	<u>\$ 87,809,132</u>

**Business-Type Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Water Enterprise Fund Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,389,327	\$ -	\$ -	\$ 2,389,327
Construction in progress.....	300,130	1,088,347	-	1,388,477
	<u>2,689,457</u>	<u>1,088,347</u>	<u>-</u>	<u>3,777,804</u>
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	29,540	-	-	29,540
Equipment and motor vehicles.....	-	-	(13,973)	(13,973)
	<u>29,540</u>	<u>-</u>	<u>(13,973)</u>	<u>15,567</u>
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(5,712,799)	(620,112)	-	(6,332,911)
Equipment and motor vehicles.....	(412,801)	(77,167)	13,973	(475,995)
	<u>(6,125,600)</u>	<u>(697,279)</u>	<u>13,973</u>	<u>(6,808,906)</u>
Total capital assets being depreciated, net.....	<u>(6,096,060)</u>	<u>(697,279)</u>	<u>-</u>	<u>(6,793,339)</u>
Total Water Enterprise capital assets.....	<u>\$ (3,406,603)</u>	<u>\$ 391,068</u>	<u>\$ -</u>	<u>\$ (3,015,535)</u>

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

**Governmental Activities:**

General government.....	\$ 72,013
Public safety.....	532,931
Education.....	1,680,885
Public works.....	870,401
Culture and recreation.....	427,837
Community preservation.....	<u>7,497</u>
Total depreciation expense - governmental activities.....	<u>\$ 3,591,564</u>

**Business-Type Activities:**

Water.....	<u>\$ 734,639</u>
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**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2008, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	School Lunch.....	\$ 6,740
General	Highway Improvements.....	<u>514,721</u>
	Total.....	<u>\$ 521,461</u>

As of June 30, 2008, the Town has interfund receivables and payables totaling \$521,461. The purpose of these balances is to cover short-term cash needs that will be funded by future grant and bond proceeds.

Interfund transfers

<u>Transfers Out:</u>	<u>Transfers In:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Water Enterprise Fund</u>	
General Fund.....	\$ -	\$ 363,193	-	\$ 363,193 (1)
Community Preservation Act.....	-	-	4,391	4,391 (2)
Nonmajor Governmental Funds.....	564,721	-	-	564,721 (3)
Water Enterprise Fund.....	<u>313,500</u>	-	-	<u>313,500 (4)</u>
Total.....	<u>\$ 878,221</u>	<u>\$ 363,193</u>	<u>4,391</u>	<u>\$ 1,245,805</u>

- (1) Represents budgeted transfers from the general fund of \$300,000 to the stabilization nonmajor fund and \$5,500 to the special revenue trust nonmajor fund. The remaining transfers of \$57,693 were used to fund miscellaneous small projects nonmajor fund from the general fund.
- (2) Represents transfer to the water enterprise fund from the community preservation act major fund for the balance remaining from the purchase of the Delano Property.
- (3) Represents a budgeted transfer of \$6,385 to the general fund from library state aid, budgeted transfers for health insurance of \$251,071 from school lunch nonmajor fund and \$288,649 from adult education nonmajor town grant fund. The remaining transfers of \$18,616 were from the various nonmajor funds including recreation revolving of \$17,633 for surplus revenue, and \$983 for town grants and the senior center to close out finished projects.
- (4) Represents a budgeted transfer to the general fund from the water enterprise fund for health insurance costs.

**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, 2008, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2007	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2008
<i>Governmental Funds</i>							
GAN	Storm Water Drainage.....	4.00%	07/30/07	\$ 125,000	\$ -	\$ 125,000	\$ -
GAN	Seawalls.....	4.00%	07/30/07	125,000	-	125,000	-
BAN	Seawalls.....	4.00%	06/27/08	125,000	-	125,000	-
BAN	Percy Walker Pool.....	2.50%	05/14/09	-	163,000	-	163,000
<i>Total Governmental Funds.....</i>				<u>375,000</u>	<u>163,000</u>	<u>375,000</u>	<u>163,000</u>
<i>Enterprise Fund</i>							
BAN	Route 3 Water Main.....	3.50%	06/27/08	-	550,000	550,000	-
<i>Total.....</i>				<u>\$ 375,000</u>	<u>\$ 713,000</u>	<u>\$ 925,000</u>	<u>\$ 163,000</u>

**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, 2008, and the debt service requirements are as follows:

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

Project	Interest Rate (%)	Outstanding at June 30, 2007	Issued	Redeemed	Outstanding at June 30, 2008
Library.....	5.00	\$ 1,560,000	\$ -	\$ 1,400,000	\$ 160,000
Sewer Connections.....	5.00	10,000	-	10,000	-
MWPAT 1997.....	5.27	368,911	-	32,400	336,511
Land acquisition.....	3.89	305,000	-	155,000	150,000
School.....	4.99	470,000	-	170,000	300,000
Fire Station.....	4.99	180,000	-	60,000	120,000
Senior Center.....	3.50-4.50	1,435,000	-	145,000	1,290,000
MWPAT 2001 Title V.....	4.50	130,444	-	10,872	119,572
Sewer.....	4.00	805,000	-	55,000	750,000
Land Acquisition.....	3.10	165,000	-	30,000	135,000
MWPAT 2004 Title V.....	3.30-5.25	149,730	-	10,713	139,017
Fire Truck.....	2.00	155,000	-	155,000	-
School.....	4.00	10,800,000	-	775,000	10,025,000
School Sewer.....	4.00	1,355,000	-	100,000	1,255,000
Departmental Equipment.....	4.00	1,310,000	-	655,000	655,000
Animal Shelter.....	4.00	30,000	-	15,000	15,000
Remodeling.....	4.00	84,000	-	19,000	65,000
Departmental Equipment.....	4.00	290,000	-	100,000	190,000
Truck Rehabilitation.....	4.00	90,000	-	24,000	66,000
Cemetery Bonds.....	4.00	80,000	-	20,000	60,000
School Sewer.....	4.00	65,000	-	25,000	40,000
Parking Lot.....	4.00	65,000	-	20,000	45,000
Seawalls.....	3.00-3.85	-	125,000	-	125,000
2008 Library Refunding.....	3.00-3.75	-	1,300,000	-	1,300,000
Total Bonds and Notes Payable.....		\$ 19,903,085	\$ 1,425,000	\$ 3,986,985	\$ 17,341,100



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

Fiscal Year	Principal	Interest	Total
2009.....	\$ 2,584,860	\$ 728,610	\$ 3,313,470
2010.....	1,761,774	626,522	2,388,296
2011.....	1,401,513	547,788	1,949,301
2012.....	1,342,726	485,849	1,828,575
2013.....	1,323,792	435,579	1,759,371
2014.....	1,289,889	366,766	1,656,655
2015.....	1,286,053	307,900	1,593,953
2016.....	1,277,267	249,370	1,526,637
2017.....	1,273,518	189,570	1,463,088
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>17,341,100</u>	\$ <u>4,271,561</u>	\$ <u>21,612,661</u>

**Bonds and Notes Payable Schedule – Enterprise Fund**

Project	Interest Rate (%)	Outstanding at June 30, 2007	Issued	Redeemed	Outstanding at June 30, 2008
Municipal Bond.....	3.89	\$ 950,000	\$ -	\$ 225,000	\$ 725,000
Water.....	4.99	120,000	-	40,000	80,000
Water Projects.....	3.50-4.50	100,000	-	20,000	80,000
Water.....	3.10	350,000	-	60,000	290,000
Water.....	2.50-4.00	770,000	-	110,000	660,000
Water.....	2.00-3.60	280,000	-	40,000	240,000
Water.....	4.00	450,000	-	50,000	400,000
Water.....	4.00	476,000	-	92,000	384,000
Damon Well.....	3.00-3.85	-	570,000	-	570,000
Damon Well.....	3.00-3.85	-	580,000	-	580,000
Water.....	3.00-3.85	-	550,000	-	550,000
Total Bonds and Notes Payable.....		\$ <u>3,496,000</u>	\$ <u>1,700,000</u>	\$ <u>637,000</u>	\$ <u>4,559,000</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>
2009.....	\$ 765,000	\$ 163,464	\$ 928,464
2010.....	644,000	133,218	777,218
2011.....	600,000	109,687	709,687
2012.....	595,000	87,987	682,987
2013.....	475,000	66,208	541,208
2014.....	420,000	49,152	469,152
2015.....	170,000	35,944	205,944
2016.....	170,000	30,044	200,044
2017.....	120,000	24,844	144,844
2018.....	115,000	20,582	135,582
2019.....	105,000	16,601	121,601
2020.....	105,000	12,611	117,611
2021.....	105,000	8,568	113,568
2022.....	100,000	4,622	104,622
2023.....	70,000	1,349	71,349
Totals.....	<u>\$ 4,559,000</u>	<u>\$ 764,881</u>	<u>\$ 5,323,881</u>

During fiscal year 2008, the Town issued \$3,125,000 in General Obligation Bonds, of which \$1,300,000 was used to advance refund \$1,240,000 in outstanding bonds previously issued in fiscal year 1997. In accordance with the terms of the refunding, the Town deposited \$1,294,074 from bond proceeds and premiums into an irrevocable trust fund with an escrow agent to be invested in United States Treasury Securities and to be used to redeem the refunded bonds when they are callable. Accordingly, the Town has not reported the refunded bonds or the funds held by the escrow agent in the basic financial statements. The advance refunding resulted in an economic gain of \$58,274 and a reduction of \$63,621 in future debt service payments.

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 \$93,116 and interest costs for \$166,340. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$521,521. 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 2008 principal and interest subsidies totaled approximately \$8,000 and \$28,900, 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 2008 the Town received approximately \$138,000 in MSBA grant funding. The anticipated future reimbursement of approximately \$275,000 has been recorded as an intergovernmental receivable and deferred revenue in the general 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, 2008, the Town had the following authorized and unissued debt:

Purpose	Amount
Birch Street Water Tank.....	\$ 3,179,000
Land Acquisition - Crossroads.....	<u>400,000</u>
Total.....	<u>\$ 3,579,000</u>

#### Changes in Long-term Liabilities

During the fiscal year ended June 30, 2008, the following changes occurred in long-term liabilities:

	Balance June 30, 2007	Additions	Reductions	Balance June 30, 2008	Current Portion
<b>Governmental Activities:</b>					
Long-Term Bonds and Notes.....	\$ 19,903,085	\$ 1,425,000	\$ (3,986,985)	\$ 17,341,100	\$ 2,584,860
Compensated Absences.....	<u>1,069,000</u>	<u>931,329</u>	<u>(809,329)</u>	<u>1,191,000</u>	<u>841,950</u>
Total governmental activity long-term liabilities.....	<u>\$ 20,972,085</u>	<u>\$ 2,356,329</u>	<u>\$ (4,796,314)</u>	<u>\$ 18,532,100</u>	<u>\$ 3,426,810</u>
<b>Business-Type Activities:</b>					
Long-Term Bonds and Notes.....	\$ 3,496,000	\$ 1,700,000	\$ (637,000)	\$ 4,559,000	\$ 765,000
Compensated Absences.....	<u>31,000</u>	<u>30,767</u>	<u>(25,767)</u>	<u>36,000</u>	<u>28,349</u>
Total business-type activity long-term liabilities.....	<u>\$ 3,527,000</u>	<u>\$ 1,730,767</u>	<u>\$ (662,767)</u>	<u>\$ 4,595,000</u>	<u>\$ 793,349</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, 2008, \$956,088 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, 2008, \$852,211 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, 2008, the CPA fund has a balance of \$3,874,726 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 \$85,000 per claim. At June 30, 2008, the amount of the liability for health insurance claims totaled \$919,050. This liability is the Town’s best estimate based on available information. Changes in the reported liability since July 1, 2006, 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 2007.....	\$ 756,000	\$ 8,077,969	\$ (7,990,859)	\$ 843,110
Fiscal Year 2008.....	843,110	8,150,467	(8,074,527)	919,050

(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, 2008, 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 \$4,970,000 for the fiscal year ended June 30, 2008, 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, 2008, 2007, and 2006 were \$1,761,398, \$1,460,631, and \$1,308,623, 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 2008 totaled approximately \$29,000.

**NOTE 13 – 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, 2008, 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, 2008, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2008.

**NOTE 14 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During fiscal year 2008, the following GASB pronouncements were implemented:

The GASB issued Statement #43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The standards in this statement did not impact the basic financial statements.

The GASB issued Statement #50, *Pension Disclosures—an amendment of GASB Statements No. 25 and No. 27*. This GASB has changed the disclosures related to pensions.

The GASB issued Statement #53, *Accounting and Financial Reporting for Derivative Instruments*. The standards requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. Management elected to implement this standard early and this standard did not impact the basic financial statements.

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 elected to implement this standard early and this standard did not impact the basic financial statements.

*Future Implementation of GASB Pronouncements:*

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.

# 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, 2008

	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				
<b>REVENUES:</b>								
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 38,463,564	\$ 38,463,564	\$ 38,463,564	\$ 38,350,415	\$ -	\$ (113,149)	
Motor vehicle and other excise taxes.....	-	2,085,000	2,085,000	2,085,000	2,281,039	-	196,039	
Sewer charges.....	-	187,862	187,862	187,862	320,752	-	132,890	
Trash disposal.....	-	500,000	500,000	500,000	315,661	-	(184,339)	
Intergovernmental.....	-	5,020,598	5,020,598	5,020,598	5,330,908	-	310,310	
Departmental and other.....	-	3,660,000	3,660,000	3,660,000	4,110,494	-	450,494	
Investment income.....	-	565,000	565,000	565,000	572,592	-	7,592	
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>50,482,024</b>	<b>50,482,024</b>	<b>50,482,024</b>	<b>51,281,861</b>	<b>-</b>	<b>799,837</b>	
<b>EXPENDITURES:</b>								
Current:								
General government								
Town Meeting								
Expenditures.....	-	8,900	8,900	8,900	7,108	-	1,792	
Town Moderator								
Salaries.....	-	40	40	40	40	-	-	
Selectmen								
Salaries.....	-	235,994	235,994	247,927	247,418	-	509	
Expenditures.....	1,399	31,721	33,120	29,925	25,453	218	4,254	
Articles.....	70,638	410,000	480,638	465,638	439,263	26,375	-	
Total.....	72,037	677,715	749,752	743,490	712,134	26,593	4,763	
Finance Committee								
Expenditures.....	-	200	200	385	385	-	-	
Computers								
Salaries.....	-	55,160	55,160	56,401	56,401	-	-	
Expenditures.....	1,290	99,621	100,911	100,911	90,241	-	10,670	
Articles.....	36,110	-	36,110	36,110	11,404	24,207	499	
Total.....	37,400	154,781	192,181	193,422	158,046	24,207	11,169	
Finance Director								
Salaries.....	-	79,000	79,000	81,370	81,370	-	-	
Expenditures.....	-	2,000	2,000	2,600	2,556	-	44	
Total.....	-	81,000	81,000	83,970	83,926	-	44	
Accounting								
Salaries.....	-	184,729	184,729	215,179	214,828	-	351	
Expenditures.....	10	44,625	44,635	44,635	42,959	-	1,676	
Articles.....	60,000	-	60,000	60,000	45,800	14,200	-	
Total.....	60,010	229,354	289,364	319,814	303,587	14,200	2,027	
Audit								
Expenditures.....	-	40,000	40,000	40,000	40,000	-	-	
Assessor								
Salaries.....	-	192,795	192,795	198,421	197,350	-	1,071	
Expenditures.....	1,030	28,445	29,475	29,475	27,020	273	2,182	
Articles.....	40,608	-	40,608	40,608	31,248	9,360	-	
Total.....	41,638	221,240	262,878	268,504	255,618	9,633	3,253	
Treasurer/Collector								
Salaries.....	-	285,420	285,420	298,556	298,556	-	-	
Expenditures.....	-	61,000	61,000	56,112	44,834	532	10,746	
Articles.....	-	-	-	15,000	11,900	-	3,100	
Total.....	-	346,420	346,420	369,668	355,290	532	13,846	
Legal								
Expenditures.....	-	180,000	180,000	181,500	172,842	1,755	6,903	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2008

	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			
<b>Personnel Board</b>							
Salaries.....	-	5,355	5,355	5,355	3,397	-	1,958
Expenditures.....	-	3,000	3,000	3,000	1,973	100	927
Articles.....	11,363	101,835	113,198	30,566	11,698	18,203	665
<b>Total.....</b>	<b>11,363</b>	<b>110,190</b>	<b>121,553</b>	<b>38,921</b>	<b>17,068</b>	<b>18,303</b>	<b>3,550</b>
<b>Town Clerk</b>							
Salaries.....	-	101,413	101,413	104,298	104,298	-	-
Expenditures.....	-	3,350	3,350	3,350	3,148	-	202
Articles.....	-	-	-	1,000	1,000	-	-
<b>Total.....</b>	<b>-</b>	<b>104,763</b>	<b>104,763</b>	<b>108,648</b>	<b>108,446</b>	<b>-</b>	<b>202</b>
<b>Election/Registration</b>							
Salaries.....	-	21,887	21,887	20,202	15,912	-	4,290
Expenditures.....	-	14,100	14,100	14,100	13,902	-	198
<b>Total.....</b>	<b>-</b>	<b>35,987</b>	<b>35,987</b>	<b>34,302</b>	<b>29,814</b>	<b>-</b>	<b>4,488</b>
<b>Conservation</b>							
Salaries.....	-	87,358	87,358	90,095	89,362	-	733
Expenditures.....	-	12,150	12,150	12,150	7,472	12	4,666
Articles.....	4,464	-	4,464	4,464	4,464	-	-
<b>Total.....</b>	<b>4,464</b>	<b>99,508</b>	<b>103,972</b>	<b>106,709</b>	<b>101,298</b>	<b>12</b>	<b>5,399</b>
<b>Planning Board</b>							
Salaries.....	-	86,516	86,516	89,146	86,249	-	2,897
Expenditures.....	441	12,000	12,441	12,441	11,274	500	667
Articles.....	4,862	-	4,862	4,862	-	4,862	-
<b>Total.....</b>	<b>5,303</b>	<b>98,516</b>	<b>103,819</b>	<b>106,449</b>	<b>97,523</b>	<b>5,362</b>	<b>3,564</b>
<b>Tax Title</b>							
Expenditures.....	-	-	-	-	-	-	-
Articles.....	10,000	-	10,000	10,000	9,956	-	44
<b>Cable Advisory</b>							
Expenditures.....	-	250	250	250	-	-	250
<b>Historical Commission</b>							
Expenditures.....	16	250	266	266	184	-	82
<b>Total General Government.....</b>	<b>242,231</b>	<b>2,389,114</b>	<b>2,631,345</b>	<b>2,615,238</b>	<b>2,453,265</b>	<b>100,597</b>	<b>61,376</b>
<b>Public safety</b>							
<b>Police</b>							
Salaries.....	-	2,641,244	2,641,244	2,685,688	2,685,196	-	492
Expenditures.....	2,934	245,840	248,774	248,781	242,780	5,816	185
<b>Total.....</b>	<b>2,934</b>	<b>2,887,084</b>	<b>2,890,018</b>	<b>2,934,469</b>	<b>2,927,976</b>	<b>5,816</b>	<b>677</b>
<b>Fire</b>							
Salaries.....	-	1,961,486	1,961,486	1,960,493	1,925,874	-	34,619
Expenditures.....	1,159	192,100	193,259	206,777	201,994	4,717	66
Articles.....	-	25,000	25,000	25,000	25,000	-	-
<b>Total.....</b>	<b>1,159</b>	<b>2,178,586</b>	<b>2,179,745</b>	<b>2,192,270</b>	<b>2,152,868</b>	<b>4,717</b>	<b>34,685</b>
<b>Inspectional Services</b>							
Salaries.....	-	368,364	368,364	376,305	348,017	-	28,288
Expenditures.....	-	34,100	34,100	34,100	29,138	834	4,128
<b>Total.....</b>	<b>-</b>	<b>402,464</b>	<b>402,464</b>	<b>410,405</b>	<b>377,155</b>	<b>834</b>	<b>32,416</b>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2008

	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			
<b>Animal Control</b>							
Salaries.....	-	47,247	47,247	48,477	46,530	-	1,947
Expenditures.....	-	10,000	10,000	10,000	9,428	-	572
Total.....	-	57,247	57,247	58,477	55,958	-	2,519
<b>Harbormaster/Beach Management</b>							
Salaries.....	-	182,677	182,677	185,998	185,595	-	403
Expenditures.....	266	26,000	26,266	26,266	21,561	238	4,467
Articles.....	719	10,500	11,219	11,219	9,994	1,225	-
Total.....	985	219,177	220,162	223,483	217,150	1,463	4,870
<b>Total Public Safety.....</b>	<b>5,078</b>	<b>5,744,558</b>	<b>5,749,636</b>	<b>5,819,104</b>	<b>5,731,107</b>	<b>12,830</b>	<b>75,167</b>
<b>Education.....</b>	<b>-</b>	<b>25,571,458</b>	<b>25,571,458</b>	<b>26,075,458</b>	<b>26,000,097</b>	<b>68,211</b>	<b>7,150</b>
<b>Public Works</b>							
<b>DPW Management</b>							
Salaries.....	-	224,604	224,604	231,272	225,839	-	5,433
Expenditures.....	10,052	26,100	36,152	36,152	31,511	817	3,824
Articles.....	266,003	-	266,003	266,004	15,057	158,760	92,187
Total.....	276,055	250,704	526,759	533,428	272,407	159,577	101,444
<b>Vehicle Maintenance</b>							
Salaries.....	-	90,439	90,439	88,439	66,903	-	21,536
Expenditures.....	5,896	79,800	85,696	85,696	77,842	586	7,268
Total.....	5,896	170,239	176,135	174,135	144,745	586	28,804
<b>Highway Department</b>							
Salaries.....	-	372,297	372,297	372,297	363,376	-	8,921
Expenditures.....	-	63,450	63,450	63,450	57,991	1,829	3,630
Articles.....	-	47,500	47,500	47,500	47,255	-	245
Total.....	-	483,247	483,247	483,247	468,622	1,829	12,796
<b>Snow &amp; Ice</b>							
Salaries.....	-	55,000	55,000	55,000	85,218	-	(30,218)
Expenditures.....	-	94,200	94,200	163,672	197,254	-	(33,582)
Total.....	-	149,200	149,200	218,672	282,472	-	(63,800)
<b>Fuel Depot</b>							
Expenditures.....	-	228,400	228,400	235,400	222,714	-	12,686
<b>Land &amp; Natural Resources</b>							
Salaries.....	-	343,891	343,891	334,911	319,738	-	15,173
Expenditures.....	5,127	48,900	54,027	54,027	50,769	-	3,258
Total.....	5,127	392,791	397,918	388,938	370,507	-	18,431
<b>Street Lights</b>							
Expenditures.....	-	36,000	36,000	37,200	37,199	-	1
<b>Transfer Station</b>							
Salaries.....	-	194,311	194,311	211,811	204,331	-	7,480
Expenditures.....	64,904	825,100	890,004	874,678	669,693	28,857	176,128
Total.....	64,904	1,019,411	1,084,315	1,086,489	874,024	28,857	183,608
<b>Sewer Department</b>							
Salaries.....	-	14,945	14,945	14,945	-	-	14,945
Expenditures.....	241	211,615	211,856	211,856	186,525	987	24,344
Total.....	241	226,560	226,801	226,801	186,525	987	39,289

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2008

	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				
<b>Cemetery</b>								
Salaries.....	138	316,001	316,139	318,408	305,692	-	12,716	
Expenditures.....	3,743	164,690	168,433	170,571	167,718	82	2,771	
Articles.....	39,924	30,000	69,924	69,924	51,994	7,913	10,017	
Total.....	43,805	510,691	554,496	558,903	525,404	7,995	25,504	
<b>Central Building</b>								
Salaries.....	-	39,393	39,393	39,393	38,916	-	477	
Expenditures.....	4,236	188,350	192,586	216,086	194,158	6,009	15,919	
Articles.....	11,400	20,000	31,400	98,378	77,865	-	20,513	
Total.....	15,636	247,743	263,379	353,857	310,939	6,009	36,909	
<b>Building Maintenance</b>								
Expenditures.....	10,171	36,200	46,371	44,171	39,556	1,800	2,815	
<b>Tarklin</b>								
Expenditures.....	-	8,600	8,600	3,600	813	-	2,787	
<b>Lucy Hathaway: Public Works</b>								
Articles.....	23,646	-	23,646	23,646	12,805	9,464	1,377	
<b>Total Public Works.....</b>	<b>445,481</b>	<b>3,759,786</b>	<b>4,205,267</b>	<b>4,368,487</b>	<b>3,748,732</b>	<b>217,104</b>	<b>402,651</b>	
<b>Human services</b>								
<b>Council on Aging</b>								
Salaries.....	-	298,883	298,883	302,333	301,289	-	1,044	
Expenditures.....	314	97,325	97,639	106,139	97,636	8,494	9	
Articles.....	3,283	-	3,283	500	500	-	-	
Total.....	3,597	396,208	399,805	408,972	399,425	8,494	1,053	
<b>Veterans</b>								
Salaries.....	-	20,302	20,302	20,912	20,911	-	1	
Expenditures.....	36	34,500	34,536	41,536	40,403	672	461	
	36	54,802	54,838	62,448	61,314	672	462	
<b>Total Human Services.....</b>	<b>3,633</b>	<b>451,010</b>	<b>454,643</b>	<b>471,420</b>	<b>460,739</b>	<b>9,166</b>	<b>1,515</b>	
<b>Culture and recreation</b>								
<b>Library</b>								
Salaries.....	-	820,094	820,094	818,815	818,814	-	1	
Expenditures.....	6,370	279,107	285,477	282,477	270,876	8,938	2,663	
Articles.....	25,441	-	25,441	19,184	9,074	10,110	-	
Total.....	31,811	1,099,201	1,131,012	1,120,476	1,098,764	19,048	2,664	
<b>Recreation</b>								
Salaries.....	-	135,414	135,414	139,490	139,005	-	485	
Expenditures.....	-	3,650	3,650	2,940	775	-	2,165	
Total.....	-	139,064	139,064	142,430	139,780	-	2,650	
<b>Pool</b>								
Salaries.....	-	175,566	175,566	186,511	186,510	-	1	
Expenditures.....	6,150	102,650	108,800	100,400	91,051	4,750	4,599	
Articles.....	35,000	-	35,000	35,000	-	35,000	-	
Total.....	41,150	278,216	319,366	321,911	277,561	39,750	4,600	
<b>North Hill</b>								
Expenditures.....	-	2,500	2,500	2,500	2,500	-	-	
Articles.....	4,000	-	4,000	4,000	-	4,000	-	
Total.....	4,000	2,500	6,500	6,500	2,500	4,000	-	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2008

	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.....	-	16,770	16,770	16,770	16,080	-	690
Expenditures.....	-	1,100	1,100	1,100	33	1,023	44
Total.....	-	17,870	17,870	17,870	16,113	1,023	734
Public Celebrations							
Expenditures.....	-	4,000	4,000	4,000	4,000	-	-
Plymouth County Cooperative							
Expenditures.....	-	200	200	200	200	-	-
Total Culture and Recreation.....	76,961	1,541,051	1,618,012	1,613,387	1,538,918	63,821	10,648
Pension Benefits							
Contributory Retirement.....	-	1,761,398	1,761,398	1,761,398	1,761,398	-	-
Non-Contributory Retirement.....	-	26,500	26,500	29,460	29,457	-	3
Total.....	-	1,787,898	1,787,898	1,790,858	1,790,855	-	3
Property and Liability Insurance.....	-	274,755	274,755	275,011	264,682	-	10,329
Employee Benefits.....	1,120	7,737,872	7,738,992	7,221,554	7,210,208	2,614	8,732
Reserve fund.....	-	125,000	125,000	-	-	-	-
State and County Charges.....	-	248,452	248,452	248,452	251,548	-	(3,096)
Debt Service Principal.....	-	2,750,985	2,750,985	2,750,985	2,746,985	-	4,000
Debt Service Interest.....	-	839,214	839,214	839,214	758,573	-	80,641
TOTAL EXPENDITURES.....	774,504	53,221,153	53,995,657	54,089,168	52,955,709	474,343	659,116
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(774,504)	(2,739,129)	(3,513,633)	(3,607,144)	(1,673,848)	(474,343)	1,458,953
<u>OTHER FINANCING SOURCES (USES):</u>							
Premium from issuance of bonds.....	-	-	-	-	17,918	-	17,918
Transfers in.....	-	853,624	853,624	860,009	878,221	-	18,212
Transfers out.....	-	(5,500)	(5,500)	(305,500)	(363,193)	-	(57,693)
TOTAL OTHER FINANCING SOURCES (USES).....	-	848,124	848,124	554,509	532,946	-	(21,563)
NET CHANGE IN FUND BALANCE.....	(774,504)	(1,891,005)	(2,665,509)	(3,052,635)	(1,140,902)	(474,343)	1,437,390
BUDGETARY FUND BALANCE, Beginning of year.....	5,616,837	5,616,837	5,616,837	5,616,837	5,616,837	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 4,842,333	\$ 3,725,832	\$ 2,951,328	\$ 2,564,202	\$ 4,475,935	\$ (474,343)	\$ 1,437,390

(Concluded)

See notes to required supplementary information.

# *Retirement System Schedules of Funding Progress and Employer Contributions*

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

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

**Plymouth County Contributory Retirement System  
Schedule of Funding Progress**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
01/01/07	\$ 606,629,089	\$ 987,840,418	\$ 381,211,329	61.4%	\$ 244,574,136	155.9%
01/01/06	558,533,863	918,851,707	360,317,844	60.8%	226,262,731	159.2%
01/01/04	520,104,805	802,158,453	282,053,648	64.8%	208,312,002	135.4%
01/01/02	466,325,660	733,198,204	266,872,544	63.6%	205,039,686	130.2%
01/01/00	450,210,619	611,204,058	160,993,439	73.7%	178,010,731	90.4%
01/01/98	316,253,566	492,303,777	176,050,211	64.2%	148,264,981	118.7%

The Town's share of the UAAL, as of January 1, 2008, is approximately 3.76%.

See notes to required supplementary information.

**Plymouth County Contributory Retirement System  
Schedule of Employer Contributions**

Plan Year Ended December 31	System Wide			Town of Duxbury	
	Annual Required Contributions	(A) Actual Contributions	Percentage Contributed	(B) Actual Contributions	(B/A) Town's Percentage of System Wide Actual Contributions
2004	\$ 25,695,625	\$ 25,695,625	100%	\$ 1,172,510	4.56%
2005	30,795,767	30,795,767	100%	1,213,539	3.94%
2006	34,085,524	34,085,524	100%	1,308,623	3.84%
2007	38,854,868	38,854,868	100%	1,460,631	3.76%

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

See notes to required supplementary information.



**NOTE A – BUDGETARY BASIS OF ACCOUNTING**

A. Budgetary Information

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

Supplementary appropriations are voted at special town meetings.

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original fiscal year 2008 approved budget for the General Fund includes \$53,226,653 in current year appropriations and other amounts to be raised and \$774,504 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2008, the Town approved supplemental appropriations totaling \$393,511.

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, 2008, is presented below:

Net Change in Fund Balance - budgetary basis.....	\$ (1,140,902)
<u>Basis of accounting differences:</u>	
Net change in revenue accrual.....	205,861
Recognition of revenue for on-behalf payments.....	4,970,000
Recognition of expenditures for on-behalf payments.....	<u>(4,970,000)</u>
Net Change in Fund Balance - GAAP basis.....	\$ <u><u>(935,041)</u></u>

### C. Appropriation Deficits

During fiscal year 2008, expenditures exceeded budgeted appropriations for Snow and Ice and for State and County Charges. The Snow and Ice deficit will be funded in fiscal 2009 via the tax levy. State and County Charges is a legal deficit created solely by the Commonwealth and not under the control of the Town.

### **NOTE B – PENSION PLAN**

The Town contributes to the Plymouth County Contributory Retirement System (the System), a cost-sharing, multiple-employer defined benefit pension plan ("Plan") administered by the Plymouth County Retirement Association (the Association). The System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of MGL assigns authority to establish and amend benefit provisions of the Plan. Plan members are required to contribute to the System at rates ranging from 5% to 10% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarially determined contribution which is apportioned among the employers based on active current payroll.

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

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

Actuarial Methods and Assumptions:

Valuation Date..... January 1, 2007  
 Actuarial Cost Method..... Entry Age Normal Cost Method  
 Amortization Method..... Increasing at 4.5% per year, level dollar for ERI liability for certain units.  
 Remaining Amortization Period..... 21 years remaining as of January 1, 2007  
 Asset Valuation Method..... Assets held by the fund are valued at market value as reported by the public Employees' Retirement Administration Commission (PERAC). The actuarial value is based on a 5 year smoothing of realized and unrealized investment earnings greater than or less than the expected return. The result must be within 10% of market value.

Actuarial Assumptions:

Investment rate of return..... 8.00%  
 Projected salary increases..... 4.50%  
 Cost of living adjustments..... 3.0% of the lesser of the pension amount and \$12,000 per year

Plan Membership:

Retired participants and beneficiaries receiving benefits.....	2,816
Inactive participants.....	1,830
Disabled.....	333
Active participants.....	<u>7,088</u>
Total.....	<u><u>12,067</u></u>

# 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 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.
- ***Town Revolving*** – accounts for self-supporting programs and activities.
- ***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.
- ***Wadsworth Shared Septic*** – accounts for the construction of a shared septic disposal system for 35 homeowners along the bay.
- ***Land Acquisition*** – accounts for various land acquisition projects, primarily the Camp Wing project.
- ***Senior Center*** – accounts for the construction of a new senior center.

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINED BALANCE SHEET**

JUNE 30, 2008

<b>Special Revenue Funds</b>							
<b>ASSETS</b>	School Lunch	School Grants	Recreation Revolving	Receipts Reserved for Appropriations	Town Grants	Stabilization	Town Revolving
Cash and cash equivalents.....	\$ -	\$ 930,284	\$ 134,810	\$ 14,227	\$ 245,964	\$ 128,788	\$ 15,480
Investments.....	-	-	-	101,135	-	827,300	-
Receivables, net of uncollectibles:							
Departmental and other.....	-	-	-	-	21,637	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ -</b>	<b>\$ 930,284</b>	<b>\$ 134,810</b>	<b>\$ 115,362</b>	<b>\$ 267,601</b>	<b>\$ 956,088</b>	<b>\$ 15,480</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Warrants payable.....	\$ 1,199	\$ 163,857	\$ 30,992	\$ -	\$ 27,837	\$ -	\$ 1,312
Accrued liabilities.....	-	-	1,920	-	2,205	-	115
Other liabilities.....	-	220,355	91,898	-	-	-	-
Deferred revenues.....	-	-	-	-	21,637	-	-
Due to other funds.....	6,740	-	-	-	-	-	-
Notes payable.....	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES.....</b>	<b>7,939</b>	<b>384,212</b>	<b>124,810</b>	<b>-</b>	<b>51,679</b>	<b>-</b>	<b>1,427</b>
<b>FUND BALANCES:</b>							
Unreserved:							
Undesignated, reported in:							
Special revenue funds.....	(7,939)	546,072	10,000	115,362	215,922	956,088	14,053
Capital projects funds.....	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES.....</b>	<b>(7,939)</b>	<b>546,072</b>	<b>10,000</b>	<b>115,362</b>	<b>215,922</b>	<b>956,088</b>	<b>14,053</b>
<b>TOTAL LIABILITIES AND FUND BALANCES... \$</b>	<b>-</b>	<b>\$ 930,284</b>	<b>\$ 134,810</b>	<b>\$ 115,362</b>	<b>\$ 267,601</b>	<b>\$ 956,088</b>	<b>\$ 15,480</b>

Special Revenue Funds			Capital Projects Funds					Total Nonmajor Governmental Funds
Pension Trust	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Wadworth Share Septic	Land Acquisition	Senior Center	Subtotal	
\$ 114,795	\$ 93,001	\$ 1,677,349	\$ 234,822	\$ 1,932	\$ 29,512	\$ -	\$ 266,266	\$ 1,943,615
737,416	34,702	1,700,553	-	-	-	-	-	1,700,553
-	-	21,637	-	-	-	-	-	21,637
<u>\$ 852,211</u>	<u>\$ 127,703</u>	<u>\$ 3,399,539</u>	<u>\$ 234,822</u>	<u>\$ 1,932</u>	<u>\$ 29,512</u>	<u>\$ -</u>	<u>\$ 266,266</u>	<u>\$ 3,665,805</u>
\$ -	\$ -	\$ 225,197	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,197
-	-	4,240	-	-	-	-	-	4,240
-	-	312,253	-	-	-	-	-	312,253
-	-	21,637	-	-	-	-	-	21,637
-	-	6,740	-	-	-	-	-	6,740
-	-	-	163,000	-	-	-	163,000	163,000
-	-	570,067	163,000	-	-	-	163,000	733,067
852,211	127,703	2,829,472	-	-	-	-	-	2,829,472
-	-	-	71,822	1,932	29,512	-	103,266	103,266
<u>852,211</u>	<u>127,703</u>	<u>2,829,472</u>	<u>71,822</u>	<u>1,932</u>	<u>29,512</u>	<u>-</u>	<u>103,266</u>	<u>2,932,738</u>
<u>\$ 852,211</u>	<u>\$ 127,703</u>	<u>\$ 3,399,539</u>	<u>\$ 234,822</u>	<u>\$ 1,932</u>	<u>\$ 29,512</u>	<u>\$ -</u>	<u>\$ 266,266</u>	<u>\$ 3,665,805</u>



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

FISCAL YEAR ENDED JUNE 30, 2008

	<b>Special Revenue Funds</b>						
	School Lunch	School Grants	Recreation Revolving	Receipts Reserved for Appropriations	Town Grants	Stabilization	Town Revolving
<b>REVENUES:</b>							
Intergovernmental.....	\$ 89,241	\$ 1,439,594	\$ -	\$ -	\$ 465,302	\$ -	\$ -
Departmental and other.....	944,109	3,242,659	290,437	9,725	116,905	-	65,306
Contributions.....	-	-	-	-	15,000	-	-
Investment income.....	-	-	-	(11,819)	184	(59,691)	-
<b>TOTAL REVENUES.....</b>	<b>1,033,350</b>	<b>4,682,253</b>	<b>290,437</b>	<b>(2,094)</b>	<b>597,391</b>	<b>(59,691)</b>	<b>65,306</b>
<b>EXPENDITURES:</b>							
Current:							
General government.....	-	-	-	-	4,001	-	13,287
Public safety.....	-	-	-	-	145,492	-	-
Education.....	851,147	4,040,812	-	-	-	-	-
Public works.....	-	-	-	-	28,857	-	-
Human services.....	-	-	-	-	90,827	-	-
Culture and recreation.....	-	-	272,804	-	153,661	-	37,966
<b>TOTAL EXPENDITURES.....</b>	<b>851,147</b>	<b>4,040,812</b>	<b>272,804</b>	<b>-</b>	<b>422,838</b>	<b>-</b>	<b>51,253</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>182,203</b>	<b>641,441</b>	<b>17,633</b>	<b>(2,094)</b>	<b>174,553</b>	<b>(59,691)</b>	<b>14,053</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Issuance of long-term bonds.....	-	-	-	-	-	-	-
Transfers in.....	-	-	-	-	-	300,000	-
Transfers out.....	(251,071)	(288,649)	(17,633)	-	(6,793)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>(251,071)</b>	<b>(288,649)</b>	<b>(17,633)</b>	<b>-</b>	<b>(6,793)</b>	<b>300,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(68,868)</b>	<b>352,792</b>	<b>-</b>	<b>(2,094)</b>	<b>167,760</b>	<b>240,309</b>	<b>14,053</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>60,929</b>	<b>193,280</b>	<b>10,000</b>	<b>117,456</b>	<b>48,162</b>	<b>715,779</b>	<b>-</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ (7,939)</b>	<b>\$ 546,072</b>	<b>\$ 10,000</b>	<b>\$ 115,362</b>	<b>\$ 215,922</b>	<b>\$ 956,088</b>	<b>\$ 14,053</b>

Special Revenue Funds			Capital Project Funds					Total Nonmajor Governmental Funds
Pension Trust	Special Revenue Trust Funds	Sub-total	Miscellaneous Small Projects	Wadworth Share Septic	Land Acquisition	Senior Center	Sub-total	
\$ -	\$ -	\$ 1,994,137	\$ 125,037	\$ -	\$ -	\$ -	\$ 125,037	\$ 2,119,174
-	-	4,669,141	-	-	-	-	-	4,669,141
-	30,596	45,596	-	-	-	-	-	45,596
(56,995)	793	(127,528)	-	-	-	-	-	(127,528)
(56,995)	31,389	6,581,346	125,037	-	-	-	125,037	6,706,383
-	59,943	77,231	-	-	-	-	-	77,231
-	-	145,492	-	-	-	-	-	145,492
-	-	4,891,959	-	-	-	-	-	4,891,959
-	-	28,857	60,026	-	-	-	60,026	88,883
-	-	90,827	-	-	-	-	-	90,827
-	-	464,431	-	-	-	633	633	465,064
-	59,943	5,698,797	60,026	-	-	633	60,659	5,759,456
(56,995)	(28,554)	882,549	65,011	-	-	(633)	64,378	946,927
-	-	-	125,000	-	-	-	125,000	125,000
-	5,500	305,500	57,693	-	-	-	57,693	363,193
-	-	(564,146)	-	-	-	(575)	(575)	(564,721)
-	5,500	(258,646)	182,693	-	-	(575)	182,118	(76,528)
(56,995)	(23,054)	623,903	247,704	-	-	(1,208)	246,496	870,399
909,206	150,757	2,205,569	(175,882)	1,932	29,512	1,208	(143,230)	2,062,339
\$ 852,211	\$ 127,703	\$ 2,829,472	\$ 71,822	\$ 1,932	\$ 29,512	\$ -	\$ 103,266	\$ 2,932,738

# 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, 2008

	<u>July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents.....	\$ 478,671	\$ 585,903	\$ (627,769)	\$ 436,805
<b><u>LIABILITIES</u></b>				
Warrants payable.....	\$ 25,303	\$ 18,282	\$ (25,303)	\$ 18,282
Accrued liabilities.....	-	700	-	700
Liabilities due depositors.....	453,368	566,921	(602,466)	417,823
TOTAL LIABILITIES.....	\$ 478,671	\$ 585,903	\$ (627,769)	\$ 436,805

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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 promise of spring frames both the old and new Town Halls.*

# 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 Six Fiscal Years**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>						
Invested in capital assets, net of related debt.....	\$ 60,550,060	\$ 65,929,104	\$ 64,789,656	\$ 68,589,041	\$ 70,497,727	\$ 70,846,707
Restricted.....	3,664,001	3,316,195	3,448,411	2,924,351	2,616,217	2,817,488
Unrestricted.....	9,289,298	10,678,994	12,724,812	12,989,854	13,825,901	15,660,425
<b>Total governmental activities net assets.....</b>	<b>\$ 73,503,359</b>	<b>\$ 79,924,293</b>	<b>\$ 80,962,879</b>	<b>\$ 84,503,246</b>	<b>\$ 86,939,845</b>	<b>\$ 89,324,620</b>
<b>Business-type activities</b>						
Invested in capital assets, net of related debt.....	8,203,366	7,565,168	9,075,575	9,315,263	8,918,436	9,439,228
Unrestricted.....	1,752,689	2,805,970	1,919,272	2,437,302	3,170,204	2,754,332
<b>Total business-type activities net assets.....</b>	<b>\$ 9,956,055</b>	<b>\$ 10,371,138</b>	<b>\$ 10,994,847</b>	<b>\$ 11,752,565</b>	<b>\$ 12,088,640</b>	<b>\$ 12,193,560</b>
<b>Primary government</b>						
Invested in capital assets, net of related debt.....	\$ 68,753,426	\$ 73,494,272	\$ 73,865,231	\$ 77,904,304	\$ 79,416,163	\$ 80,285,935
Restricted.....	3,664,001	3,316,195	3,448,411	2,924,351	2,616,217	2,817,488
Unrestricted.....	11,041,987	13,484,964	14,644,084	15,427,156	16,996,105	18,414,757
<b>Total primary government net assets.....</b>	<b>\$ 83,459,414</b>	<b>\$ 90,295,431</b>	<b>\$ 91,957,726</b>	<b>\$ 96,255,811</b>	<b>\$ 99,028,485</b>	<b>\$ 101,518,180</b>



**Changes in Net Assets**

**Last Six Fiscal Years**

	Fiscal Year					
	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
Governmental activities:						
General government.....	\$ 2,956,056	\$ 3,023,855	\$ 2,982,415	\$ 3,328,181	\$ 3,606,616	\$ 3,686,678
Public safety.....	6,479,713	7,208,099	7,111,573	7,918,377	8,450,057	8,522,903
Education.....	33,955,030	35,450,143	39,529,289	40,478,391	43,337,224	44,398,693
Public works.....	4,418,446	3,417,632	4,600,868	5,073,683	5,480,877	5,194,930
Human services.....	507,138	516,163	533,679	605,610	694,237	710,722
Culture and recreation.....	2,184,149	2,272,190	2,296,766	2,333,285	2,258,491	2,742,203
Community Preservation.....	55,620	238,645	161,988	72,667	239,207	200,192
Interest.....	1,193,807	1,299,940	1,510,468	1,015,461	1,157,136	784,810
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>65,223,845</u>	<u>66,241,131</u>
Business-type activities:						
Sewer.....	<u>1,539,972</u>	<u>1,469,322</u>	<u>2,021,809</u>	<u>1,787,554</u>	<u>2,162,105</u>	<u>2,487,440</u>
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>\$ 67,385,950</u>	<u>\$ 68,728,571</u>
<b>Program Revenues</b>						
Governmental activities:						
Education charges for services.....	\$ 2,042,233	\$ 3,457,435	\$ 5,446,732	\$ 4,602,485	\$ 6,132,491	\$ 6,232,869
Public works charges for services.....	1,299,462	1,450,480	1,530,883	1,635,482	2,024,082	1,698,068
Culture and recreation charges for services.....	1,670,649	1,814,874	1,878,790	1,960,026	2,032,198	2,141,441
Other charges for services.....	2,530,579	1,630,819	1,720,665	1,974,422	2,510,745	2,223,067
Operating grants and contributions.....	8,286,268	7,893,943	7,850,107	10,421,134	10,414,641	10,749,772
Capital grant and contributions.....	10,746,357	5,998,907	2,088,395	2,923,241	1,191,310	1,250,418
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>24,305,467</u>	<u>24,295,635</u>
Business-type activities:						
Charges for services - water.....	<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>	<u>2,901,469</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>\$ 27,088,647</u>	<u>\$ 27,197,104</u>
<b>Net (Expense)/Revenue</b>						
Governmental activities.....	\$ (25,174,411)	\$ (31,180,209)	\$ (38,211,474)	\$ (37,308,865)	\$ (40,918,378)	\$ (41,945,496)
Business-type activities.....	<u>518,096</u>	<u>585,083</u>	<u>873,709</u>	<u>1,007,718</u>	<u>621,075</u>	<u>414,029</u>
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>	<u>\$ (41,531,467)</u>
<b>General Revenues and other Changes in Net Assets</b>						
Governmental activities:						
Real estate and personal property taxes, net of tax refunds payable.....	\$ 31,571,815	\$ 33,164,957	\$ 33,250,856	\$ 35,101,777	\$ 36,999,317	\$ 38,483,995
Tax liens.....	167,821	154,882	88,824	168,191	134,662	126,079
Motor vehicle and other excise taxes.....	1,898,153	2,377,327	2,427,919	2,388,823	2,308,774	2,262,861
Community preservation taxes.....	938,570	925,304	964,373	1,011,323	1,077,315	1,110,178
Penalties and interest on taxes.....	190,307	169,501	130,612	146,205	138,442	108,421
Payments in lieu of taxes.....	-	6,369	11,417	3,913	7,917	28,750
Grants and contributions not restricted to specific programs.....	44,901	33,508	872,488	991,109	1,275,273	1,385,213
Unrestricted investment income.....	511,843	118,867	444,772	682,910	904,835	484,751
Miscellaneous.....	463,544	480,428	808,799	104,981	223,442	30,914
Transfers.....	156,000	170,000	250,000	250,000	285,000	309,109
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>	<u>44,330,271</u>
Business-type activities:						
Transfers.....	<u>(170,000)</u>	<u>(170,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>(285,000)</u>	<u>(309,109)</u>
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>	<u>\$ 44,021,162</u>
<b>Changes in Net Assets</b>						
Governmental activities.....	\$ 10,768,543	\$ 6,420,934	\$ 1,038,586	\$ 3,540,367	\$ 2,436,599	\$ 2,384,775
Business-type activities.....	<u>348,096</u>	<u>415,083</u>	<u>623,709</u>	<u>757,718</u>	<u>336,075</u>	<u>104,920</u>
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>	<u>\$ 2,489,695</u>

**Fund Balances, Governmental Funds**

**Last Ten Fiscal Years**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Fund</b>										
Reserved.....	\$ 963,360	\$ 953,225	\$ 906,448	\$ 1,370,601	\$ 1,221,077	\$ 1,116,553	\$ 878,160	\$ 668,372	\$ 774,504	\$ 474,343
Unreserved.....	5,582,973	5,269,895	4,776,441	4,774,661	5,161,562	3,830,999	4,467,858	5,077,896	5,076,300	4,441,420
<b>Total general fund.....</b>	<b>\$ 6,546,333</b>	<b>\$ 6,223,120</b>	<b>\$ 5,682,889</b>	<b>\$ 6,145,262</b>	<b>\$ 6,382,639</b>	<b>\$ 4,947,552</b>	<b>\$ 5,346,018</b>	<b>\$ 5,746,268</b>	<b>\$ 5,850,804</b>	<b>\$ 4,915,763</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ -	\$ -	\$ -	\$ -	\$ 2,030,069	\$ 1,631,623	\$ 1,666,623	\$ 1,666,623	\$ 1,686,435	\$ 1,788,474
Unreserved, reported in:										
Special revenue funds.....	669,065	785,024	907,667	1,662,547	4,905,845	5,563,192	4,351,573	4,795,975	4,187,509	6,704,198
Capital projects funds.....	(1,864,576)	(398,179)	(2,345,357)	(19,972,705)	(36,368,107)	(41,614,779)	(42,477,004)	74,050	(143,230)	103,266
Permanent funds.....	-	-	-	-	79,872	256,055	298,611	422,294	633,668	406,604
<b>Total all other governmental funds.....</b>	<b>\$ (1,195,511)</b>	<b>\$ 386,845</b>	<b>\$ (1,437,690)</b>	<b>\$ (18,310,158)</b>	<b>\$ (29,352,321)</b>	<b>\$ (34,163,909)</b>	<b>\$ (36,160,197)</b>	<b>\$ 6,958,942</b>	<b>\$ 6,364,382</b>	<b>\$ 9,002,542</b>

Fiscal years 1999 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 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	\$ 38,456,971
Tax and trash liens.....	-	-	-	-	304,438	189,612	123,322	197,592	151,902	101,964
Motor vehicle and other excise taxes.....	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	2,281,039
Sewer charges.....	111,427	120,143	117,694	175,866	340,968	285,785	335,133	278,132	305,628	320,752
Trash disposal.....	307,626	373,048	373,696	371,836	488,487	500,169	502,110	491,862	542,227	315,661
Intergovernmental.....	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	14,015,696
Departmental and other.....	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	8,779,635
Community preservation taxes.....	-	-	-	835,838	925,304	938,570	964,373	1,011,323	1,077,315	1,110,178
Contributions.....	-	-	-	-	195,041	121,006	89,395	107,072	104,533	84,246
Investment income.....	621,539	577,622	523,287	308,217	667,517	(94,259)	527,828	776,444	1,161,588	327,076
<b>Total Revenues.....</b>	<b>36,603,443</b>	<b>39,886,321</b>	<b>42,925,004</b>	<b>45,989,344</b>	<b>50,627,608</b>	<b>51,954,455</b>	<b>55,525,945</b>	<b>87,680,219</b>	<b>63,175,895</b>	<b>65,793,218</b>
<b>Expenditures:</b>										
General government.....	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	2,498,132
Public safety.....	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	5,790,187
Education.....	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	30,667,459
Public works.....	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	3,462,378
Human services.....	203,820	212,307	263,775	279,839	398,116	407,892	416,302	488,701	547,525	551,566
Culture and recreation.....	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	1,886,953
Community preservation.....	-	-	-	-	2,200,620	238,645	2,296,065	72,667	234,074	192,695
Pension benefits - Town.....	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	1,790,855
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	4,970,000
Property and liability insurance.....	182,440	202,532	230,195	259,633	206,191	233,699	276,747	289,216	249,654	265,802
Employee benefits.....	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	7,209,088
Other.....	-	-	-	-	24,936	17,956	-	-	-	-
State and county charges.....	313,078	435,557	429,410	398,380	364,458	328,705	327,869	283,710	244,562	251,548
Capital outlay.....	946,866	833,603	3,805,115	18,759,381	18,468,402	5,871,672	857,979	4,033,641	3,960,064	1,499,905
Debt service:										
Principal.....	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	2,746,985
Interest.....	371,471	400,563	420,982	234,919	845,097	921,698	1,084,778	995,249	930,217	787,513
<b>Total Expenditures.....</b>	<b>36,672,093</b>	<b>41,082,178</b>	<b>47,256,446</b>	<b>63,708,440</b>	<b>68,550,124</b>	<b>58,996,130</b>	<b>57,373,767</b>	<b>59,534,438</b>	<b>64,633,437</b>	<b>64,571,066</b>
Excess (deficiency) of revenues over (under) expenditures.....	(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)	1,222,152
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds and notes.....	1,835,000	2,300,000	1,785,676	1,029,000	1,815,582	625,000	-	15,052,000	674,000	125,000
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	1,300,000
Premium from issuance of bonds.....	-	-	-	-	-	-	-	71,608	8,518	17,918
Issuance of refunding bonds.....	-	-	-	-	-	-	-	-	-	23,014
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	-	-	-	(1,294,074)
Transfers in.....	485,314	455,382	484,758	594,908	545,764	1,131,445	1,237,914	960,181	1,205,179	1,241,414
Transfers out.....	(301,314)	(300,382)	(303,758)	(314,909)	(389,764)	(961,445)	(987,914)	(710,181)	(920,179)	(932,305)
<b>Total other financing sources (uses).....</b>	<b>2,019,000</b>	<b>2,455,000</b>	<b>1,966,676</b>	<b>1,308,999</b>	<b>1,971,582</b>	<b>795,000</b>	<b>250,000</b>	<b>15,373,608</b>	<b>967,518</b>	<b>480,967</b>
<b>Net change in fund balance.....</b>	<b>\$ 1,950,350</b>	<b>\$ 1,259,143</b>	<b>\$ (2,364,766)</b>	<b>\$ (16,410,097)</b>	<b>\$ (15,950,934)</b>	<b>\$ (6,246,675)</b>	<b>\$ (1,597,822)</b>	<b>\$ 43,519,389</b>	<b>\$ (490,024)</b>	<b>\$ 1,703,119</b>
Debt service as a percentage of noncapital expenditures.....	3.37%	3.61%	3.90%	3.31%	5.74%	4.39%	4.64%	3.89%	5.74%	5.60%

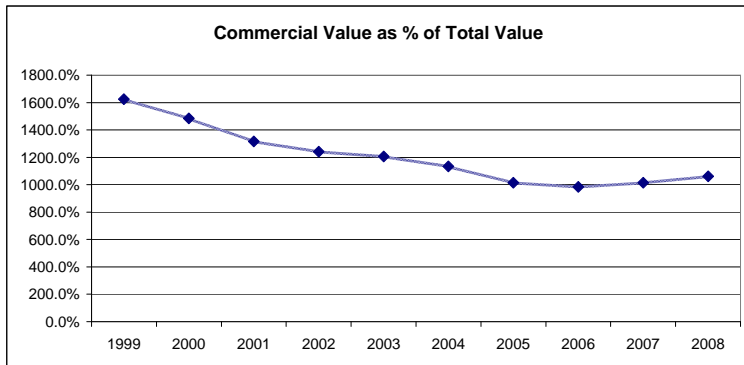
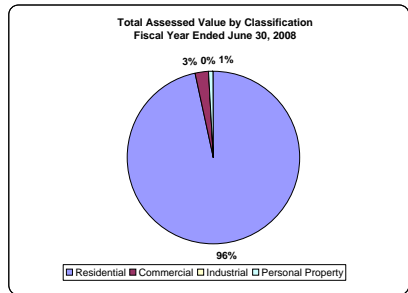
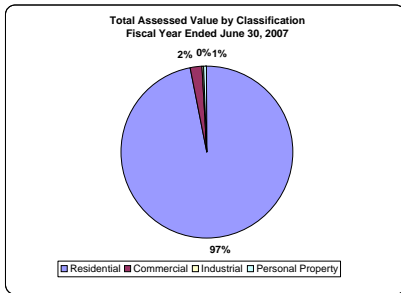
Notes:

Fiscal years 1999 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.

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								Total Town Value
	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	
1999	\$1,447,489,529	\$16.25	\$46,775,022	\$668,100	\$18,114,280	\$65,557,402	\$16.25	\$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	\$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	\$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	\$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	\$12.06	\$2,575,357,610
2004	\$2,778,019,842	\$11.33	\$73,961,358	\$2,195,500	\$21,033,140	\$97,189,998	\$11.33	\$11.33	\$2,875,209,840
2005	\$3,194,763,079	\$10.14	\$78,663,121	\$2,003,400	\$22,077,720	\$102,744,241	\$10.14	\$10.14	\$3,297,507,320
2006 (1)	\$3,484,297,092	\$9.84	\$83,823,108	\$2,042,500	\$23,009,700	\$108,875,308	\$9.84	\$9.84	\$3,593,172,400
2007	\$3,556,472,301	\$10.14	\$84,874,799	\$2,095,500	\$24,798,370	\$111,768,669	\$10.14	\$10.14	\$3,668,240,970
2008	\$3,529,253,752	\$10.61	\$91,783,748	\$2,155,600	\$28,288,280	\$122,227,628	\$10.61	\$10.61	\$3,651,481,380



(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**

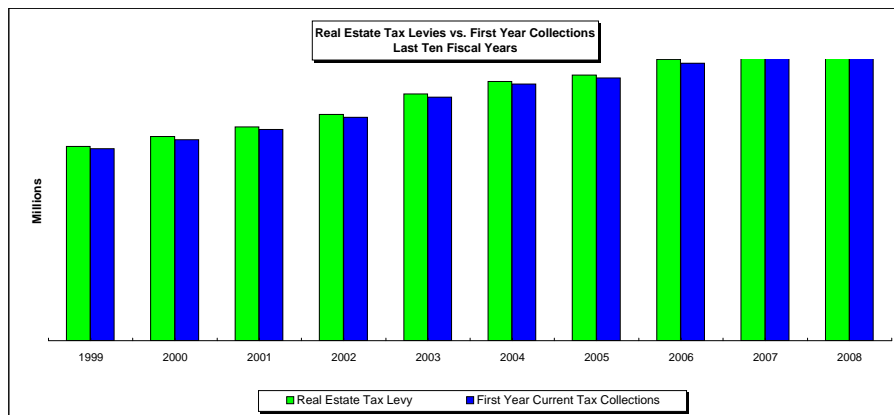
**Current Year and Nine Years Ago**

Name	Nature of Business	2008			1999		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
The Village at Duxbury	Retirement Community	\$36,468,670	1	1.00%	\$28,500,000	1	2.01%
Village at Duxbury Homeowners	Retirement Community	\$13,011,000	2	0.36%	-		-
Nstar Service	Utility	\$10,405,600	3	0.28%	-		-
Sheehan, Gerald	Residence	\$9,425,500	4	0.26%	\$3,430,100	4	0.24%
Dunn, Stephen M & Mary B	Residence	\$7,175,200	5	0.20%	\$3,502,600	3	0.25%
Standish LLC	Medical Office Building	\$6,598,500	6	0.18%	\$4,200,000		0.30%
Welch, Thomas	Nursing Home	\$6,428,800	7	0.18%	\$4,200,000	2	0.30%
Bay State Gas	Public Utility	\$5,466,980	8	0.15%	-		-
Island Creek Village East	Subsidized Housing	\$5,293,900	9	0.14%	\$3,007,100	5	0.21%
Reed, Cynthia L	Residence	\$4,698,700	10	0.13%	-		-
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%
<b>Totals</b>		<u>\$104,972,850</u>		<u>2.87%</u>	<u>\$55,545,900</u>		<u>3.91%</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
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%	\$336,317	\$37,040,314	99.86%
2008	\$38,742,217	\$278,653	\$38,463,564	99.28%	\$37,686,962	97.98%	\$0	\$37,686,962	97.98%



(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
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%
2008	15,360	712,986,624	\$3,651,481,380	\$17,341,100	\$0	\$1,129	2.43%	0.47%

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
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%
2008	\$4,559,000	\$0	\$21,900,100	\$1,426	3.07%	0.60%

(1) Water Fund

Source: Audited Financial Statements, U. S. Census

**Direct and Overlapping Governmental Activities Debt**

**As of June 30, 2008**

<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.....	\$ 1,201,088	5.05%	\$ 60,713
Massachusetts Bay Transportation Authority.....	142,913,229	0.0652%	<u>93,119</u>
Subtotal, overlapping debt.....			153,832
Town direct debt.....			<u>17,341,100</u>
Total direct and overlapping debt.....			<u>\$ 17,494,932</u>

Source: Plymouth County and Massachusetts Bay Transportation Authority



**Computation of Legal Debt Margin**

**Last Ten Fiscal Years**

**(Amounts in Thousands)**

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Equalized Valuation.....	\$ 1,578,072	\$ 1,578,072	\$ 1,892,796	\$ 1,892,796	\$ 2,564,487	\$ 2,564,487	\$ 3,133,658	\$ 3,133,658	\$ 3,837,216	\$ 3,837,216
Debt Limit -5% of Equalized Valuation.....	\$ 78,904	\$ 78,904	\$ 94,640	\$ 94,640	\$ 128,224	\$ 128,224	\$ 156,683	\$ 156,683	\$ 191,861	\$ 191,861
Less:										
Outstanding debt applicable to limit.....	11,831	13,060	13,302	12,636	13,451	13,705	11,649	25,354	23,399	21,900
Authorized and unissued debt.....	2,540	5,955	47,999	48,492	45,889	47,276	51,297	5,286	4,695	3,579
Legal debt margin.....	\$ 64,533	\$ 59,889	\$ 33,339	\$ 33,512	\$ 68,884	\$ 67,243	\$ 93,737	\$ 126,043	\$ 163,767	\$ 166,382
Total debt applicable to the limit as a percentage of debt limit.....	18.21%	24.10%	64.77%	64.59%	46.28%	47.56%	40.17%	19.56%	14.64%	13.28%

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	3.5%
2008	15,360	\$ 712,986,624	\$46,418	41.0	3,324	3.8%

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	2008			1999		
		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%
Foodies	Grocery Store	60	5	0.86%	-	-	-
South Shore Conservatory	Music & Art Institution	50	6	0.72%	-	-	-
Plymouth Bay Orthopedic Associates	Physician Services	54	7	0.78%			0.00%
Millbrook Motors	Automotive	39	8	0.56%	16	9	0.21%
U.S. Post Office	Mail	28	9	0.40%	33	7	0.43%
Utilities	Utilities	-		-	130	2	1.68%
A&P Food Store	Grocery	-		-	98	4	1.27%
Verc Enterprises	Convenience Stores, Gasoline Sales				30	8	0.39%
Goodrich Lumber	Building Supplies	-		-	11	10	0.14%

For fiscal year 2008, 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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government.....	22	22	22	22	23	22	22	28	25	30
Public safety.....	66	66	66	66	66	67	67	62	68	73
Education.....	236	231	275	277	286	286	297	305	320	391
Public works.....	38	38	42	42	42	42	43	46	37	44
Human services.....	2	2	2	2	3	3	3	3	4	4
Culture and recreation.....	20	20	20	22	22	19	19	21	15	23
<b>Total .....</b>	<b>384</b>	<b>379</b>	<b>427</b>	<b>431</b>	<b>442</b>	<b>439</b>	<b>451</b>	<b>465</b>	<b>469</b>	<b>565</b>

Source: Various Town Departments

**Operating Indicators by Function/Program**

**Last Ten Fiscal Years**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Fire Department</b>										
Fire related calls.....	n/a	n/a	878	671	785	645	794	881	719	810
Rescue/EMS.....	n/a	n/a	877	1,115	1,104	1,163	1,138	1,113	1,159	1,199
<b>Inspectional Services Department</b>										
Number of building permits (quick and zoning).....	577	513	511	554	717	631	507	668	697	762
Number of electrical permits.....	514	544	516	551	585	553	360	510	516	483
Number of plumbing/gas permits.....	555	589	567	602	644	635	436	668	685	658
<b>Water/Sewer</b>										
Number of gallons pumped (millions).....	541,120	480,278	530,384	501,266	523,613	487,600	550,523	583,674	504,641	543,000
Number of new services added.....	38	36	11	41	44	40	20	16	22	15
Number of additional mains installed.....	4	3	-	-	4	4	1	1	-	10,810
Number of main improvements.....	16	7	6	2	7	4	2	-	-	2
<b>Highway</b>										
Number of miles completed-road rehab.....	6	5	n/a	n/a	n/a	n/a	n/a	7	4	3
Number of snow operations.....	33	17	43	25	n/a	28		35	24	35
<b>Cemetery</b>										
Cremations	1,875	1,995	2,122	2,258	2,402	2,500	2,632	2,940	2,885	3,240
<b>Recreation</b>										
Number of programs offered.....	28	35	36	41	45	48	52	52	52	52
Number of participants-winter.....	n/a	n/a	584	592	609	587	n/a	491	511	585
Number of participants-spring.....	n/a	n/a	362	380	331	358	260	253	250	349
Number of participants-summer.....	n/a	n/a	793	774	794	781	789	802	1,033	737
Number of participants-fall.....	n/a	n/a	439	453	602	444	550	573	600	638
<b>Parking Sticker Sales</b>										
Non resident oversand.....	2,700	2,544	2,742	3,114	3,076	2,834	2,507	2,561	2,789	3,075
Oversand.....	2,700	2,757	2,748	2,846	2,822	2,850	3,131	2,763	2,859	2,935
Parking lot.....	3,600	3,627	3,588	3,586	3,367	3,396	3,380	3,569	3,554	3,569
Transfer station.....	7,800	7,476	7,972	7,310	7,349	6,192	6,046	6,371	6,306	6,178
<b>Senior Center</b>										
Number of visitors.....	n/a	n/a	n/a	7,500	13,352	17,776	19,600	23,776	27,954	24,585
Number of activities.....	n/a	n/a	132	477	622	663	697	2,208	2,208	1,788
Number of congregate meals.....	n/a	n/a	1,560	n/a	7,129	7,657	5,493	4,169	5,430	4,986
Number of delivered meals.....	n/a	n/a	n/a	n/a	3,269	3,756	6,904	7,213	6,756	7,064
Number of paying rentals.....	n/a	n/a	n/a	12	59	64	84	108	166	357
Number of committee meetings.....	n/a	n/a	n/a	46	71	128	164	293	387	382
<b>Duxbury Free Library</b>										
Holdings.....	101,688	98,663	104,163	107,478	111,584	114,928	116,131	119,524	124,035	121,685
Reference questions answered.....	8,736	7,213	10,249	13,536	12,878	10,854	9,935	9,957	9,406	6,857
Print materials loaned.....	156,134	160,377	162,300	166,131	170,188	169,868	153,802	153,603	157,537	167,153
Videos loaned.....	31,122	37,881	43,216	48,020	46,287	54,176	49,047	49,239	48,407	75,445
All loans.....	216,941	231,098	239,644	246,765	259,480	257,439	235,680	237,464	237,562	242,598
Loans provided to other towns.....	17,468	17,115	19,772	24,551	22,451	22,816	19,123	31,390	33,764	35,212
Materials borrowed from other towns.....	16,240	17,648	19,728	21,978	22,509	20,648	21,869	22,330	25,678	27,610
Children's programs held.....	306	300	317	327	332	262	218	235	241	246
Children's program attendance.....	6,213	6,914	7,430	7,999	7,568	6,015	6,229	6,372	6,144	7,056
Adult & Teen programs held.....	21	20	202	202	135	138	119	180	243	214
Adult & Teen program attendance.....	480	525	3,728	3,381	2,546	2,525	3,065	3,740	3,948	4,849
Public computers.....	21	23	27	30	28	28	30	30	26	16
Public meeting room use.....	n/a	n/a	768	739	834	709	640	805	1,076	888

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									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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	2	2	2	2	2	2	2	2	2
Antique apparatus storage.....	1	1	1	1	1	1	1	1	1	1
Harbormaster										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	3	3	3	3	3	3	3	3	3	3
Public landings.....	16	16	16	16	16	16	16	16	16	16
Education										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Performing arts center.....	-	-	-	-	1	1	1	1	1	1
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	1
Culture and Recreation										
Recreation land (acreage).....	28.3	28.3	28.3	28.3	96.7	108.2	118.5	118.5	179.5	179.5
Playgrounds*.....	-	-	1	2	2	3	3	3	3	3
Ball fields*.....	24	24	24	24	24	24	29	29	29	29
Basketball courts.....	2	2	2	2	2	2	3	3	3	3
Tennis courts.....	13	13	13	13	13	13	14	14	14	14
Pools.....	1	1	1	1	1	1	1	1	1	1
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf clubhouses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	4	4	4	4	4	4	4	4	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.



*A quiet summer afternoon from the shore of Duxbury Bay.*