

TOWN OF DUXBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



**For the fiscal year ended
June 30, 2011**

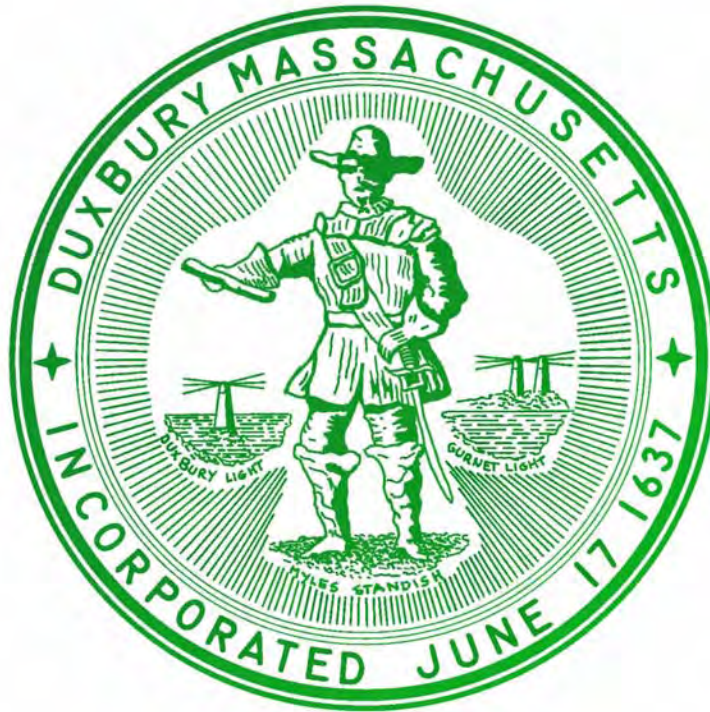
On the cover:
A new day dawns on the Bluefish River.
Photo by Fran Nichols



Photo by Janice Hanrahan

Powder Point Bridge, scenic access to beautiful Duxbury Beach.

*The Town of
Duxbury, Massachusetts*



**Comprehensive
Annual Financial Report**

**For the Fiscal Year
July 1, 2010 through June 30, 2011**

Prepared by the Finance Department

Town of Duxbury, Massachusetts

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

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Finance Director
John Madden

Town of Duxbury, Massachusetts

ACCOUNTING DEPARTMENT

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December 9, 2011

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, 2011 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, 2011, are fairly presented in conformity with GAAP.

The Town of Duxbury's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Duxbury for the fiscal year ended June 30, 2011, 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 on the Town of Duxbury's financial statements for the fiscal year ended June 30, 2011, and that they are, in fact, fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Duxbury was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of

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

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

Profile of the Town

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

The Town is governed by an open Town Meeting form of government and is located in Southeastern Massachusetts in Plymouth County approximately 33 miles from Boston. Duxbury is accessible by Route 3, a major highway, as well as secondary roads including Routes 3A and 114. The Town is bordered by the Towns of Pembroke on the west, Marshfield on the north, Kingston on the south and the Atlantic Ocean on the east and southeast. Duxbury occupies an area of approximately 23.76 square miles and its population is 15,274 based on the most recent town census.

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

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

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

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

Budgetary Controls

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

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

Factors Affecting Economic Condition

Local Economy

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

In 2011 the average price of a home in Duxbury was \$584,600 (based upon 2010 sales data), a decrease of slightly less than 4.5% from the previous year. While the current economic environment remains challenging, home sales in Duxbury remain strong. The community has preserved large amounts of open space and has a pristine coastline, as well as having an excellent reputation for academics, athletics and many cultural and natural amenities. Easy access to the commuter rail in neighboring Kingston facilitates the commute to Boston. All of this has made Duxbury a highly desirable location.

The Town continues to be faced with financial challenges. State funding, which was cut dramatically in 2004, has slowly risen to exceed levels not seen since 2002. The adoption of state statutes has helped to control rising health care costs, but still, these and other fixed costs continue to add to the economic pressures. Proposition 2½ caps the Town's ability to raise taxes and excess levy capacity is limited. The Town last approved a Proposition 2½ operating override (in the amount of \$1,000,000) in 1989 and it is unclear whether this will be a viable solution in the near future.

Fortunately, the Town has long enjoyed a cooperative approach to problem solving among its many boards, departments, unions and citizens. This cooperation has led to solid fund balances. Constant oversight is given to the Health Claims Trust, resulting in an equity position that more than covers the 'incurred but not reported' claims accrual at the end of fiscal 2011. A town-wide approach to problem solving in this area has resulted in a five year average annual increase in the health insurance budget of just over 1.4%, well below the national average.

During the 2011 budget cycle, departments continued to work together to create a budget that did not rely heavily on long term reserves. The Town further addressed revenue needs with increased fees wherever practical. The community continues to support a 3% Community Preservation surcharge and voted to fund numerous community housing initiatives as well as preserve open space and historical properties at the March 2010 Town Meeting.

Long Term Financial Planning

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

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

During fiscal year 2011, the Town dedicated over \$1,140,000 in Free Cash and other one-time revenues to fund the portion of the capital plan related to building and equipment replacement and repair. Going forward, it is the goal of the Town to provide at least one million dollars in "cash" funding on an annual basis.

Relevant Financial Policies

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

Major Initiatives

The Town currently has authorized an unissued debt totaling \$14.542 million. This debt is related to Crematory Construction, a Fire Station Feasibility Study and reconstruction, Police Station Construction, and a School Roof Replacement. 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. It is expected that in the very near future the Town will endeavor to; renovate its Fire Station, relocate its Police Station, and examine its options for High School and Middle School upgrades.

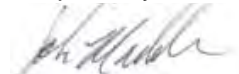
Awards and Acknowledgements

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, 2010. This was the seventh 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,



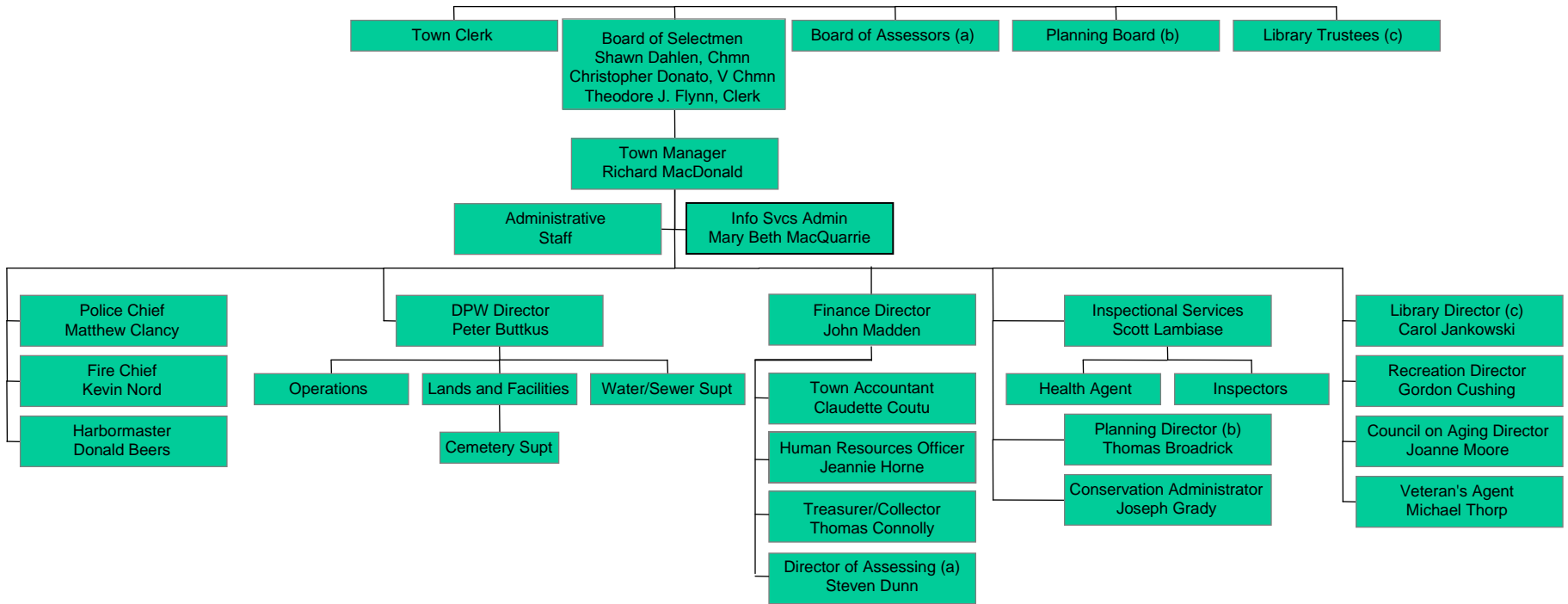
John Madden
Finance Director

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	Shawn Dahlen	Elected	3 Years	2013
Vice Chairman-Board of Selectmen	Christopher R. Donato	Elected	3 Years	2012
Selectman	Theodore J. Flynn	Elected	3 Years	2014
Town Manager	Richard MacDonald	Appointed	Indefinite	N/A
Finance Director	John M. Madden	Appointed	Indefinite	N/A
Town Accountant	Claudette Coutu	Appointed	Indefinite	N/A
Treasurer/Collector	Thomas Connolly	Appointed	Indefinite	N/A
Town Clerk	Nancy M. Oates	Elected	3 Years	2013
Assessor-Chairman	Linda M. Collari	Elected	3 Years	2012
Assessor-Vice Chairman	James G. MacNab	Elected	3 Years	2013
Assessor	June E. Albritton, MAA	Elected	3 Years	2014
Superintendent of Schools	Dr. Benedict Tantillo, III	Appointed	Indefinite	N/A
School Business Manager	Susan Nauman	Appointed	Indefinite	N/A
Director of Public Works	Peter Buttkus	Appointed	Indefinite	N/A
Town Moderator	Friend Weiler	Elected	1 Year	2012
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, 2010

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



Linda C. Danson

President

Jeffrey R. Emer

Executive Director

Financial Section



Photo by Linda Baker

Duxbury comes together as a community to celebrate our nation's independence.



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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, 2011, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Duxbury, Massachusetts' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Duxbury, Massachusetts, as of June 30, 2011, 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 9, 2011, 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, is 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 the general fund – schedule of revenues, expenditures and changes in fund balance – budgetary basis, retirement system schedule of funding progress, retirement system schedule of employer contributions, other postemployment benefit plan schedule of funding progress and employer contributions and other postemployment benefit plan actuarial methods and assumptions, 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, are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Powers & Sullivan LLC

December 9, 2011

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, 2011. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). Management's discussion and analysis are part of these requirements.

Overview of the Financial Statements

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

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

The *statement of net assets* presents information on all assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the Town's financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, education construction, public works, human services, culture and recreation, community preservation and interest. The business-type activities include the activities of the municipal water department and the Percy Walker pool.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Fiscal year 2011 was the Town's initial year of implementation of GASB #54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The implementation of this standard has changed the fund balance components into nonspendable, restricted, committed, assigned and unassigned. Additionally, under the new standard, the Town's stabilization funds are reported within the general fund as unassigned and committed.

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 and activity of the Percy Walker pool.

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

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

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Duxbury's government-wide assets exceeded liabilities by \$101 million at the end of fiscal year 2011. 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. The Town's total net assets decreased by \$312,000 during fiscal year 2011, this is an indication that the Town's overall financial position deteriorated from the prior fiscal year.

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

Governmental Activities

The results of operations of the governmental activities are discussed in the following paragraphs and tables. Net assets of \$76.2 million (87%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the governmental activities' net assets, \$3.6 million (4%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$8.2 million (9%), may be used to meet the government's ongoing obligations to citizens and creditors.

The governmental activities net assets decreased by \$837,000 during the current fiscal year. Increases in net assets were partially derived from community preservation taxes of \$1.2 million and state matching funds of \$368,000, which are used to finance capital expenditures; better than anticipated results in the general fund, and internal service funds; and approximately \$285,000 in school construction capital grants and approximately \$475,000 in state highway capital grants, both used to finance capital expenditures. Decreases in net assets resulted from non-budgeted depreciation expense exceeding budgeted debt principal expenditures by approximately \$1.9 million and the recording of an additional \$4.3 million in other postemployment benefit obligations (OPEB).

	Balance at June 30, 2011	Balance at June 30, 2010
Assets:		
Current assets.....	\$ 34,341,294	\$ 31,162,438
Noncurrent assets (excluding capital).....	829,920	846,016
Capital assets.....	89,537,963	89,085,933
Total assets.....	124,709,177	121,094,387
Liabilities:		
Current liabilities (excluding debt).....	6,397,445	7,379,941
Noncurrent liabilities (excluding debt).....	15,509,000	11,196,000
Current debt.....	4,147,726	1,543,513
Noncurrent debt.....	10,755,227	12,237,953
Total liabilities.....	36,809,398	32,357,407
Net Assets:		
Invested in capital assets, net of related debt.....	76,170,781	75,622,789
Restricted.....	3,556,664	2,967,898
Unrestricted.....	8,172,334	10,146,293
Total net assets.....	\$ 87,899,779	\$ 88,736,980

Capital grant revenues were higher than the previous fiscal year due to the increase in road construction.

	Fiscal Year Ended June 30, 2011	Fiscal Year Ended June 30, 2010
	<u>2011</u>	<u>2010</u>
Program Revenues:		
Charges for services.....	\$ 12,475,509	\$ 12,587,303
Operating grants and contributions.....	14,269,178	13,460,617
Capital grants and contributions.....	1,128,082	799,351
General Revenues:		
Real estate and personal property taxes.....	41,964,019	40,995,795
Tax liens.....	133,744	220,392
Motor vehicle and other excise taxes.....	2,236,742	2,114,070
Community preservation taxes.....	1,204,247	1,187,673
Penalties and interest on taxes.....	157,119	177,297
Payments in lieu of taxes.....	4,250	9,321
Nonrestricted grants and contributions.....	994,936	872,532
Unrestricted investment income.....	852,850	877,505
Total revenues.....	<u>75,420,676</u>	<u>73,301,856</u>
Expenses:		
General government.....	4,293,359	4,292,196
Public safety.....	10,039,369	9,710,965
Education.....	52,156,368	50,079,899
Public works.....	5,453,666	5,160,764
Human services.....	945,904	891,585
Culture and recreation.....	2,692,071	2,731,672
Community preservation.....	349,793	189,761
Interest.....	477,255	592,335
Total expenses.....	<u>76,407,785</u>	<u>73,649,177</u>
Excess (deficiency) before transfers.....	(987,109)	(347,321)
Transfers.....	<u>149,908</u>	<u>276,806</u>
Change in net assets.....	\$ <u><u>(837,201)</u></u>	\$ <u><u>(70,515)</u></u>

Business-type Activities

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

For the Town's water business-type activities, assets exceeded liabilities by \$13.1 million at the close of fiscal year 2011. Of this amount \$10.3 million (78%) is invested in capital assets, net of related debt and \$2.8 million (22%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

There was an increase of \$449,000 in net assets related to the Water Department's operations during the fiscal year, which is consistent with the prior fiscal year. Revenue increased \$111,000 due to an increase in usage. Increases in expenses included the recognition of an additional \$92,000 for the other postemployment benefit obligation liability.

During fiscal year 2010, the Town voted to establish the Percy Walker pool enterprise fund to account for the operating activities at the Town's pool. Major renovations to the Pool were completed in fiscal year 2010, and the Pool reopened for business late in fiscal year 2010. Since the Pool was not open for most of fiscal year 2010, the revenues and operating costs were low. Conversely, 2011 was the first full fiscal year of the new Pool operations. Net assets increased \$76,000 from the prior year.

	Balance at June 30, 2011	Balance at June 30, 2010
	<u> </u>	<u> </u>
Assets:		
Current assets.....	\$ 3,559,195	\$ 3,990,963
Capital assets.....	<u>17,577,730</u>	<u>17,467,842</u>
Total assets.....	<u>21,136,925</u>	<u>21,458,805</u>
Liabilities:		
Current liabilities (excluding debt).....	132,004	170,531
Noncurrent liabilities (excluding debt).....	311,000	220,000
Current debt.....	894,197	899,539
Noncurrent debt.....	<u>6,729,413</u>	<u>7,623,610</u>
Total liabilities.....	<u>8,066,614</u>	<u>8,913,680</u>
Net Assets:		
Invested in capital assets, net of related debt.....	10,300,382	9,535,029
Unrestricted.....	<u>2,769,929</u>	<u>3,010,096</u>
Total net assets.....	<u>\$ 13,070,311</u>	<u>\$ 12,545,125</u>
	<u>Fiscal Year Ended</u> June 30, 2011	<u>Fiscal Year Ended</u> June 30, 2010
Program revenues:		
Charges for services.....	<u>\$ 3,405,661</u>	<u>\$ 3,036,630</u>
Expenses:		
Water.....	2,350,547	2,197,814
Percy Walker Pool.....	<u>380,020</u>	<u>33,774</u>
Total expenses.....	<u>2,730,567</u>	<u>2,231,588</u>
Excess before transfers.....	675,094	805,042
Transfers.....	<u>(149,908)</u>	<u>(276,806)</u>
Change in net assets.....	<u>\$ 525,186</u>	<u>\$ 528,236</u>

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$17.8 million, an increase of \$1.3 million from the prior year.

The General Fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund totaled \$6.6 million, while total fund balance is \$9.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 11% of total General Fund expenditures, while total fund balance represents 16% of that same amount.

The fund balance of the General Fund increased by \$655,000 which was primarily due stabilization fund activity being recorded in the General Fund as a result of the implementation of GASB #54 and positive budgetary results.

The Community Preservation Act Fund had a fund balance at June 30, 2011 of \$4.3 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 \$688,000 in fiscal year 2011. This was the net result of \$1.2 million in taxes collected, \$355,000 in state matching funds, and \$802,000 in expenditures on community preservation projects.

General Fund Budgetary Highlights

The \$995,000 increase from the original budget to the final amended budget resulted from a Spring Special Town Meeting vote to use available funds mainly for \$600,000 in transfers to various reserved and stabilization funds, as well as for supplemental appropriations in snow and ice, and public safety line items.

General Fund revenues came in approximately \$909,000 more than budgeted. The largest area of the surplus was in departmental and other revenues which made up \$774,000 of the total. This was mainly due to beach permit revenue coming in \$210,000 higher than budgeted, as well as ambulance receipts coming in \$125,000 higher than budgeted.

General fund expenditures were approximately \$1.2 million less than budgeted. Key components of this surplus include the \$451,000 in employee benefits which was due primarily to lower than anticipated claims and school lunch operations being outsourced, as well as \$246,000 within the public works sub-departments.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming fiscal year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures. The Town's major governmental capital asset activity in fiscal year 2011 includes additions of \$1.3 million in construction in progress related to the community center, crematory, fire station and school renovations; \$1 million for vehicles; \$363,000 in infrastructure mainly for road improvements; and \$696,000 for computers.

Capital Assets

	Cost of Capital Assets at end of year	Accumulated Depreciation at end of year	Capital Assets, net
Governmental activities			
<i>Function:</i>			
General government.....	\$ 23,483,007	\$ (523,173)	\$ 22,959,834
Public safety.....	8,368,945	(4,863,126)	3,505,819
Education.....	57,740,113	(19,478,236)	38,261,877
Public works.....	18,690,795	(10,386,791)	8,304,004
Culture and recreation.....	11,315,154	(4,364,991)	6,950,163
Community preservation.....	9,798,049	(241,783)	9,556,266
Total governmental.....	<u>\$ 129,396,063</u>	<u>\$ (39,858,100)</u>	<u>\$ 89,537,963</u>
Business-type activities			
Water.....	\$ 24,380,278	\$ (9,153,014)	\$ 15,227,264
Percy Walker Pool.....	2,380,219	(29,753)	2,350,466
Total enterprise.....	<u>\$ 26,760,497</u>	<u>\$ (9,182,767)</u>	<u>\$ 17,577,730</u>

Debt

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$12.2 million at the end of the current fiscal year. Of this amount, \$9.3 million is related to the school equipment and improvements, \$855,000 is related to the senior center project, \$1 million relates to sewer projects and \$940,000 is related to renovation of the library. The remaining \$130,000 relates to land purchases and other capital related projects.

The water enterprise fund has \$5.4 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy. The Percy Walker pool enterprise fund has \$2.2 million in bonded debt outstanding at the end of the current fiscal year, related to the recent upgrades to the Pool facility.

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

Requests for Information

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

Basic Financial Statements

STATEMENT OF NET ASSETS

JUNE 30, 2011

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 24,092,533	\$ 2,302,101	\$ 26,394,634
Investments.....	6,470,161	-	6,470,161
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	901,967	-	901,967
Tax liens.....	130,607	-	130,607
Motor vehicle and other excise taxes.....	196,673	-	196,673
User fees.....	14,197	1,257,094	1,271,291
Departmental and other.....	452,723	-	452,723
Special assessments.....	71,808	-	71,808
Intergovernmental.....	1,341,042	-	1,341,042
Tax foreclosures.....	669,583	-	669,583
Total current assets.....	34,341,294	3,559,195	37,900,489
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	567,460	-	567,460
Real estate tax deferrals.....	262,460	-	262,460
Capital assets:			
Nondepreciable.....	34,749,149	7,253,400	42,002,549
Depreciable.....	54,788,814	10,324,330	65,113,144
Total noncurrent assets.....	90,367,883	17,577,730	107,945,613
TOTAL ASSETS.....	124,709,177	21,136,925	145,846,102
LIABILITIES			
CURRENT:			
Warrants payable.....	1,186,914	32,903	1,219,817
Accrued payroll.....	2,385,806	9,843	2,395,649
Health claims payable.....	1,238,545	-	1,238,545
Accrued interest.....	191,472	56,258	247,730
Other liabilities.....	351,708	-	351,708
Compensated absences.....	1,043,000	33,000	1,076,000
Notes payable.....	2,665,000	-	2,665,000
Bonds payable.....	1,482,726	894,197	2,376,923
Total current liabilities.....	10,545,171	1,026,201	11,571,372
NONCURRENT:			
Compensated absences.....	257,000	8,000	265,000
Other postemployment benefits.....	15,252,000	303,000	15,555,000
Bonds payable.....	10,755,227	6,729,413	17,484,640
Total noncurrent liabilities.....	26,264,227	7,040,413	33,304,640
TOTAL LIABILITIES.....	36,809,398	8,066,614	44,876,012
NET ASSETS			
Invested in capital assets, net of related debt.....	76,170,781	10,300,382	86,471,163
Restricted for:			
Perpetual care and other permanent funds:			
Expendable.....	649,641	-	649,641
Nonexpendable.....	1,971,395	-	1,971,395
Gifts and grants.....	935,628	-	935,628
Unrestricted.....	8,172,334	2,769,929	10,942,263
TOTAL NET ASSETS.....	\$ 87,899,779	\$ 13,070,311	\$ 100,970,090

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 4,293,359	\$ 560,889	\$ 371,250	\$ -	\$ (3,361,220)
Public safety.....	10,039,369	1,814,295	467,167	-	(7,757,907)
Education.....	52,156,368	6,046,720	12,998,118	-	(33,111,530)
Education construction.....	-	-	-	285,067	285,067
Public works.....	5,453,666	1,818,978	188,070	474,552	(2,972,066)
Human services.....	945,904	152,364	132,439	-	(661,101)
Culture and recreation.....	2,692,071	2,082,263	81,136	-	(528,672)
Community preservation.....	349,793	-	-	368,463	18,670
Interest.....	477,255	-	30,998	-	(446,257)
Total Governmental Activities.....	<u>76,407,785</u>	<u>12,475,509</u>	<u>14,269,178</u>	<u>1,128,082</u>	<u>(48,535,016)</u>
<i>Business-Type Activities:</i>					
Water.....	2,350,547	3,101,148	-	-	750,601
Percy Walker Pool.....	380,020	304,513	-	-	(75,507)
Total Business-Type Activities.....	<u>2,730,567</u>	<u>3,405,661</u>	<u>-</u>	<u>-</u>	<u>675,094</u>
Total Primary Government.....	<u>\$ 79,138,352</u>	<u>\$ 15,881,170</u>	<u>\$ 14,269,178</u>	<u>\$ 1,128,082</u>	<u>\$ (47,859,922)</u>

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

FISCAL YEAR ENDED JUNE 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net assets:			
Net (expense) revenue from previous page.....	\$ (48,535,016)	\$ 675,094	\$ (47,859,922)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	41,964,019	-	41,964,019
Tax liens.....	133,744	-	133,744
Motor vehicle and other excise taxes.....	2,236,742	-	2,236,742
Community preservation taxes.....	1,204,247	-	1,204,247
Penalties and interest on taxes.....	157,119	-	157,119
Payments in lieu of taxes.....	4,250	-	4,250
Grants and contributions not restricted to specific programs.....	994,936	-	994,936
Unrestricted investment income.....	852,850	-	852,850
<i>Transfers, net</i>	149,908	(149,908)	-
Total general revenues and transfers.....	<u>47,697,815</u>	<u>(149,908)</u>	<u>47,547,907</u>
Change in net assets.....	(837,201)	525,186	(312,015)
<i>Net Assets:</i>			
Beginning of year.....	<u>88,736,980</u>	<u>12,545,125</u>	<u>101,282,105</u>
End of year.....	\$ <u><u>87,899,779</u></u>	\$ <u><u>13,070,311</u></u>	\$ <u><u>100,970,090</u></u>

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2011

ASSETS	<u>General</u>	<u>Community Preservation Act</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents.....	\$ 9,753,800	\$ 5,078,216	\$ 3,791,368	\$ 18,623,384
Investments.....	2,745,919	-	2,684,828	5,430,747
Receivables, net of uncollectibles:				
Real estate and personal property taxes.....	879,529	22,438	-	901,967
Real estate tax deferrals.....	262,460	-	-	262,460
Tax liens.....	127,722	2,885	-	130,607
Motor vehicle and other excise taxes.....	196,673	-	-	196,673
User fees.....	14,197	-	-	14,197
Departmental and other.....	204,951	-	78,859	283,810
Special assessments.....	639,268	-	-	639,268
Intergovernmental.....	-	361,041	980,001	1,341,042
Tax foreclosures.....	669,583	-	-	669,583
Due from other funds.....	112,813	-	-	112,813
TOTAL ASSETS.....	\$ 15,606,915	\$ 5,464,580	\$ 7,535,056	\$ 28,606,551
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Warrants payable.....	\$ 772,165	\$ 5,200	\$ 409,549	\$ 1,186,914
Accrued payroll.....	2,309,364	87	75,844	2,385,295
Other liabilities.....	110,194	2,589	238,925	351,708
Deferred revenues.....	2,753,359	386,364	960,874	4,100,597
Due to other funds.....	-	-	112,813	112,813
Notes payable.....	-	800,000	1,865,000	2,665,000
TOTAL LIABILITIES.....	5,945,082	1,194,240	3,663,005	10,802,327
FUND BALANCES:				
Nonspendable.....	-	-	1,971,395	1,971,395
Restricted.....	-	4,270,340	2,861,962	7,132,302
Committed.....	1,000,645	-	-	1,000,645
Assigned.....	2,054,451	-	-	2,054,451
Unassigned.....	6,606,737	-	(961,306)	5,645,431
TOTAL FUND BALANCES.....	9,661,833	4,270,340	3,872,051	17,804,224
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 15,606,915	\$ 5,464,580	\$ 7,535,056	\$ 28,606,551

See notes to basic financial statements.

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

JUNE 30, 2011

Total governmental fund balances.....		\$ 17,804,224
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		89,537,963
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds.....		4,100,597
Internal service funds are used by management to account for retirees' health insurance and workers' compensation activities.		
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.....		5,438,420
In the statement of net assets, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(191,472)
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.....	(12,237,953)	
Compensated absences.....	(1,300,000)	
Other postemployment benefits obligation.....	<u>(15,252,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(28,789,953)</u>
Net assets of governmental activities.....		<u>\$ 87,899,779</u>

See notes to basic financial statements.

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

FISCAL YEAR ENDED JUNE 30, 2011

	General	Community Preservation Act	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:				
Real estate and personal property taxes, net of tax refunds.....	\$ 41,658,119	\$ -	\$ -	\$ 41,658,119
Tax and trash liens.....	81,916	2,270	-	84,186
Motor vehicle and other excise taxes.....	2,107,443	-	-	2,107,443
Sewer charges.....	319,396	-	-	319,396
Trash disposal.....	633,692	-	-	633,692
Intergovernmental.....	12,009,302	355,197	3,041,176	15,405,675
Departmental and other.....	4,373,664	-	4,643,218	9,016,882
Community preservation taxes.....	-	1,204,247	-	1,204,247
Contributions.....	-	-	341,316	341,316
Investment income.....	461,178	5,243	286,777	753,198
TOTAL REVENUES.....	61,644,710	1,566,957	8,312,487	71,524,154
EXPENDITURES:				
Current:				
General government.....	2,705,136	-	238,835	2,943,971
Public safety.....	6,365,059	-	796,828	7,161,887
Education.....	28,201,618	-	5,984,777	34,186,395
Public works.....	4,122,516	-	675,814	4,798,330
Human services.....	512,649	-	182,123	694,772
Culture and recreation.....	1,474,324	-	295,887	1,770,211
Community preservation.....	-	801,569	-	801,569
Pension benefits - Town.....	2,194,920	-	4,565	2,199,485
Pension benefits - School.....	6,521,227	-	-	6,521,227
Property and liability insurance.....	239,620	-	-	239,620
Employee benefits.....	6,785,582	-	-	6,785,582
State and county charges.....	273,473	-	-	273,473
Debt service:				
Principal.....	1,543,513	-	-	1,543,513
Interest.....	520,706	-	-	520,706
TOTAL EXPENDITURES.....	61,460,343	801,569	8,178,829	70,440,741
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	184,367	765,388	133,658	1,083,413
OTHER FINANCING SOURCES (USES):				
Premium from issuance of bonds and notes.....	18,834	-	-	18,834
Transfers in.....	687,792	-	77,450	765,242
Transfers out.....	(235,798)	(77,450)	(302,086)	(615,334)
TOTAL OTHER FINANCING SOURCES (USES).....	470,828	(77,450)	(224,636)	168,742
NET CHANGE IN FUND BALANCES.....	655,195	687,938	(90,978)	1,252,155
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED.....	9,006,638	3,582,402	3,963,029	16,552,069
FUND BALANCES AT END OF YEAR.....	\$ 9,661,833	\$ 4,270,340	\$ 3,872,051	\$ 17,804,224

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, 2011

Net change in fund balances - total governmental funds.....	\$	1,252,155
<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.....		3,917,109
Depreciation expense.....		<u>(3,465,079)</u>
Net effect of reporting capital assets.....		452,030
<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>		
		651,627
<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>		
Debt service principal payments.....		1,543,513
<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.....		(245,000)
Net change in accrued interest on long-term debt.....		43,451
Net change in other postemployment benefits obligation.....		<u>(4,328,000)</u>
Net effect of recording long-term liabilities and amortizing deferred losses.....		(4,529,549)
<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>(206,977)</u>
Change in net assets of governmental activities.....	\$	<u><u>(837,201)</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS

JUNE 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Enterprise	Percy Walker Pool Enterprise	Total	
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 2,275,878	\$ 26,223	\$ 2,302,101	\$ 5,469,149
Investments.....	-	-	-	1,039,414
Receivables, net of allowance for uncollectibles:				
User fees.....	1,257,094	-	1,257,094	-
Departmental and other.....	-	-	-	168,913
Total current assets.....	<u>3,532,972</u>	<u>26,223</u>	<u>3,559,195</u>	<u>6,677,476</u>
NONCURRENT:				
Capital assets:				
Nondepreciable.....	7,253,400	-	7,253,400	-
Depreciable.....	7,973,864	2,350,466	10,324,330	-
Total noncurrent assets.....	<u>15,227,264</u>	<u>2,350,466</u>	<u>17,577,730</u>	<u>-</u>
TOTAL ASSETS.....	<u>18,760,236</u>	<u>2,376,689</u>	<u>21,136,925</u>	<u>6,677,476</u>
LIABILITIES				
CURRENT:				
Warrants payable.....	23,969	8,934	32,903	-
Accrued payroll.....	7,393	2,450	9,843	511
Health claims payable.....	-	-	-	1,238,545
Accrued interest.....	37,464	18,794	56,258	-
Compensated absences.....	33,000	-	33,000	-
Bonds payable.....	729,197	165,000	894,197	-
Total current liabilities.....	<u>831,023</u>	<u>195,178</u>	<u>1,026,201</u>	<u>1,239,056</u>
NONCURRENT:				
Compensated absences.....	8,000	-	8,000	-
Other postemployment benefits.....	275,000	28,000	303,000	-
Bonds payable.....	4,699,413	2,030,000	6,729,413	-
Total noncurrent liabilities.....	<u>4,982,413</u>	<u>2,058,000</u>	<u>7,040,413</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>5,813,436</u>	<u>2,253,178</u>	<u>8,066,614</u>	<u>1,239,056</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	10,127,303	173,079	10,300,382	-
Unrestricted.....	2,819,497	(49,568)	2,769,929	5,438,420
TOTAL NET ASSETS.....	<u>\$ 12,946,800</u>	<u>\$ 123,511</u>	<u>\$ 13,070,311</u>	<u>\$ 5,438,420</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FISCAL YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Water Enterprise	Percy Walker Pool Enterprise	Total	
<u>OPERATING REVENUES:</u>				
Employee contributions	\$ -	\$ -	\$ -	\$ 2,790,764
Employer contributions	-	-	-	6,118,272
Charges for services	3,101,148	304,513	3,405,661	-
Intergovernmental.....	-	-	-	354,455
TOTAL OPERATING REVENUES	3,101,148	304,513	3,405,661	9,263,491
<u>OPERATING EXPENSES:</u>				
Cost of services and administration	1,407,332	283,449	1,690,781	9,551,310
Depreciation.....	775,123	29,753	804,876	-
TOTAL OPERATING EXPENSES	2,182,455	313,202	2,495,657	9,551,310
OPERATING INCOME (LOSS).....	918,693	(8,689)	910,004	(287,819)
<u>NONOPERATING REVENUES (EXPENSES):</u>				
Investment income.....	-	-	-	80,842
Interest expense.....	(168,092)	(66,818)	(234,910)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(168,092)	(66,818)	(234,910)	80,842
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	750,601	(75,507)	675,094	(206,977)
<u>TRANSFERS:</u>				
Transfers in.....	-	235,798	235,798	-
Transfers out.....	(301,371)	(84,335)	(385,706)	-
TOTAL TRANSFERS.....	(301,371)	151,463	(149,908)	-
CHANGE IN NET ASSETS.....	449,230	75,956	525,186	(206,977)
NET ASSETS AT BEGINNING OF YEAR.....	12,497,570	47,555	12,545,125	5,645,397
NET ASSETS AT END OF YEAR.....	\$ 12,946,800	\$ 123,511	\$ 13,070,311	\$ 5,438,420

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Water Enterprise	Percy Walker Pool Enterprise	Total	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Receipts from customers and users.....	\$ 3,328,906	\$ 304,513	\$ 3,633,419	\$ -
Receipts from interfund services provided.....	-	-	-	8,835,728
Receipts from other governments.....	-	-	-	354,455
Payments to vendors.....	(744,009)	(113,477)	(857,486)	(9,533,473)
Payments to employees.....	(629,936)	(153,522)	(783,458)	-
NET CASH FROM OPERATING ACTIVITIES.....	1,954,961	37,514	1,992,475	(343,290)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>				
Transfers in.....	-	235,798	235,798	-
Transfers out.....	(301,371)	(84,335)	(385,706)	-
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES.....	(301,371)	151,463	(149,908)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Proceeds from the issuance of bonds and notes.....	117,408	-	117,408	-
Acquisition and construction of capital assets.....	(666,801)	(239,452)	(906,253)	-
Principal payments on bonds and notes.....	(731,539)	(168,000)	(899,539)	-
Interest expense.....	(172,987)	(67,798)	(240,785)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,453,919)	(475,250)	(1,929,169)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Proceeds from sales and maturities of investments.....	-	-	-	980,009
Purchase of investments.....	-	-	-	(1,039,414)
Investment income.....	-	-	-	80,842
NET CASH FROM INVESTING ACTIVITIES.....	-	-	-	21,437
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	199,671	(286,273)	(86,602)	(321,853)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	2,076,207	312,496	2,388,703	5,791,002
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 2,275,878	\$ 26,223	\$ 2,302,101	\$ 5,469,149
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>				
<u>FROM OPERATING ACTIVITIES:</u>				
Operating income (loss).....	\$ 918,693	\$ (8,689)	\$ 910,004	\$ (287,819)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation.....	775,123	29,753	804,876	-
Changes in assets and liabilities:				
User fees.....	227,758	-	227,758	-
Departmental and other.....	-	-	-	(73,308)
Warrants payable.....	(29,205)	-	(29,205)	-
Accrued payroll.....	(18,408)	2,450	(15,958)	(822)
Health claims payable.....	-	-	-	18,659
Accrued compensated absences.....	3,000	-	3,000	-
Other postemployment benefits obligation.....	78,000	14,000	92,000	-
Total adjustments.....	1,036,268	46,203	1,082,471	(55,471)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,954,961	\$ 37,514	\$ 1,992,475	\$ (343,290)
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>				
Intergovernmental debt subsidies.....	\$ 31,000	\$ -	\$ 31,000	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	Private Purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents.....	\$ 143,308	\$ 317,668
Investments.....	1,026,950	-
TOTAL ASSETS.....	1,170,258	317,668
LIABILITIES		
Warrants payable.....	-	580
Accrued liabilities.....	-	5,927
Liabilities due depositors.....	-	311,161
TOTAL LIABILITIES.....	-	317,668
NET ASSETS		
Held in trust.....	\$ <u>1,170,258</u>	\$ <u>-</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FISCAL YEAR ENDED JUNE 30, 2011

	<u>Private Purpose Trust Funds</u>
<u>ADDITIONS:</u>	
Contributions:	
Private donations.....	\$ <u>1,690</u>
Net investment income:	
Interest.....	<u>116,702</u>
TOTAL ADDITIONS.....	<u>118,392</u>
<u>DEDUCTIONS:</u>	
Scholarships and other.....	<u>33,997</u>
CHANGE IN NET ASSETS.....	84,395
NET ASSETS AT BEGINNING OF YEAR.....	<u>1,085,863</u>
NET ASSETS AT END OF YEAR.....	\$ <u><u>1,170,258</u></u>

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures 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, and 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, recreational uses and community housing.

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

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

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

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

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

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

The following major proprietary funds are reported:

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

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

Additionally, the following proprietary fund type is reported:

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

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

The following fiduciary fund types are reported:

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

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

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 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year of the levy.

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

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

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

Motor Vehicle and Other Excise Taxes

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

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

User Fees

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

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

Departmental and Other

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

Intergovernmental

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

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

F. Inventories

Government-Wide and Fund Financial Statements

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

G. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings, machinery and equipment, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. All major general infrastructure assets acquired or significantly reconstructed in fiscal years ending after June 30, 1980 have been recorded at estimated historical cost.

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

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

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

Governmental Fund Financial Statements

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

H. Interfund Receivables and Payables

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

I. Interfund Transfers

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

J. Deferred Revenue

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

K. Net Assets and Fund Equity

Government-Wide Financial Statements (Net Assets)

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

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

Net assets have been “restricted for” the following:

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

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

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

Fund Financial Statements (Fund Balances)

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

The governmental fund balance classifications are as follows:

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

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

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed.

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

L. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as

other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

M. Investment Income

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

Investment income from proprietary funds is voluntarily assigned and transferred to the general fund.

N. Compensated Absences

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

Government-Wide and Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

O. Use of Estimates

Government-Wide and Fund Financial Statements

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

P. Individual Fund Deficits

Individual fund deficits exist in the Special Revenue and the Capital Projects Funds. These deficits will be funded through grants, available funds, and bond proceeds in future fiscal years.

Q. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

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

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

Custodial Credit Risk – Deposits

In the case of deposits, the custodial credit risk is the risk that, in the event of a bank failure the Town's deposits may not be recovered. At fiscal year-end, the carrying amount of deposits totaled \$21,488,902 and the bank balance totaled \$22,860,285. Of the bank balance, \$1,500,000 was covered by Federal Depository Insurance, \$433,296 was collateralized, and \$20,926,989 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) pre-qualifying banks, 2) diversifying its investments across several banks and collateralizing deposits where practical.

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

Investments

As of June 30, 2011, the Town of Duxbury had the following investments:

Investment Type	Fair Value	Maturity			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt Securities:</u>					
Government Sponsored Enterprises.....	\$ 2,371,756	\$ 439,147	\$ 1,018,313	\$ 765,410	\$ 148,886
Corporate Bonds.....	116,206	40,608	-	75,598	-
U.S. Treasury Notes.....	865,052	211,215	423,681	230,156	-
Total Debt Securities.....	3,353,014	\$ 690,970	\$ 1,441,994	\$ 1,071,164	\$ 148,886
<u>Other Investments:</u>					
Equity Securities.....	3,944,097				
Money Market Mutual Funds.....	528,788				
Equity Mutual Funds.....	200,000				
MMDT.....	4,837,920				
Total Investments.....	\$ 12,863,819				

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

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the investments of \$3,353,014 in debt securities and \$3,944,097 in equity securities, the Town is exposed to custodial credit risk as the securities are uninsured. The shares of MMDT and open end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The securities are registered to Dunn & Co. as nominee for the Town of Duxbury. The Town of Duxbury’s investment policy allows for custodial safekeeping in the name of a nominee. It also requires proof that securities purchased from any bank or dealer be provided to the Treasurer and recorded on the Town’s books.

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

<u>Issuer</u>	<u>Percentage of Total Investments</u>
Federal Home Loan Bank.....	7.52%
Federal National Mortgage Association..	6.58%

NOTE 3 – RECEIVABLES

At June 30, 2011, receivables for the individual major and nonmajor governmental funds and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 912,512	\$ (10,545)	\$ 901,967
Real estate tax deferrals.....	262,460	-	262,460
Tax liens.....	130,607	-	130,607
Motor vehicle and other excise taxes.....	284,263	(87,590)	196,673
User fees.....	14,197	-	14,197
Departmental and other.....	620,015	(167,292)	452,723
Special assessments.....	639,268	-	639,268
Intergovernmental.....	1,341,042	-	1,341,042
Total.....	<u>\$ 4,204,364</u>	<u>\$ (265,427)</u>	<u>\$ 3,938,937</u>

At June 30, 2011, receivables for the water enterprise consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user fees.....	<u>\$ 1,257,094</u>	<u>\$ -</u>	<u>\$ 1,257,094</u>

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

	General Fund	Community Preservation Act	Nonmajor Governmental Funds	Total
<u>Receivable and other asset type:</u>				
Real estate and personal property taxes.....	\$ 638,505	\$ 22,438	\$ -	\$ 660,943
Real estate tax deferrals.....	262,460	-	-	262,460
Tax liens.....	127,722	2,885	-	130,607
Motor vehicle and other excise taxes.....	196,673	-	-	196,673
User fees.....	14,197	-	-	14,197
Departmental and other.....	204,951	-	78,859	283,810
Special assessments.....	639,268	-	-	639,268
Intergovernmental.....	-	361,041	882,015	1,243,056
Tax foreclosures.....	669,583	-	-	669,583
Total.....	<u>\$ 2,753,359</u>	<u>\$ 386,364</u>	<u>\$ 960,874</u>	<u>\$ 4,100,597</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 33,112,767	\$ 244,844	\$ -	\$ 33,357,611
Construction in progress.....	1,129,538	1,316,536	(1,054,536)	1,391,538
Total capital assets not being depreciated.....	34,242,305	1,561,380	(1,054,536)	34,749,149
<u>Capital assets being depreciated:</u>				
Buildings.....	53,581,114	-	-	53,581,114
Infrastructure.....	19,196,065	363,402	(280,523)	19,278,944
Vehicles.....	6,233,799	1,037,868	(607,733)	6,663,934
Computers.....	1,068,071	695,621	(253,467)	1,510,225
Furniture, fixtures and equipment.....	2,074,097	130,299	-	2,204,396
Improvements.....	9,270,843	990,426	-	10,261,269
Library books.....	723,304	114,910	(91,644)	746,570
School books.....	417,766	77,739	(95,043)	400,462
Total capital assets being depreciated.....	92,565,059	3,410,265	(1,328,410)	94,646,914
<u>Less accumulated depreciation for:</u>				
Buildings.....	(13,013,601)	(1,226,632)	-	(14,240,233)
Infrastructure.....	(10,477,662)	(792,612)	280,523	(10,989,751)
Vehicles.....	(4,445,336)	(543,558)	607,733	(4,381,161)
Computers.....	(495,958)	(257,830)	253,467	(500,321)
Furniture, fixtures and equipment.....	(1,393,397)	(170,860)	-	(1,564,257)
Improvements.....	(7,337,842)	(253,825)	-	(7,591,667)
Library books.....	(350,171)	(110,110)	91,644	(368,637)
School books.....	(207,464)	(109,652)	95,043	(222,073)
Total accumulated depreciation.....	(37,721,431)	(3,465,079)	1,328,410	(39,858,100)
Total capital assets being depreciated, net.....	54,843,628	(54,814)	-	54,788,814
Total governmental activities capital assets, net.....	\$ 89,085,933	\$ 1,506,566	\$ (1,054,536)	\$ 89,537,963

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water Enterprise Fund Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,849,437	\$ -	\$ -	\$ 2,849,437
Construction in progress.....	3,861,135	642,828	(100,000)	4,403,963
Total capital assets not being depreciated.....	6,710,572	642,828	(100,000)	7,253,400
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	16,642,278	100,000	-	16,742,278
Equipment and motor vehicles.....	360,627	23,973	-	384,600
Total capital assets being depreciated.....	17,002,905	123,973	-	17,126,878
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(7,738,778)	(750,482)	-	(8,489,260)
Equipment and motor vehicles.....	(639,113)	(24,641)	-	(663,754)
Total accumulated depreciation.....	(8,377,891)	(775,123)	-	(9,153,014)
Total capital assets being depreciated, net.....	8,625,014	(651,150)	-	7,973,864
Total Water Enterprise capital assets.....	\$ 15,335,586	\$ (8,322)	\$ (100,000)	\$ 15,227,264
	Beginning Balance	Increases	Decreases	Ending Balance
Percy Walker Pool Enterprise Fund Activities:				
<u>Capital assets not being depreciated:</u>				
Construction in progress.....	\$ 2,132,256	\$ -	\$ (2,132,256)	\$ -
<u>Capital assets being depreciated:</u>				
Buildings.....	-	2,380,219	-	2,380,219
<u>Less accumulated depreciation for:</u>				
Buildings.....	-	(29,753)	-	(29,753)
Total capital assets being depreciated, net.....	-	2,350,466	-	2,350,466
Total Percy Walker Pool Enterprise capital assets.....	\$ 2,132,256	\$ 2,350,466	\$ (2,132,256)	\$ 2,350,466

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

Governmental Activities:	
General government.....	\$ 75,659
Public safety.....	477,445
Education.....	1,721,297
Public works.....	717,052
Culture and recreation.....	381,454
Community preservation.....	<u>92,172</u>
Total depreciation expense - governmental activities.....	\$ <u>3,465,079</u>
Business-Type Activities:	
Water.....	\$ 775,123
Percy Walker Pool.....	<u>29,753</u>
Total depreciation expense - business-type activities.....	\$ <u>804,876</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2011, is as follows:

Due to/from other funds

As of June 30, 2011, the Town has interfund receivable/payable of \$112,813 which exists between the General Fund and the Highway Improvements Fund. The purpose of this balance is to cover short-term cash needs that will be funded by future grant proceeds.

Interfund transfers

Transfers Out:	Transfers In:			
	General Fund	Nonmajor Governmental Funds	Percy Walker Pool Enterprise Fund	Total
General Fund.....	\$ -	\$ -	\$ 235,798	\$ 235,798 (1)
Community Preservation Act.....	-	77,450	-	77,450 (2)
Nonmajor Governmental Funds.....	302,086	-	-	302,086 (3)
Water Enterprise Fund.....	301,371	-	-	301,371 (4)
Percy Walker Pool Enterprise Fund.....	<u>84,335</u>	-	-	<u>84,335 (4)</u>
Total.....	\$ <u>687,792</u>	\$ <u>77,450</u>	\$ <u>235,798</u>	\$ <u>1,001,040</u>

- (1) Represents a transfer of principal and interest payments from the General Fund for debt related to the Percy Walker Pool Enterprise Fund.
- (2) Represents transfers from Community Preservation to the Nonmajor Special Revenue Trust Governmental Funds.
- (3) Represents a \$272,086 budgeted transfer to the General Fund from nonmajor grant accounts for health insurance costs. Also, a \$30,000 budgeted transfer from the Cemetery Perpetual Care Fund to the General Fund.
- (4) Represents a budgeted transfer to the General Fund from the Water and Percy Walker Pool Enterprise funds for health insurance costs.

NOTE 6 – SHORT-TERM FINANCING

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

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

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

Details related to the short-term debt activity for the fiscal year ended June 30, 2011, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2010	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2011
<i>Governmental Funds</i>							
BAN	Crematory Construction.....	1.50%	6/28/2012	\$ -	\$ 300,000	\$ -	\$ 300,000
BAN	Police Station Construction.....	1.50%	6/28/2012	-	125,000	-	125,000
BAN	Fire Station Planning.....	1.50%	6/28/2012	-	292,000	-	292,000
BAN	Fire Station Construction.....	1.50%	6/28/2012	-	433,000	-	433,000
BAN	Community Preservation Land Acquisition.....	1.50%	6/28/2012	-	800,000	-	800,000
BAN	School Feasibility Study.....	1.50%	6/28/2012	-	715,000	-	715,000
Total.....				\$ -	\$ 2,665,000	\$ -	\$ 2,665,000

NOTE 7 – LONG-TERM DEBT

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

Details related to the outstanding indebtedness at June 30, 2011, and the debt service requirements are as follows:

General Obligation Bonds Payable Schedule – Governmental Funds

Project	Interest Rate (%)	Outstanding at June 30, 2010	Issued	Redeemed	Outstanding at June 30, 2011
MWPAT 1997.....	5.27	\$ 269,047	\$ -	\$ 35,162	\$ 233,885
MWPAT 2001 Title V.....	4.50	97,828	-	10,872	86,956
MWPAT 2004 Title V.....	3.30-5.25	117,591	-	10,479	107,112
Senior Center.....	3.50-4.50	1,000,000	-	145,000	855,000
Sewer.....	4.00	640,000	-	55,000	585,000
Land Acquisition.....	3.10	75,000	-	30,000	45,000
Remodeling.....	4.00	25,000	-	20,000	5,000
Cemetery Bonds.....	4.00	20,000	-	20,000	-
Parking Lot.....	4.00	15,000	-	15,000	-
Seawalls.....	3.00-3.85	95,000	-	15,000	80,000
Library Refunding.....	3.00-3.75	1,110,000	-	170,000	940,000
School.....	4.00	8,475,000	-	775,000	7,700,000
School Sewer.....	4.00	1,055,000	-	100,000	955,000
School Building Remodeling.....	2.00-5.00	587,000	-	42,000	545,000
School Engineering Services.....	2.00	200,000	-	100,000	100,000
Total Bonds Payable.....		\$ 13,781,466	\$ -	\$ 1,543,513	\$ 12,237,953

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....	\$ 1,482,726	\$ 462,163	\$ 1,944,889
2013.....	1,363,792	416,853	1,780,645
2014.....	1,329,889	354,835	1,684,724
2015.....	1,326,053	302,594	1,628,647
2016.....	1,317,267	250,764	1,568,031
2017.....	1,313,518	197,739	1,511,257
2018.....	976,558	149,746	1,126,304
2019.....	971,558	110,776	1,082,334
2020.....	960,690	70,687	1,031,377
2021.....	960,902	30,154	991,056
2022.....	85,000	7,956	92,956
2023.....	80,000	4,602	84,602
2024.....	35,000	2,406	37,406
2025.....	35,000	1,222	36,222
Totals.....	<u>\$ 12,237,953</u>	<u>\$ 2,362,497</u>	<u>\$ 14,600,450</u>

General Obligation Bonds Payable Schedule – Water Enterprise Fund

<u>Project</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2010</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2011</u>
Municipal Bond.....	3.89	\$ 400,000	\$ -	\$ 100,000	\$ 300,000
Water.....	3.50-4.50	40,000	-	20,000	20,000
Water.....	3.10	170,000	-	60,000	110,000
Water.....	2.50-4.00	440,000	-	110,000	330,000
Water.....	2.00-3.60	160,000	-	40,000	120,000
Water.....	4.00	300,000	-	50,000	250,000
Water.....	4.00	190,000	-	95,000	95,000
Water.....	3.00-3.85	470,000	-	40,000	430,000
Damon Well.....	3.00-3.85	490,000	-	40,000	450,000
Damon Well.....	3.00-3.85	490,000	-	45,000	445,000
MWPAT.....	2.00	3,010,149	-	131,539	2,878,610
Total Bonds Payable.....		<u>\$ 6,160,149</u>	<u>\$ -</u>	<u>\$ 731,539</u>	<u>\$ 5,428,610</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....\$	729,197	\$ 144,217	\$ 873,414
2013.....	611,908	119,727	731,635
2014.....	559,674	99,905	659,579
2015.....	312,495	83,875	396,370
2016.....	315,374	75,097	390,471
2017.....	268,311	66,961	335,272
2018.....	266,307	59,702	326,009
2019.....	259,364	52,664	312,028
2020.....	262,482	45,556	308,038
2021.....	265,664	38,331	303,995
2022.....	263,909	31,139	295,048
2023.....	237,221	24,555	261,776
2024.....	170,599	19,828	190,427
2025.....	174,045	16,382	190,427
2026.....	177,561	12,866	190,427
2027.....	181,149	9,279	190,428
2028.....	184,808	5,619	190,427
2029.....	188,542	1,885	190,427
Totals.....\$	<u>5,428,610</u>	<u>\$ 907,588</u>	<u>\$ 6,336,198</u>

General Obligation Bonds Payable Schedule – Percy Walker Pool Enterprise Fund

<u>Project</u>	<u>Interest Rate (%)</u>	<u>Outstanding at June 30, 2010</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 2011</u>
Engineering Services - Pool.....	2.00-5.00	\$ 163,000	\$ -	\$ 18,000	\$ 145,000
Building Remodeling - Pool.....	2.00-5.00	2,200,000	-	150,000	2,050,000
Total Bonds Payable.....		<u>\$ 2,363,000</u>	<u>\$ -</u>	<u>\$ 168,000</u>	<u>\$ 2,195,000</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012.....	\$ 165,000	\$ 64,438	\$ 229,438
2013.....	160,000	61,138	221,138
2014.....	160,000	57,938	217,938
2015.....	160,000	54,738	214,738
2016.....	155,000	51,538	206,538
2017.....	155,000	48,438	203,438
2018.....	155,000	40,688	195,688
2019.....	155,000	36,038	191,038
2020.....	155,000	29,838	184,838
2021.....	155,000	25,188	180,188
2022.....	155,000	20,538	175,538
2023.....	155,000	15,694	170,694
2024.....	155,000	10,656	165,656
2025.....	155,000	5,425	160,425
Totals.....	<u>\$ 2,195,000</u>	<u>\$ 522,288</u>	<u>\$ 2,717,288</u>

The Town is scheduled to be subsidized by the Massachusetts Water Pollution Abatement Trust (MWPAT) on a periodic basis for principal in the amount of \$66,656 and interest costs for \$93,746. Thus, net MWPAT loan repayments, including interest, are scheduled to be \$369,795. 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 2011 principal and interest subsidies totaled approximately \$9,300 and \$21,700, respectively.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2011, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
Chandler School Roof.....	\$ 640,000
Crematory Construction.....	2,300,000
Police Station Construction.....	6,150,000
Fire Station Construction.....	3,267,000
School Feasibility Study.....	2,185,000
Total.....	<u>\$ 14,542,000</u>

Changes in Long-term Liabilities

During the fiscal year ended June 30, 2011, the following changes occurred in long-term liabilities:

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

	Balance June 30, 2010	Bonds and Notes Redeemed	Other Increases	Other Decreases	Balance June 30, 2011	Due Within One Year
Governmental Activities:						
Long-Term Bonds.....	\$ 13,781,466	\$ (1,543,513)	\$ -	\$ -	\$ 12,237,953	\$ 1,482,726
Other Postemployment Benefits.....	10,924,000	-	6,353,000	(2,025,000)	15,252,000	-
Compensated Absences.....	1,055,000	-	1,028,000	(783,000)	1,300,000	1,043,000
Total governmental activity long-term liabilities.....	\$ 25,760,466	\$ (1,543,513)	\$ 7,381,000	\$ (2,808,000)	\$ 28,789,953	\$ 2,525,726
Business-Type Activities:						
Long-Term Bonds.....	\$ 8,523,149	\$ (899,539)	\$ -	\$ -	\$ 7,623,610	\$ 894,197
Other Postemployment Benefits.....	211,000	-	135,000	(43,000)	303,000	-
Compensated Absences.....	38,000	-	32,000	(29,000)	41,000	33,000
Total business-type activity long-term liabilities.....	\$ 8,772,149	\$ (899,539)	\$ 167,000	\$ (72,000)	\$ 7,967,610	\$ 927,197

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

In fiscal year 2011, the Town implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

In accordance with Statement No. 54, the stabilization funds have been reported in the general fund, and accordingly, the general fund and nonmajor governmental funds beginning balances have been revised from \$6,653,698 to \$9,006,638 and from \$6,315,969 to \$3,963,029, respectively.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

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

As of June 30, 2011, the governmental fund balances consisted of the following:

	GOVERNMENTAL FUNDS			
	General	Community Preservation Act	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES				
Nonspendable:				
Town services fund.....	\$ -	\$ -	\$ 1,971,395	\$ 1,971,395
Restricted for:				
Community Preservation Act.....	-	4,270,340	-	4,270,340
School lunch.....	-	-	110,128	110,128
School gift and grant funds.....	-	-	532,883	532,883
School revolving.....	-	-	631,675	631,675
Recreation revolving.....	-	-	11,300	11,300
Receipts reserved for appropriations.	-	-	92,340	92,340
Town gifts and grants.....	-	-	402,745	402,745
Town revolving.....	-	-	44,417	44,417
Affordable housing.....	-	-	145,785	145,785
Special revenue trust funds.....	-	-	149,114	149,114
Miscellaneous small projects.....	-	-	41,463	41,463
Co-located school.....	-	-	50,471	50,471
Town services fund.....	-	-	649,641	649,641
Committed for:				
Pension reserve.....	768,020	-	-	768,020
Unemployment.....	232,625	-	-	232,625
Assigned to:				
General government.....	90,958	-	-	90,958
Public safety.....	172,026	-	-	172,026
Education.....	259,199	-	-	259,199
Public works.....	259,290	-	-	259,290
Human services.....	2,657	-	-	2,657
Culture and recreation.....	21,840	-	-	21,840
Balance the FY2012 capital budget.....	1,248,481	-	-	1,248,481
Unassigned.....	6,606,737	-	(961,306)	5,645,431
TOTAL FUND BALANCES (DEFICIT).....	\$ 9,661,833	\$ 4,270,340	\$ 3,872,051	\$ 17,804,224

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

At year end the balance of the general stabilization fund is \$1,938,950 and is reported as unassigned fund balance within the general fund; the balance of the pension trust stabilization fund is \$768,020 and is reported as committed fund balance within the general fund; the balance of the unemployment trust stabilization fund is \$232,625 and is reported as committed fund balance within the general fund. The pension trust fund is distinct and separate from the System information in Note 11. The purpose of the fund is to provide a reserve to meet future annual contributions to the Pension System.

NOTE 9 – COMMUNITY PRESERVATION FUNDS

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

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

As of June 30, 2011, the CPA fund has a balance of \$4,270,340 and is reported as a major fund in the governmental funds financial statements.

NOTE 10 – RISK FINANCING

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

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

(a) *Employee Health Insurance*

The Town estimates its Incurred But Not Reported (IBNR) claims based on a multiyear analysis of average claims paid. The Town purchases individual stop loss insurance for claims in excess of the coverage provided by the Town in the amount of \$85,000 per claim. At June 30, 2011, the amount of the liability for health insurance claims totaled \$919,050. This liability is the Town's best estimate based on available information. The Town has elected to record a conservative estimate using the high range of

the estimated potential liability. As a result, the estimated liability has not changed in the past two years. Changes in the reported liability since July 1, 2009, 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 2010.....	\$ 919,050	\$	7,766,322	\$	(7,766,322)	\$	919,050
Fiscal Year 2011.....	919,050		9,437,949		(9,437,949)		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, 2011, the amount of the liability for workers' compensation claims was immaterial and is therefore not reported.

NOTE 11 – PENSION PLAN

Plan Description - The Town contributes to the Plymouth County Contributory Retirement System (System), a cost-sharing multiple-employer defined benefit pension plan administered by the Plymouth County Retirement Board. Substantially all employees are members of the System, except for public school teachers and certain administrators who are members of the Massachusetts Teachers Retirement System, to which the Town does not contribute. Pension benefits and administrative expenses paid by the Teachers Retirement Board are the legal responsibility of the Commonwealth. The amount of these on-behalf payments totaled approximately \$6,521,000 for the fiscal year ended June 30, 2011, and, accordingly, are reported in the general fund as intergovernmental revenues and pension expenditures.

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

Funding Policy - Plan members are required to contribute to the System at rates ranging from 5% to 11% of annual covered compensation. The Town is required to pay into the System its share of the system-wide actuarial determined contribution that is apportioned among the employers based on active current payroll. Administrative expenses are funded through investment earnings. Chapter 32 of the MGL governs the contributions of plan members and the Town. The Town's contributions to the System for the fiscal years ended June 30, 2011, 2010, and 2009 were \$2,174,974, \$1,905,038, and \$1,843,795, respectively, which equaled its required contribution for each fiscal year.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Duxbury administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees and their spouses through the Town’s group health and life insurance plans, which covers both active and retired members. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy – Contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50% of the cost of current-year premiums for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50% of their premium costs. For fiscal year 2011, the Town contributed \$2.1 million to the plan.

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

Annual Required Contribution.....	\$	6,467,000
Interest on net OPEB obligation.....		473,000
Adjustment to annual required contribution.....		(452,000)
Annual OPEB Cost (expense).....		<u>6,488,000</u>
Annual Employer Contributions.....		<u>(2,068,000)</u>
Increase/Decrease in net OPEB obligation.....		4,420,000
Net OPEB obligation - beginning of year.....		<u>11,135,000</u>
Net OPEB obligation - end of year.....	\$	<u><u>15,555,000</u></u>

The Town’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 was as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2011	\$ 6,488,000	32%	\$ 15,555,000
6/30/2010	6,083,000	32%	11,135,000
6/30/2009	9,688,000	28%	6,968,000

Funded Status and Funding Progress – As of July 1, 2009, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$66.7 million, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$36 million, and the ratio of the UAAL to the covered payroll was 185%.

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

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

In the July 1, 2009 actuarial valuation, actuarial liabilities were determined using the projected unit credit cost method. The actuarial assumptions included a 4.25% investment return assumption, which is based on the expected yield on the assets of the Town, calculated based on the funded level of the plan at the valuation date, and an annual medical/drug cost trend rate of 10% initially, graded to 5% over 10 years and included a 4.25% inflation assumption. The UAAL is being amortized over a closed 30 year period using a level dollar amount with amortization payments increasing at 4.25% per year. The remaining amortization period at June 30, 2011 is 27 years.

NOTE 13 – COMMITMENTS

During fiscal year 2011, the Town voted to approve three new capital projects outside of the limitations of Proposition 2½. In relation to these approvals, the Town has entered into, or is planning to enter into, contracts totaling \$12.9 million in relation to the rehabilitation of a fire station (\$3.7 million), construction of a new police station (\$6.3 million), and the design of a new high school and middle school (\$2.9 million).

Subsequent to year end, the Town passed, by special election, an override of Proposition 2½ allowing the construction of a new co-located school totaling \$128 million.

NOTE 14 – CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2011, 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, 2011, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2011.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2011, the following GASB pronouncements were implemented:

GASB Statement #54, *Fund Balance Reporting and Governmental Fund Type Definitions*, was implemented in fiscal year 2011. Financial statement changes include new fund balance designations and the reclassification of stabilization funds from the special revenue fund to the general fund. Notes to the basic financial statements were changed to provide additional disclosure on the new designations of fund balance.

GASB Statement #59, *Financial Instruments Omnibus*, was implemented in fiscal year 2011 and did not impact the financial statements.

Future implementation of GASB pronouncements:

The GASB issued Statement #60, *Accounting and Financial Reporting for Service Concession Arrangements*, which is required to be implemented in fiscal year 2013. Management expects that the implementation of this pronouncement will have an impact on the basic financial statements.

The GASB issued Statement #61, *The Financial Reporting Entity: Omnibus*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will not have a significant impact on the basic financial statements.

The GASB issued Statement #62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will not have a significant impact on the basic financial statements.

The GASB issued Statement #63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is required to be implemented in fiscal year 2013. Management's current assessment is that this pronouncement will have a significant impact on the basic financial statements.

The GASB issued Statement #64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*, which is required to be implemented in fiscal year 2012. Management does not believe that this pronouncement will require additional disclosure or 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, 2011

	Budgeted Amounts					Actual	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget				
REVENUES:								
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 41,998,300	\$ 41,998,300	\$ 41,998,300	\$ 41,693,549	\$ -	\$ (304,751)	
Motor vehicle and other excise taxes.....	-	1,835,700	1,835,700	1,835,700	2,107,443	-	271,743	
Sewer charges.....	-	260,000	260,000	260,000	319,396	-	59,396	
Trash disposal.....	-	500,000	500,000	500,000	633,692	-	133,692	
Intergovernmental.....	-	5,361,765	5,361,765	5,361,765	5,488,075	-	126,310	
Departmental and other.....	-	3,600,000	3,600,000	3,600,000	4,373,664	-	773,664	
Investment income.....	-	330,000	330,000	330,000	179,008	-	(150,992)	
TOTAL REVENUES.....	-	53,885,765	53,885,765	53,885,765	54,794,827	-	909,062	
EXPENDITURES:								
Current:								
General government								
Town Meeting								
Expenditures.....	-	4,300	4,300	4,300	3,575	513	212	
Town Moderator								
Salaries.....	-	40	40	40	-	-	40	
Selectmen								
Salaries.....	-	236,109	236,109	243,059	240,356	-	2,703	
Expenditures.....	14	15,330	15,344	20,144	19,517	35	592	
Articles.....	15,375	410,000	425,375	425,375	410,000	15,375	-	
Total.....	15,389	661,439	676,828	688,578	669,873	15,410	3,295	
Finance Committee								
Expenditures.....	-	450	450	450	240	-	210	
Information Systems								
Salaries.....	-	58,201	58,201	60,903	59,100	-	1,803	
Expenditures.....	11,638	154,189	165,827	167,627	148,736	18,565	326	
Articles.....	32,595	33,000	65,595	65,595	29,818	35,777	-	
Total.....	44,233	245,390	289,623	294,125	237,654	54,342	2,129	
Finance Director								
Salaries.....	-	90,500	90,500	102,125	102,125	-	-	
Expenditures.....	-	2,000	2,000	2,000	1,777	-	223	
Total.....	-	92,500	92,500	104,125	103,902	-	223	
Accounting								
Salaries.....	-	195,855	195,855	201,164	199,240	-	1,924	
Expenditures.....	331	7,980	8,311	7,976	7,346	-	630	
Total.....	331	203,835	204,166	209,140	206,586	-	2,554	
Audit								
Expenditures.....	-	42,000	42,000	44,000	44,000	-	-	
Assessor								
Salaries.....	-	206,792	206,792	247,420	247,409	-	11	
Expenditures.....	379	21,540	21,919	27,919	25,536	50	2,333	
Articles.....	-	7,373	7,373	7,373	2,306	5,067	-	
Total.....	379	235,705	236,084	282,712	275,251	5,117	2,344	
Treasurer/Collector								
Salaries.....	-	281,087	281,087	268,808	253,558	-	15,250	
Expenditures.....	975	55,250	56,225	54,361	43,598	-	10,763	
Articles.....	-	-	-	1,000	1,000	-	-	
Total.....	975	336,337	337,312	324,169	298,156	-	26,013	
Legal								
Expenditures.....	-	220,000	220,000	281,000	247,202	850	32,948	
Human Resources								
Salaries.....	-	62,500	62,500	63,881	63,881	-	-	
Expenditures.....	-	4,450	4,450	7,765	6,020	190	1,555	
Articles.....	26,444	50,000	76,444	5,600	-	5,600	-	
Total.....	26,444	116,950	143,394	77,246	69,901	5,790	1,555	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	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				
Town Clerk								
Salaries.....	-	108,202	108,202	111,062	110,578	-	484	
Expenditures.....	-	3,100	3,100	3,100	2,466	343	291	
Total.....	-	111,302	111,302	114,162	113,044	343	775	
Election/Registration								
Salaries.....	-	13,487	13,487	13,487	12,942	-	545	
Expenditures.....	213	17,190	17,403	17,404	16,472	262	670	
Total.....	213	30,677	30,890	30,891	29,414	262	1,215	
Conservation								
Salaries.....	-	106,606	106,606	131,698	131,334	-	364	
Expenditures.....	1,449	11,440	12,889	12,889	9,159	3,325	405	
Total.....	1,449	118,046	119,495	144,587	140,493	3,325	769	
Planning Board								
Salaries.....	-	104,244	104,244	105,262	104,023	-	1,239	
Expenditures.....	1,006	11,520	12,526	12,525	10,798	144	1,583	
Articles.....	4,862	-	4,862	4,862	-	4,862	-	
Total.....	5,868	115,764	121,632	122,649	114,821	5,006	2,822	
Tax Title								
Expenditures.....	-	15,000	15,000	15,000	10,308	-	4,692	
Articles.....	-	-	-	5,017	5,017	-	-	
Total.....	-	15,000	15,000	20,017	15,325	-	4,692	
Historical Commission								
Expenditures.....	-	200	200	200	184	-	16	
Total General Government.....	95,281	2,549,935	2,645,216	2,742,391	2,569,621	90,958	81,812	
Public safety								
Police								
Salaries.....	-	2,787,728	2,787,728	2,846,995	2,672,855	155,249	18,891	
Expenditures.....	30,645	194,884	225,529	250,529	240,910	4,274	5,345	
Articles.....	-	30,000	30,000	30,050	27,050	3,000	-	
Total.....	30,645	3,012,612	3,043,257	3,127,574	2,940,815	162,523	24,236	
Fire								
Salaries.....	-	1,964,490	1,964,490	2,146,513	2,146,513	-	-	
Expenditures.....	1,022	235,550	236,572	222,572	220,779	1,734	59	
Articles.....	-	307,000	307,000	307,000	282,309	-	24,691	
Total.....	1,022	2,507,040	2,508,062	2,676,085	2,649,601	1,734	24,750	
Inspectional Services								
Salaries.....	-	387,669	387,669	387,709	368,321	-	19,388	
Expenditures.....	945	24,400	25,345	25,345	23,022	140	2,183	
Total.....	945	412,069	413,014	413,054	391,343	140	21,571	
Harbormaster/Beach Management								
Salaries.....	-	177,243	177,243	231,894	223,125	-	8,769	
Expenditures.....	-	24,600	24,600	28,600	27,971	-	629	
Articles.....	8,542	67,532	76,074	76,074	67,158	7,629	1,287	
Total.....	8,542	269,375	277,917	336,568	318,254	7,629	10,685	
Total Public Safety.....	41,154	6,201,096	6,242,250	6,553,281	6,300,013	172,026	81,242	
Education.....	340,158	28,196,458	28,536,616	28,536,616	28,201,618	259,199	75,799	
Public Works								
DPW Management								
Salaries.....	-	253,911	253,911	269,850	269,812	-	38	
Expenditures.....	90	31,350	31,440	31,440	29,435	150	1,855	
Articles.....	86,020	-	86,020	86,020	82	80,738	5,200	
Total.....	86,110	285,261	371,371	387,310	299,329	80,888	7,093	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	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				
Vehicle Maintenance								
Salaries.....	-	145,998	145,998	148,194	143,397	-	4,797	
Expenditures.....	-	112,500	112,500	141,670	141,546	-	124	
Articles.....	-	-	-	-	-	-	-	
Total.....	-	258,498	258,498	289,864	284,943	-	4,921	
Highway Department								
Salaries.....	-	425,090	425,090	425,090	419,737	-	5,353	
Expenditures.....	1,693	49,800	51,493	68,994	62,441	-	6,553	
Articles.....	-	153,000	153,000	160,660	137,371	-	23,289	
Total.....	1,693	627,890	629,583	654,744	619,549	-	35,195	
Snow & Ice								
Salaries.....	-	55,000	55,000	109,362	109,362	-	-	
Expenditures.....	-	94,200	94,200	235,978	235,978	-	-	
Articles.....	-	15,202	15,202	15,202	13,400	-	1,802	
Total.....	-	164,402	164,402	360,542	358,740	-	1,802	
Fuel Depot								
Expenditures.....	-	242,500	242,500	242,500	235,248	-	7,252	
Land & Natural Resources								
Salaries.....	-	360,648	360,648	347,748	317,289	-	30,459	
Expenditures.....	336	42,000	42,336	42,336	41,898	390	48	
Articles.....	10,204	175,000	185,204	185,382	176,676	8,706	-	
Total.....	10,540	577,648	588,188	575,466	535,863	9,096	30,507	
Street Lights								
Expenditures.....	-	40,000	40,000	40,000	36,084	-	3,916	
Transfer Station								
Salaries.....	-	205,342	205,342	205,342	196,217	-	9,125	
Expenditures.....	13,537	537,200	550,737	539,596	477,652	35,232	26,712	
Articles.....	-	17,100	17,100	17,100	14,648	-	2,452	
Total.....	13,537	759,642	773,179	762,038	688,517	35,232	38,289	
Sewer Department								
Salaries.....	-	14,900	14,900	15,720	5,721	-	9,999	
Expenditures.....	-	216,000	216,000	216,000	139,695	8,500	67,805	
Total.....	-	230,900	230,900	231,720	145,416	8,500	77,804	
Cemetery								
Salaries.....	-	353,148	353,148	382,632	381,474	-	1,158	
Expenditures.....	3,664	178,720	182,384	182,384	169,570	5,642	7,172	
Articles.....	45,979	80,000	125,979	125,978	30,426	95,552	-	
Total.....	49,643	611,868	661,511	690,994	581,470	101,194	8,330	
Central Building								
Salaries.....	-	57,530	57,530	57,530	56,319	-	1,211	
Expenditures.....	421	236,000	236,421	236,421	205,779	5,553	25,089	
Articles.....	40,000	5,065	45,065	45,065	26,697	18,368	-	
Total.....	40,421	298,595	339,016	339,016	288,795	23,921	26,300	
Animal Control								
Salaries.....	-	50,777	50,777	57,409	56,998	-	411	
Expenditures.....	-	10,150	10,150	10,150	8,048	-	2,102	
Articles.....	-	-	-	-	-	-	-	
Total.....	-	60,927	60,927	67,559	65,046	-	2,513	
Building Maintenance								
Expenditures.....	-	34,400	34,400	34,400	33,990	391	19	
Tarklin								
Expenditures.....	-	16,500	16,500	16,500	14,572	68	1,860	
Total Public Works.....	201,944	4,209,031	4,410,975	4,692,653	4,187,562	259,290	245,801	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	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				
Human services								
Council on Aging								
Salaries.....	-	284,808	284,808	312,854	310,374	-	2,480	
Expenditures.....	5,261	125,615	130,876	128,876	117,059	2,150	9,667	
Total.....	5,261	410,423	415,684	441,730	427,433	2,150	12,147	
Veterans								
Salaries.....	-	20,911	20,911	20,911	17,219	-	3,692	
Expenditures.....	465	77,985	78,450	78,450	67,965	507	9,978	
Articles.....	-	-	-	32	32	-	-	
Total.....	465	98,896	99,361	99,393	85,216	507	13,670	
Plymouth County Cooperative								
Expenditures.....	-	200	200	-	-	-	-	
Total Human Services.....	5,726	509,519	515,245	541,123	512,649	2,657	25,817	
Culture and recreation								
Library								
Salaries.....	-	855,926	855,926	921,665	915,416	6,237	12	
Expenditures.....	5,308	306,460	311,768	318,768	309,049	4,512	5,207	
Articles.....	7,056	2,600	9,656	9,656	4,598	5,058	-	
Total.....	12,364	1,164,986	1,177,350	1,250,089	1,229,063	15,807	5,219	
Recreation								
Salaries.....	-	140,626	140,626	194,119	194,111	-	8	
Expenditures.....	-	2,850	2,850	2,850	2,282	-	568	
Articles.....	-	4,300	4,300	4,300	4,200	-	100	
Total.....	-	147,776	147,776	201,269	200,593	-	676	
Pool								
Expenditures.....	6,914	-	6,914	6,914	5,324	-	1,590	
North Hill								
Expenditures.....	-	2,000	2,000	2,000	1,860	-	140	
Articles.....	18,000	-	18,000	18,000	11,176	6,033	791	
Total.....	18,000	2,000	20,000	20,000	13,036	6,033	931	
Lifeguards								
Salaries.....	-	16,770	16,770	16,770	12,997	-	3,773	
Expenditures.....	-	600	600	600	275	-	325	
Total.....	-	17,370	17,370	17,370	13,272	-	4,098	
Public Celebrations								
Expenditures.....	-	4,500	4,500	4,500	3,036	-	1,464	
Total Culture and Recreation.....	37,278	1,336,632	1,373,910	1,500,142	1,464,324	21,840	13,978	
Pension Benefits								
Contributory Retirement.....	-	2,174,974	2,174,974	2,174,974	2,174,974	-	-	
Non-Contributory Retirement.....	-	29,500	29,500	29,500	19,946	-	9,554	
Total.....	-	2,204,474	2,204,474	2,204,474	2,194,920	-	9,554	
Property and Liability Insurance.....	-	277,800	277,800	327,800	239,620	-	88,180	
Employee Benefits.....	50,000	7,618,000	7,668,000	7,236,413	6,785,582	-	450,831	
Reserve fund.....	-	100,000	100,000	33,830	-	-	33,830	

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	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			
State and County Charges.....	-	252,712	252,712	252,912	273,473	-	(20,561)
Debt Service							
Debt Service Principal.....	-	1,570,513	1,570,513	1,570,513	1,543,513	-	27,000
Debt Service Interest.....	-	618,868	618,868	619,868	520,706	-	99,162
Total.....	-	2,189,381	2,189,381	2,190,381	2,064,219	-	126,162
TOTAL EXPENDITURES.....	771,541	55,645,038	56,416,579	56,812,016	54,793,601	805,970	1,212,445
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(771,541)	(1,759,273)	(2,530,814)	(2,926,251)	1,226	(805,970)	2,121,507
OTHER FINANCING SOURCES (USES):							
Premium from issuance of bonds.....	-	-	-	-	18,834	-	18,834
Transfers in.....	-	837,899	837,899	837,899	837,792	-	(107)
Transfers out.....	-	(235,798)	(235,798)	(835,798)	(835,798)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	602,101	602,101	2,101	20,828	-	18,727
NET CHANGE IN FUND BALANCE.....	(771,541)	(1,157,172)	(1,928,713)	(2,924,150)	22,054	(805,970)	2,140,234
BUDGETARY FUND BALANCE, Beginning of year.....	-	6,459,158	6,459,158	6,459,158	6,459,158	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (771,541)	\$ 5,301,986	\$ 4,530,445	\$ 3,535,008	\$ 6,481,212	\$ (805,970)	\$ 2,140,234

(Concluded)

See notes to required supplementary information.

Retirement System Schedules of Funding Progress and Employer Contributions

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

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

**PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS**

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

The Town's share of the UAAL, as of June 30, 2011, is approximately 4.44%.

See notes to required supplementary information.

PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

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

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

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

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

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

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

OTHER POSTEMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS

Schedule of Funding Progress

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

Schedule of Employer Contributions

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

See notes to required supplementary information.

OTHER POSTEMPLOYMENT BENEFIT PLAN
ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods:

Valuation date..... July 1, 2009
Actuarial cost method..... Projected Unit Credit
Amortization method..... Level dollar amount over a 30 year period at transition
Remaining amortization period..... 27 years as of June 30, 2011, closed

Actuarial Assumptions:

Investment rate of return..... 4.25% for an unfunded plan
Medical/drug cost trend rate..... 10% graded to 5% over 10 years

Plan Membership:

Current retirees, beneficiaries, and dependents.....	407
Current active members.....	<u>554</u>
 Total.....	 <u><u>961</u></u>

See notes to required supplementary information.

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

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

Supplementary appropriations are voted at special town meetings.

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

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

The Town adopts an annual budget for the General Fund in conformity with the guidelines described above. The original fiscal year 2011 approved budget for the General Fund includes \$55.9 million in current year appropriations and other amounts to be raised and \$772,000 in encumbrances and appropriations carried over from previous fiscal years. During fiscal year 2011, the Town approved various transfers within appropriation lines in the General Fund along with supplemental appropriations totaling \$995,000 to fund the Unemployment Trust Fund (\$150,000), the Pension Reserve Fund (\$150,000), the Stabilization Fund (\$300,000), Snow and Ice salaries and expenses (\$185,000), and various other General Fund line items.

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, 2011, is presented below:

Net Change in Fund Balance - budgetary basis.....	\$ 22,054
<u>Perspective difference:</u>	
Activity of the stabilization funds recorded in the general fund for GAAP.....	586,655
<u>Basis of accounting differences:</u>	
Net change in revenue accrual.....	46,486
Recognition of revenue for on-behalf payments.....	6,521,227
Recognition of expenditures for on-behalf payments.....	<u>(6,521,227)</u>
 Net Change in Fund Balance - GAAP basis.....	 \$ <u>655,195</u>

C. Appropriation Deficits

The Town had expenditures in excess of appropriations for state and county charges. These amounts will be raised on the fiscal 2012 Tax Recapitulation.

NOTE B – OTHER POSTEMPLOYMENT BENEFITS PLAN

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

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

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

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

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

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

NOTE C – PENSION PLAN

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

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

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

Actuarial Methods and Assumptions:

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

Actuarial Assumptions:

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

Plan Membership:

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

Other Supplementary Information

Combining 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 grouping for nonmajor special revenue funds is as described as follows:

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

Capital Projects Funds

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

- ***Miscellaneous Small Projects*** – accounts for nonmajor capital projects.
- ***Crematory*** – accounts for the construction of various cemetery projects.
- ***Co-located School*** – accounts for the design and construction of the new co-located school.

- **Fire Station** – accounts for the renovations to the fire station.
- **Police Station** – accounts for the construction of the new police station.

Permanent Funds

Permanent Funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs. The Town's grouping for non-major permanent funds is as described as follows:

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

**NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET**

JUNE 30, 2011

	Special Revenue Funds					
	School Lunch	School Gifts & Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations	Town Gifts & Grants
ASSETS						
Cash and cash equivalents.....	\$ 110,426	\$ 650,668	\$ 910,432	\$ 96,670	\$ 92,340	\$ 638,829
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Departmental and other.....	-	-	-	-	-	-
Intergovernmental.....	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 110,426	\$ 650,668	\$ 910,432	\$ 96,670	\$ 92,340	\$ 638,829
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Warrants payable.....	\$ 298	\$ 105,382	\$ 62,545	\$ 5,699	\$ -	\$ 230,117
Accrued payroll.....	-	12,403	44,636	12,322	-	5,967
Other liabilities.....	-	-	171,576	67,349	-	-
Deferred revenues.....	-	-	-	-	-	-
Due to other funds.....	-	-	-	-	-	-
Notes payable.....	-	-	-	-	-	-
TOTAL LIABILITIES.....	298	117,785	278,757	85,370	-	236,084
FUND BALANCES:						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	110,128	532,883	631,675	11,300	92,340	402,745
Unassigned.....	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS).....	110,128	532,883	631,675	11,300	92,340	402,745
TOTAL LIABILITIES AND FUND BALANCES...	\$ 110,426	\$ 650,668	\$ 910,432	\$ 96,670	\$ 92,340	\$ 638,829

Special Revenue Funds					Capital Projects Funds			
Town Revolving	Highway Improvements	Affordable Housing	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Crematory	Co-located School	
\$ -	\$ -	\$ 9,605	\$ 104,480	\$ 2,613,450	\$ 41,463	\$ 86,456	\$ 484,664	
-	-	136,180	44,634	180,814	-	-	-	
78,859	-	-	-	78,859	-	-	-	
-	699,194	-	-	699,194	-	-	280,807	
<u>\$ 78,859</u>	<u>\$ 699,194</u>	<u>\$ 145,785</u>	<u>\$ 149,114</u>	<u>\$ 3,572,317</u>	<u>\$ 41,463</u>	<u>\$ 86,456</u>	<u>\$ 765,471</u>	
\$ 5,508	\$ -	\$ -	\$ -	\$ 409,549	\$ -	\$ -	\$ -	
516	-	-	-	75,844	-	-	-	
-	-	-	-	238,925	-	-	-	
78,859	601,208	-	-	680,067	-	-	280,807	
14,827	97,986	-	-	112,813	-	-	-	
-	-	-	-	-	-	300,000	715,000	
<u>99,710</u>	<u>699,194</u>	<u>-</u>	<u>-</u>	<u>1,517,198</u>	<u>-</u>	<u>300,000</u>	<u>995,807</u>	
-	-	-	-	-	-	-	-	
44,417	-	145,785	149,114	2,120,387	41,463	-	50,471	
(65,268)	-	-	-	(65,268)	-	(213,544)	(280,807)	
<u>(20,851)</u>	<u>-</u>	<u>145,785</u>	<u>149,114</u>	<u>2,055,119</u>	<u>41,463</u>	<u>(213,544)</u>	<u>(230,336)</u>	
<u>\$ 78,859</u>	<u>\$ 699,194</u>	<u>\$ 145,785</u>	<u>\$ 149,114</u>	<u>\$ 3,572,317</u>	<u>\$ 41,463</u>	<u>\$ 86,456</u>	<u>\$ 765,471</u>	

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINED BALANCE SHEET**

JUNE 30, 2011

	<u>Capital Projects Funds</u>			<u>Permanent Funds</u>	Total Nonmajor Governmental Funds
	Fire Station	Police Station	Subtotal	Town Services Fund	
ASSETS					
Cash and cash equivalents.....	\$ 323,313	\$ 125,000	\$ 1,060,896	\$ 117,022	\$ 3,791,368
Investments.....	-	-	-	2,504,014	2,684,828
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	-	78,859
Intergovernmental.....	-	-	280,807	-	980,001
TOTAL ASSETS.....	\$ 323,313	\$ 125,000	\$ 1,341,703	\$ 2,621,036	\$ 7,535,056
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Warrants payable.....	\$ -	\$ -	\$ -	\$ -	\$ 409,549
Accrued payroll.....	-	-	-	-	75,844
Other liabilities.....	-	-	-	-	238,925
Deferred revenues.....	-	-	280,807	-	960,874
Due to other funds.....	-	-	-	-	112,813
Notes payable.....	725,000	125,000	1,865,000	-	1,865,000
TOTAL LIABILITIES.....	725,000	125,000	2,145,807	-	3,663,005
FUND BALANCES:					
Nonspendable.....	-	-	-	1,971,395	1,971,395
Restricted.....	-	-	91,934	649,641	2,861,962
Unassigned.....	(401,687)	-	(896,038)	-	(961,306)
TOTAL FUND BALANCES (DEFICITS).....	(401,687)	-	(804,104)	2,621,036	3,872,051
TOTAL LIABILITIES AND FUND BALANCES..	\$ 323,313	\$ 125,000	\$ 1,341,703	\$ 2,621,036	\$ 7,535,056

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

FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					
	School Lunch	School Gifts & Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations	Town Gifts & Grants
REVENUES:						
Intergovernmental.....	\$ 83,071	\$ 1,977,374	\$ -	\$ -	\$ -	\$ 489,242
Departmental and other.....	769,140	93,838	3,051,068	256,837	12,450	411,620
Contributions.....	-	-	-	-	-	258,398
Investment income.....	-	-	-	-	-	-
TOTAL REVENUES.....	852,211	2,071,212	3,051,068	256,837	12,450	1,159,260
EXPENDITURES:						
Current:						
General government.....	-	-	-	2,676	-	151,392
Public safety.....	-	-	-	-	-	387,906
Education.....	803,929	2,033,326	2,851,486	-	-	-
Public works.....	-	-	-	-	-	104,885
Human services.....	-	-	-	-	-	106,466
Culture and recreation.....	-	-	-	241,004	-	34,137
Pension benefits - Town.....	-	-	-	-	-	4,565
TOTAL EXPENDITURES.....	803,929	2,033,326	2,851,486	243,680	-	789,351
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	48,282	37,886	199,582	13,157	12,450	369,909
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	-	-	-	-	-
Transfers out.....	-	(83,595)	(176,635)	(11,856)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	(83,595)	(176,635)	(11,856)	-	-
NET CHANGE IN FUND BALANCES.....	48,282	(45,709)	22,947	1,301	12,450	369,909
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED...	61,846	578,592	608,728	9,999	79,890	32,836
FUND BALANCES (DEFICITS) AT END OF YEAR.....	\$ 110,128	\$ 532,883	\$ 631,675	\$ 11,300	\$ 92,340	\$ 402,745

Special Revenue Funds					Capital Project Funds		
Town Revolving	Highway Improvements	Affordable Housing	Special Revenue Trust Funds	Sub-total	Miscellaneous Small Projects	Crematory	Co-located School
\$ -	\$ 352,229	\$ 135,000	\$ -	\$ 3,036,916	\$ -	\$ -	\$ 4,260
48,265	-	-	-	4,643,218	-	-	-
-	-	-	37,868	296,266	-	-	-
-	-	10,785	4,895	15,680	-	-	-
<u>48,265</u>	<u>352,229</u>	<u>145,785</u>	<u>42,763</u>	<u>7,992,080</u>	<u>-</u>	<u>-</u>	<u>4,260</u>
33,672	-	-	34,285	222,025	-	-	-
7,235	-	-	-	395,141	-	-	-
-	-	-	-	5,688,741	-	-	296,036
385	352,229	-	-	457,499	-	213,544	-
75,657	-	-	-	182,123	-	-	-
-	-	-	20,746	295,887	-	-	-
-	-	-	-	4,565	-	-	-
<u>116,949</u>	<u>352,229</u>	<u>-</u>	<u>55,031</u>	<u>7,245,981</u>	<u>-</u>	<u>213,544</u>	<u>296,036</u>
<u>(68,684)</u>	<u>-</u>	<u>145,785</u>	<u>(12,268)</u>	<u>746,099</u>	<u>-</u>	<u>(213,544)</u>	<u>(291,776)</u>
-	-	-	77,450	77,450	-	-	-
-	-	-	-	(272,086)	-	-	-
-	-	-	77,450	(194,636)	-	-	-
(68,684)	-	145,785	65,182	551,463	-	(213,544)	(291,776)
<u>47,833</u>	<u>-</u>	<u>-</u>	<u>83,932</u>	<u>1,503,656</u>	<u>41,463</u>	<u>-</u>	<u>61,440</u>
<u>\$ (20,851)</u>	<u>\$ -</u>	<u>\$ 145,785</u>	<u>\$ 149,114</u>	<u>\$ 2,055,119</u>	<u>\$ 41,463</u>	<u>\$ (213,544)</u>	<u>\$ (230,336)</u>

(Continued)

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

FISCAL YEAR ENDED JUNE 30, 2011

	<u>Capital Project Funds</u>		<u>Permanent Funds</u>		Total Nonmajor Governmental Funds
	Fire Station	Sub-total	Town Services Fund		
REVENUES:					
Intergovernmental.....	\$ -	\$ 4,260	\$ -	\$ -	3,041,176
Departmental and other.....	-	-	-	-	4,643,218
Contributions.....	-	-	45,050	-	341,316
Investment income.....	-	-	271,097	-	286,777
TOTAL REVENUES.....	-	4,260	316,147	-	8,312,487
EXPENDITURES:					
Current:					
General government.....	-	-	16,810	-	238,835
Public safety.....	401,687	401,687	-	-	796,828
Education.....	-	296,036	-	-	5,984,777
Public works.....	-	213,544	4,771	-	675,814
Human services.....	-	-	-	-	182,123
Culture and recreation.....	-	-	-	-	295,887
Pension benefits - Town.....	-	-	-	-	4,565
TOTAL EXPENDITURES.....	401,687	911,267	21,581	-	8,178,829
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(401,687)	(907,007)	294,566	-	133,658
OTHER FINANCING SOURCES (USES):					
Transfers in.....	-	-	-	-	77,450
Transfers out.....	-	-	(30,000)	-	(302,086)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	(30,000)	-	(224,636)
NET CHANGE IN FUND BALANCES.....	(401,687)	(907,007)	264,566	-	(90,978)
FUND BALANCES AT BEGINNING OF YEAR, AS REVISED...	-	102,903	2,356,470	-	3,963,029
FUND BALANCES (DEFICITS) AT END OF YEAR.....	\$ (401,687)	\$ (804,104)	\$ 2,621,036	\$ -	\$ 3,872,051

(Concluded)

Agency Fund

Fund Description

Agency Fund is used to account for assets held in a purely custodial capacity. The Town's Agency Fund activity consists primarily of performance bonds, 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, 2011

	<u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2011</u>
<u>ASSETS</u>				
Cash and cash equivalents.....	\$ 432,232	\$ 154,578	\$ (269,142)	\$ 317,668
<u>LIABILITIES</u>				
Warrants payable.....	\$ 31,619	\$ 580	\$ (31,619)	\$ 580
Accrued liabilities.....	-	5,927	-	5,927
Liabilities due depositors.....	400,613	148,071	(237,523)	311,161
TOTAL LIABILITIES.....	\$ 432,232	\$ 154,578	\$ (269,142)	\$ 317,668

Statistical Section

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



Photo by Mary Siciliano

Bug light, a trusted sentry to guide home the weary sailor.

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 Nine Fiscal Years

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

Changes in Net Assets

Last Nine Fiscal Years

Fiscal Year

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities:									
General government.....	\$ 2,956,056	\$ 3,023,855	\$ 2,982,415	\$ 3,328,181	\$ 3,606,616	\$ 3,686,678	\$ 3,942,177	\$ 3,974,258	\$ 4,293,359
Public safety.....	6,479,713	7,208,099	7,111,573	7,918,377	8,450,057	8,522,903	9,850,181	9,710,965	10,039,369
Education.....	33,955,030	35,450,143	39,529,289	40,478,391	43,337,224	44,398,693	50,478,418	50,300,591	52,156,368
Public works.....	4,418,446	3,417,632	4,600,868	5,073,683	5,480,877	5,194,930	5,911,232	5,258,010	5,453,666
Human services.....	507,138	516,163	533,679	605,610	694,237	710,722	857,340	891,585	945,904
Culture and recreation.....	2,184,149	2,272,190	2,296,766	2,333,285	2,258,491	2,742,203	2,923,774	2,731,672	2,692,071
Community Preservation.....	55,620	238,645	161,988	72,667	239,207	200,192	147,179	189,761	349,793
Interest.....	1,193,807	1,299,940	1,510,468	1,015,461	1,157,136	784,810	637,234	592,335	477,255
Total government activities expenses.....	51,749,959	53,426,667	58,727,046	60,825,655	65,223,845	66,241,131	74,747,535	73,649,177	76,407,785
Business-type activities:									
Water.....	1,539,972	1,469,322	2,021,809	1,787,554	2,162,105	2,487,440	2,323,558	2,197,814	2,350,547
Percy Walker Pool.....	-	-	-	-	-	-	-	33,774	380,020
Total business-type activities expenses.....	1,539,972	1,469,322	2,021,809	1,787,554	2,162,105	2,487,440	2,323,558	2,231,588	2,730,567
Total primary government expenses.....	\$ 53,289,931	\$ 54,895,989	\$ 60,748,855	\$ 62,613,209	\$ 67,385,950	\$ 68,728,571	\$ 77,071,093	\$ 75,880,765	\$ 79,138,352
Program Revenues									
Governmental activities:									
Education charges for services.....	\$ 2,042,233	\$ 3,457,435	\$ 5,446,732	\$ 4,602,485	\$ 6,132,491	\$ 6,232,869	\$ 6,441,625	\$ 6,099,245	\$ 6,046,720
Public works charges for services.....	1,299,462	1,450,480	1,530,883	1,635,482	2,024,082	1,698,068	2,920,314	1,755,578	1,818,978
Culture and recreation charges for services.....	1,670,649	1,814,874	1,878,790	1,960,026	2,032,198	2,141,441	2,106,940	2,174,635	2,082,263
Other charges for services.....	2,530,579	1,630,819	1,720,665	1,974,422	2,510,745	2,223,067	2,939,352	2,557,845	2,527,548
Operating grants and contributions.....	8,286,268	7,893,943	7,850,107	10,421,134	10,414,641	10,749,772	12,761,352	13,460,616	14,269,178
Capital grant and contributions.....	10,746,357	5,998,907	2,088,395	2,923,241	1,191,310	1,250,418	1,286,073	799,351	1,128,082
Total government activities program revenues.....	26,575,548	22,246,458	20,515,572	23,516,790	24,305,467	24,295,635	28,455,656	26,847,270	27,872,769
Business-type activities:									
Charges for services - water.....	2,058,068	2,054,405	2,895,518	2,795,272	2,783,180	2,901,469	2,460,603	2,990,133	3,101,148
Charges for services - Percy Walker Pool.....	-	-	-	-	-	-	-	46,497	304,513
Total business-type activities program revenues.....	2,058,068	2,054,405	2,895,518	2,795,272	2,783,180	2,901,469	2,460,603	3,036,630	3,405,661
Total primary government program revenues.....	\$ 28,633,616	\$ 24,300,863	\$ 23,411,090	\$ 26,312,062	\$ 27,088,647	\$ 27,197,104	\$ 30,916,259	\$ 29,883,900	\$ 31,278,430
Net (Expense)/Revenue									
Governmental activities.....	\$ (25,174,411)	\$ (31,180,209)	\$ (38,211,474)	\$ (37,308,865)	\$ (40,918,378)	\$ (41,945,496)	\$ (46,291,879)	\$ (46,801,907)	\$ (48,535,016)
Business-type activities.....	518,096	585,083	873,709	1,007,718	621,075	414,029	137,045	805,042	675,094
Total primary government net expense.....	\$ (24,656,315)	\$ (30,595,126)	\$ (37,337,765)	\$ (36,301,147)	\$ (40,297,303)	\$ (41,531,467)	\$ (46,154,834)	\$ (45,996,866)	\$ (47,859,922)
General Revenues and other Changes in Net Assets									
Governmental activities:									
Real estate and personal property taxes, net of tax refunds payable.....	\$ 31,571,815	\$ 33,164,957	\$ 33,250,856	\$ 35,101,777	\$ 36,999,317	\$ 38,483,995	\$ 40,555,656	\$ 40,995,795	\$ 41,964,019
Tax liens.....	167,821	154,882	88,824	168,191	134,662	126,079	48,105	220,392	133,744
Motor vehicle and other excise taxes.....	1,898,153	2,377,327	2,427,919	2,388,823	2,308,774	2,262,861	2,117,119	2,114,070	2,236,742
Community preservation taxes.....	938,570	925,304	964,373	1,011,323	1,077,315	1,110,178	1,171,545	1,187,673	1,204,247
Penalties and interest on taxes.....	190,307	169,501	130,612	146,205	138,442	108,421	155,068	177,297	157,119
Payments in lieu of taxes.....	-	6,369	11,417	3,913	7,917	28,750	12,804	9,321	4,250
Grants and contributions not restricted to specific programs.....	44,901	33,508	872,488	991,109	1,275,273	1,385,213	1,145,359	872,532	994,936
Unrestricted investment income.....	511,843	118,867	444,772	682,910	904,835	484,751	255,383	877,505	852,850
Miscellaneous.....	463,544	480,428	808,799	104,981	223,442	30,914	-	-	-
Transfers.....	156,000	170,000	250,000	250,000	285,000	309,109	313,716	276,806	149,908
Total governmental activities.....	35,942,954	37,601,143	39,250,060	40,849,232	43,354,977	44,330,271	45,774,755	46,731,391	47,697,815
Business-type activities:									
Transfers.....	(170,000)	(170,000)	(250,000)	(250,000)	(285,000)	(309,109)	(313,716)	(276,806)	(149,908)
Total primary government	\$ 35,772,954	\$ 37,431,143	\$ 39,000,060	\$ 40,599,232	\$ 43,069,977	\$ 44,021,162	\$ 45,461,039	\$ 46,454,585	\$ 47,547,907
Changes in Net Assets									
Governmental activities.....	\$ 10,768,543	\$ 6,420,934	\$ 1,038,586	\$ 3,540,367	\$ 2,436,599	\$ 2,384,775	\$ (517,124)	\$ (70,516)	\$ (837,201)
Business-type activities.....	348,096	415,083	623,709	757,718	336,075	104,920	(176,671)	528,236	525,186
Total primary government.....	\$ 11,116,639	\$ 6,836,017	\$ 1,662,295	\$ 4,298,085	\$ 2,772,674	\$ 2,489,695	\$ (693,795)	\$ 457,720	\$ (312,015)

Fund Balances, Governmental Funds

Last Ten Fiscal Years

Fiscal Year

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved.....	\$ 1,370,601	\$ 1,221,077	\$ 1,116,553	\$ 878,160	\$ 668,372	\$ 774,504	\$ 474,343	\$ 823,067	\$ 771,541	\$ -
Unreserved.....	4,774,661	5,161,562	3,830,999	4,467,858	5,077,896	5,076,300	4,441,420	4,731,295	5,882,157	-
Committed.....	-	-	-	-	-	-	-	-	-	1,000,645
Assigned.....	-	-	-	-	-	-	-	-	-	2,054,451
Unassigned.....	-	-	-	-	-	-	-	-	-	6,606,737
Total general fund.....	\$ 6,145,262	\$ 6,382,639	\$ 4,947,552	\$ 5,346,018	\$ 5,746,268	\$ 5,850,804	\$ 4,915,763	\$ 5,554,362	\$ 6,653,698	\$ 9,661,833
All Other Governmental Funds										
Reserved.....	\$ -	\$ 2,030,069	\$ 1,631,623	\$ 1,666,623	\$ 1,666,623	\$ 1,686,435	\$ 1,788,474	\$ 1,871,270	\$ 1,926,345	\$ -
Unreserved, reported in:										
Special revenue funds.....	1,662,547	4,905,845	5,563,192	4,351,573	4,795,975	4,187,509	6,704,198	5,252,915	7,438,997	-
Capital projects funds.....	(19,972,705)	(36,368,107)	(41,614,779)	(42,477,004)	74,050	(143,230)	103,266	(82,588)	102,903	-
Permanent funds.....	-	79,872	256,055	298,611	422,294	633,668	406,604	263,675	430,125	-
Nonspendable.....	-	-	-	-	-	-	-	-	-	1,971,395
Restricted.....	-	-	-	-	-	-	-	-	-	7,132,302
Unassigned.....	-	-	-	-	-	-	-	-	-	(961,306)
Total all other governmental funds.....	\$ (18,310,158)	\$ (29,352,321)	\$ (34,163,909)	\$ (36,160,197)	\$ 6,958,942	\$ 6,364,382	\$ 9,002,542	\$ 7,305,272	\$ 9,898,370	\$ 8,142,391

Fiscal year 2002 excludes Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

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

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 28,660,751	\$ 30,724,161	\$ 32,372,355	\$ 33,264,076	\$ 35,160,519	\$ 36,977,095	\$ 38,456,971	\$ 40,270,024	\$ 40,844,508	\$ 41,658,119
Tax and trash liens.....	-	304,438	189,612	123,322	197,592	151,902	101,964	123,783	216,803	84,186
Motor vehicle and other excise taxes.....	2,154,425	2,171,066	2,263,043	2,551,451	2,431,468	2,303,816	2,281,039	2,135,478	2,099,164	2,107,443
Sewer charges.....	175,866	340,968	285,785	335,133	278,132	305,628	320,752	365,785	295,819	319,396
Trash disposal.....	371,836	488,487	500,169	502,110	491,862	542,227	315,661	544,505	568,964	633,692
Intergovernmental.....	8,202,770	9,069,066	9,847,182	9,402,279	40,668,323	13,043,745	14,015,696	14,682,388	15,069,862	15,405,675
Departmental and other.....	5,279,641	5,741,560	5,530,992	7,765,978	6,557,484	7,508,046	8,779,635	9,621,256	9,198,751	9,016,882
Community preservation taxes.....	835,838	925,304	938,570	964,373	1,011,323	1,077,315	1,110,178	1,171,545	1,187,673	1,204,247
Contributions.....	-	195,041	121,006	89,395	107,072	104,533	84,246	537,054	275,223	341,316
Investment income.....	308,217	667,517	(94,259)	527,828	776,444	1,161,588	327,076	255,659	812,935	753,198
Total Revenues.....	45,989,344	50,627,608	51,954,455	55,525,945	87,680,219	63,175,895	65,793,218	69,707,477	70,569,702	71,524,154
Expenditures:										
General government.....	1,875,804	1,943,055	2,035,932	2,130,676	2,043,729	2,364,317	2,498,132	2,394,190	2,652,335	2,923,274
Public safety.....	4,930,916	4,917,121	4,897,076	5,058,061	5,416,025	5,602,814	5,790,187	6,210,899	6,308,590	6,139,513
Education.....	24,609,729	25,637,518	27,335,609	27,657,108	28,301,899	29,804,161	30,667,459	31,933,772	32,759,722	33,097,960
Public works.....	3,737,060	3,426,003	3,539,164	3,742,100	3,364,200	3,770,837	3,462,378	3,919,387	3,443,754	3,671,585
Human services.....	279,839	398,116	407,892	416,302	488,701	547,525	551,566	642,844	652,303	694,772
Culture and recreation.....	1,561,039	1,730,232	1,571,731	1,626,560	1,532,698	1,397,860	1,886,953	1,853,985	1,746,958	1,277,439
Community preservation.....	-	2,200,620	238,645	2,296,065	72,667	234,074	192,695	99,858	100,102	635,483
Pension benefits - Town.....	1,047,329	1,069,489	1,201,990	1,243,039	1,335,123	1,490,088	1,790,855	1,879,350	1,937,647	2,199,485
Pension benefits - School.....	1,939,139	2,190,000	2,861,000	3,193,000	3,528,000	4,266,000	4,970,000	5,556,000	5,916,000	6,521,227
Property and liability insurance.....	259,633	206,191	233,699	276,747	289,216	249,654	265,802	274,266	223,935	239,620
Employee benefits.....	2,821,794	3,995,801	6,209,929	6,097,345	6,687,718	7,216,358	7,209,088	7,597,692	6,799,445	6,785,582
Other.....	-	24,936	17,956	-	-	-	-	-	-	-
State and county charges.....	398,380	364,458	328,705	327,869	283,710	244,562	251,548	259,473	251,333	273,473
Capital outlay.....	18,759,381	18,468,402	5,871,672	857,979	4,033,641	3,960,064	1,499,905	4,908,558	3,121,296	3,917,109
Debt service:										
Principal.....	1,253,478	1,133,085	1,323,432	1,366,138	1,161,862	2,554,906	2,746,985	2,584,860	1,761,774	1,543,513
Interest.....	234,919	845,097	921,698	1,084,778	995,249	930,217	787,513	673,298	590,079	520,706
Total Expenditures.....	63,708,440	68,550,124	58,996,130	57,373,767	59,534,438	64,633,437	64,571,066	70,788,432	68,265,273	70,440,741
Excess (deficiency) of revenues over (under) expenditures.....	(17,719,096)	(17,922,516)	(7,041,675)	(1,847,822)	28,145,781	(1,457,542)	1,222,152	(1,080,955)	2,304,429	1,083,413
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	1,029,000	1,815,582	625,000	-	15,052,000	674,000	125,000	-	787,000	-
Issuance of refunding bonds.....	-	-	-	-	-	-	1,300,000	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	71,608	8,518	17,918	-	32,767	18,834
Issuance of refunding bonds.....	-	-	-	-	-	-	23,014	-	-	-
Payments to refunded bond escrow agent.....	-	-	-	-	-	-	(1,294,074)	-	-	-
Transfers in.....	594,908	545,764	1,131,445	1,237,914	960,181	1,205,179	1,241,414	1,306,323	1,418,382	765,242
Transfers out.....	(314,909)	(389,764)	(961,445)	(987,914)	(710,181)	(920,179)	(932,305)	(992,607)	(1,141,576)	(615,334)
Total other financing sources (uses).....	1,308,999	1,971,582	795,000	250,000	15,373,608	967,518	480,967	313,716	1,096,573	168,742
Net change in fund balance.....	\$ (16,410,097)	\$ (15,950,934)	\$ (6,246,675)	\$ (1,597,822)	\$ 43,519,389	\$ (490,024)	\$ 1,703,119	\$ (767,239)	\$ 3,401,002	\$ 1,252,155
Debt service as a percentage of noncapital expenditures...	3.31%	3.95%	4.23%	4.34%	3.89%	5.74%	5.60%	4.95%	3.61%	3.10%

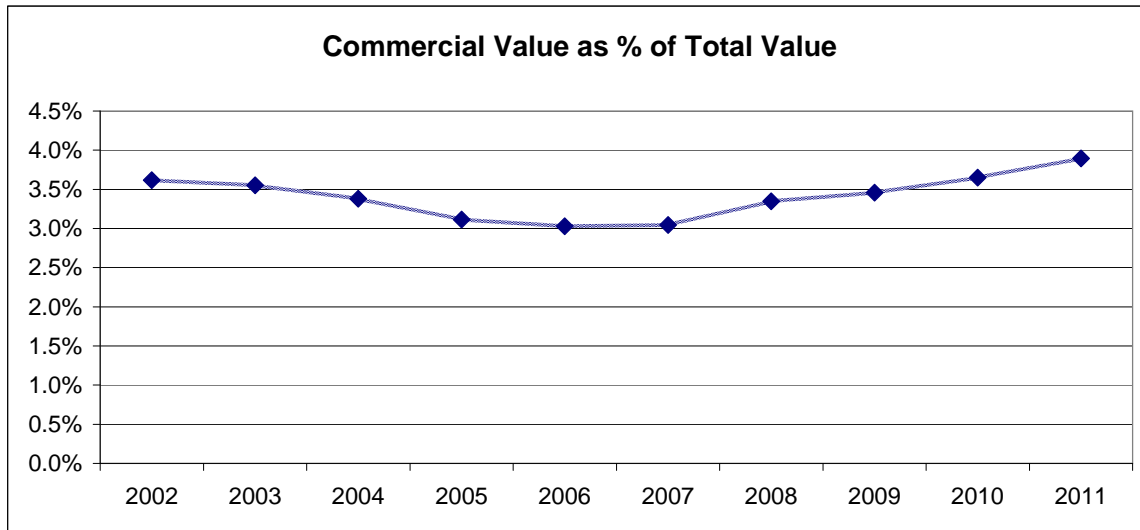
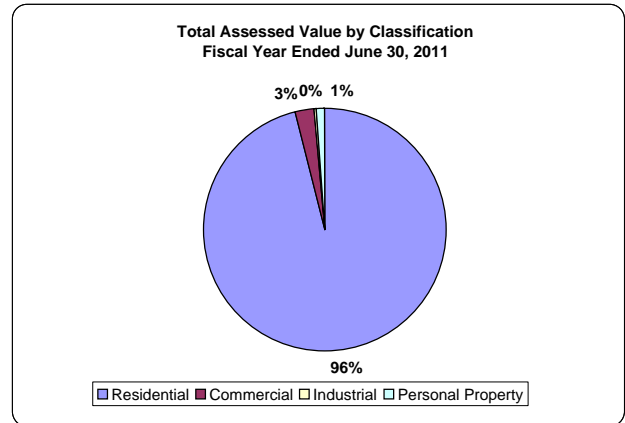
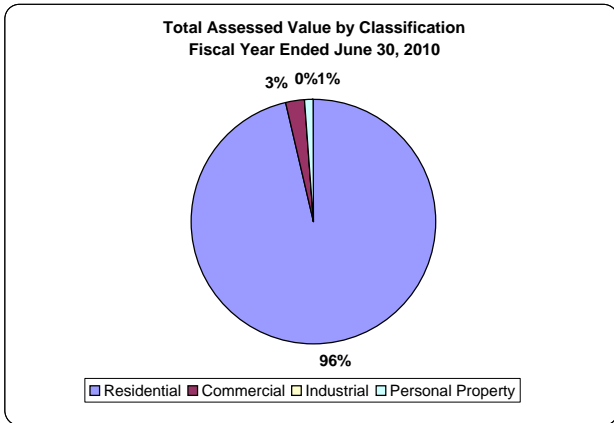
Notes:

Fiscal year 2002 excludes Expendable and Nonexpendable Trust Funds which were reported under the pre-GASB 34 format.

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

Last Ten Fiscal Years

Fiscal Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	Total Town Value
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
2009 (1)	\$3,605,653,048	\$10.91	\$92,736,552	\$2,174,600	\$34,180,600	\$129,091,752	\$10.91	\$10.91	\$3,734,744,800
2010	\$3,374,398,059	\$11.81	\$89,418,341	\$2,233,500	\$36,242,040	\$127,893,881	\$11.81	\$11.81	\$3,502,291,940
2011	\$3,222,272,471	\$12.60	\$87,896,029	\$2,319,500	\$40,395,200	\$130,610,729	\$12.60	\$12.60	\$3,352,883,200



(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

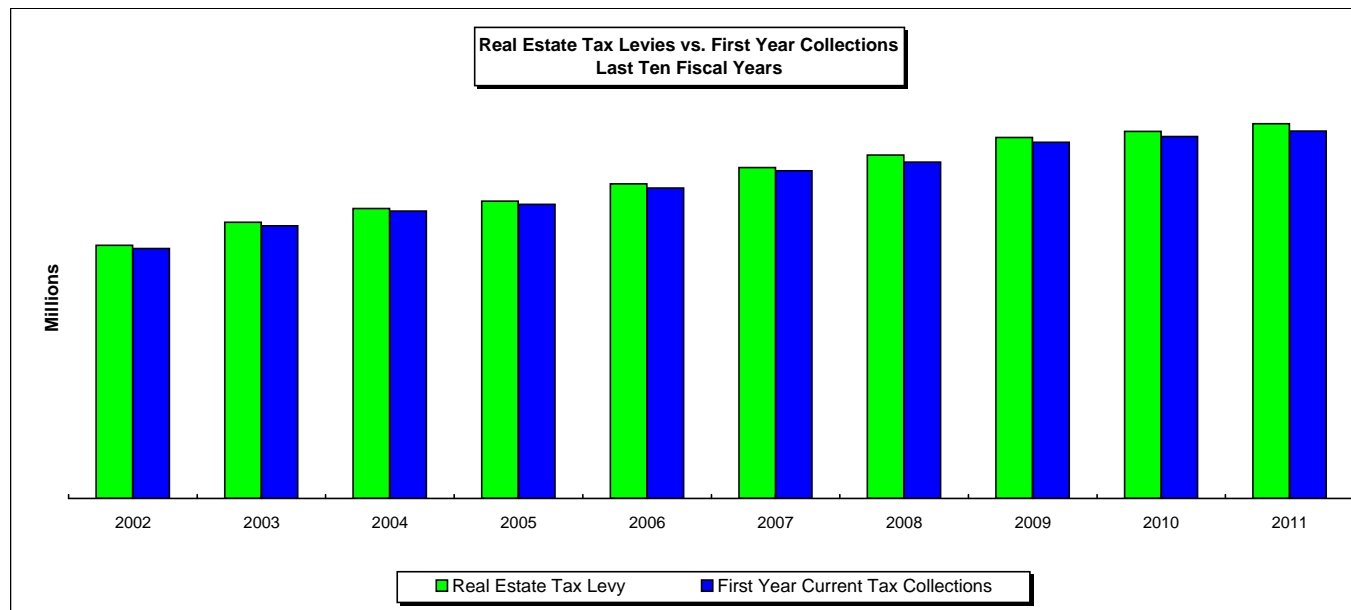
Name	Nature of Business	2011			2002		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
The Village at Duxbury	Retirement Community	\$45,833,300	1	1.37%	\$25,020,000	1	1.23%
Nstar Service	Utility	\$12,661,940	2	0.38%	\$7,319,900	2	0.36%
Verizon New England	Utility	\$12,408,000	3	0.37%	\$2,947,600	7	0.16%
Individual	Residence	\$9,522,700	4	0.28%	-	-	-
Individual	Residence	\$8,632,100	5	0.26%	\$5,138,000	4	0.25%
Standish LLC	Medical Office Building	\$7,321,700	6	0.22%	-	-	-
Island Creek Village East	Subsidized Housing	\$6,992,600	7	0.21%	\$2,833,800	10	0.13%
Thomas Welch	Nursing Home	\$6,717,300	8	0.20%	\$5,327,000	3	0.26%
Bay State Gas	Public Utility	\$6,053,070	9	0.18%	-	-	-
Individual	Residence	\$4,854,500	10	0.14%	-	-	-
Individual	Residence	-	-	-	\$4,786,600	5	0.23%
Duxbury Yacht Club	Yacht/Golf Club	-	-	-	\$3,336,600	6	0.14%
Kellywood Nominee Trust	Real Estate	-	-	-	\$3,270,900	8	0.14%
Trapelo Realty, Inc.	Real Estate	-	-	-	\$3,022,500	9	0.14%
	Totals	<u>\$120,997,210</u>		<u>3.61%</u>	<u>\$63,002,900</u>		<u>3.03%</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
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%	\$537,732	\$38,224,694	99.38%
2009	(1) \$40,746,066	\$298,044	\$40,448,022	99.27%	\$39,912,037	98.67%	\$446,809	\$40,358,846	99.78%
2010	\$41,362,073	\$252,238	\$41,109,835	99.39%	\$40,569,284	98.69%	\$532,412	\$41,101,696	99.98%
2011	\$42,246,328	\$248,028	\$41,998,300	99.41%	\$41,174,757	98.04%	\$0	\$41,174,757	98.04%



(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
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%
2009	15,372	\$ 726,034,932	\$3,734,744,800	\$14,756,240	\$0	\$960	2.03%	0.40%
2010	15,059	\$ 707,697,705	\$3,502,291,940	\$13,781,466	\$0	\$915	1.95%	0.39%
2011	15,274	\$ 715,052,310	\$3,352,883,200	\$12,237,953	\$0	\$801	1.71%	0.36%

Fiscal Year	Business-type Activities		Total Primary Government			
	General Obligation Bonds	Capital Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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%
2009	\$6,944,000	\$0	\$21,700,240	\$1,412	2.99%	0.58%
2010	\$8,523,149	\$0	\$22,304,615	\$1,481	3.15%	0.64%
2011	\$7,623,610	\$0	\$19,861,563	\$1,300	2.78%	0.59%

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2011

<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 and user charges			
Plymouth County.....	\$ 3,850,000	1.62%	\$ 62,184
Massachusetts Bay Transportation Authority.....	5,255,145,000	0.0015%	<u>79,001</u>
Subtotal, overlapping debt.....			141,185
Town direct debt.....			<u>12,237,953</u>
Total direct and overlapping debt.....			<u>\$ 12,379,138</u>

Source: Official Statements and Massachusetts Bay Transportation Authority

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

Computation of Legal Debt Margin

Last Ten Fiscal Years

(Amounts in Thousands)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Equalized Valuation.....	\$ 1,892,796	\$ 2,564,487	\$ 2,564,487	\$ 3,133,658	\$ 3,133,658	\$ 3,837,216	\$ 3,837,216	\$ 4,026,593	\$ 4,026,593	\$ 3,853,684
Debt Limit -5% of Equalized Valuation.....	\$ 94,640	\$ 128,224	\$ 128,224	\$ 156,683	\$ 156,683	\$ 191,861	\$ 191,861	\$ 201,330	\$ 201,330	\$ 192,684
Less:										
Outstanding debt applicable to limit.....	12,636	13,451	13,705	11,649	25,354	23,399	21,900	21,700	22,304	17,667
Authorized and unissued debt.....	48,492	45,889	47,276	51,297	5,286	4,695	3,579	3,053	3,845	14,542
Legal debt margin.....	\$ 33,512	\$ 68,884	\$ 67,243	\$ 93,737	\$ 126,043	\$ 163,767	\$ 166,382	\$ 176,577	\$ 175,181	\$ 160,475
Total debt applicable to the limit as a percentage of debt limit.....	64.59%	46.28%	47.56%	40.17%	19.56%	14.64%	13.28%	12.29%	12.99%	16.72%

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
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%
2009	15,372	\$ 726,034,932	\$ 47,231	41.0	3,341	3.8%
2010	15,059	\$ 707,697,705	\$ 46,995	40.0	3,291	4.0%
2011	15,274	\$ 715,052,310	\$ 46,815	40.0	3,219	5.7%

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	2011			2002		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Bay Path Nursing Home	Nursing Home	176	1	2.50%	180	1	2.33%
The Village at Duxbury	Retirement Condos	160	2	2.27%	100	3	1.29%
Batelle Labs	Science and Technology Research	70	3	0.99%	80	4	1.03%
Duxbury Yacht Club	Yacht Club, Golf Course, Tennis	70	4	0.99%	45	5	0.58%
Foodies	Grocery Store	60	5	0.85%	-	-	-
South Shore Conservatory	Music & Art Institution	50	6	0.71%	-	-	-
Plymouth Bay Orthopedic Associates	Physician Services	54	7	0.77%	-	-	-
Millbrook Motors	Automotive	39	8	0.55%	16	9	0.21%
U.S. Post Office	Mail	28	9	0.40%	33	7	0.43%
Various Utilities	Utilities	-	-	-	130	2	1.68%
A&P Food Store	Grocery	-	-	-	35	6	0.45%
Verc Enterprises	Convenience Stores, Gasoline Sales	-	-	-	30	8	0.39%
Goodrich Lumber	Building Supplies	-	-	-	11	10	0.14%
	Totals	<u>707</u>		<u>10.03%</u>	<u>660</u>		<u>8.53%</u>

For fiscal year 2011 only information on the 9 largest employers is available.

Source: Massachusetts Department of Employment and Training and Official Statements

Full-time Equivalent Town Employees by Function

Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government.....	22	23	22	22	28	25	30	30	29	29
Public safety.....	66	66	67	67	62	68	73	72	68	69
Education.....	277	286	286	297	305	320	391	411	398	382
Public works.....	42	42	42	43	46	37	44	42	44	46
Human services.....	2	3	3	3	3	4	4	4	4	5
Culture and recreation.....	22	22	19	19	21	15	23	21	24	25
Total	431	442	439	451	465	469	565	580	567	556

Source: Various Town Departments

Operating Indicators by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Fire Department										
Fire related calls.....	671	785	645	794	881	719	810	805	606	817
Rescue/EMS.....	1,115	1,104	1,163	1,138	1,113	1,159	1,199	1,247	1,328	1,281
Inspectional Services Department										
Number of building permits (quick and zoning).....	554	717	631	507	668	697	762	626	522	491
Number of electrical permits.....	551	585	553	360	510	516	483	343	362	368
Number of plumbing/gas permits.....	602	644	635	436	668	685	658	529	531	543
Water/Sewer										
Number of gallons pumped (millions).....	501,266	523,613	487,600	550,523	583,674	504,641	543,000	492,250	410,896	500,002
Number of new services added.....	41	44	40	20	16	22	15	13	15	8
Number of additional mains installed.....	-	4	4	1	1	-	10,810	-	-	-
Number of main improvements.....	2	7	4	2	-	-	2	1	-	2
Highway										
Number of miles completed-road rehab.....	n/a	n/a	n/a	n/a	7	4	3	3	4	2
Number of snow operations.....	25	n/a	28		35	24	35	54	39	31
Cemetery										
Cremations.....	2,258	2,402	2,500	2,632	2,940	2,885	3,240	3,624	3,014	3,008
Recreation										
Number of programs offered.....	41	45	48	52	52	52	52	52	60	56
Number of participants-winter.....	592	609	587	n/a	491	511	585	578	588	555
Number of participants-spring.....	380	331	358	260	253	250	349	342	320	272
Number of participants-summer.....	774	794	781	789	802	1,033	737	788	822	762
Number of participants-fall.....	453	602	444	550	573	600	638	642	658	558
Parking Sticker Sales										
Non resident over sand.....	3,114	3,076	2,834	2,507	2,561	2,789	3,075	2,948	3,512	3,653
Over sand.....	2,846	2,822	2,850	3,131	2,763	2,859	2,935	3,331	3,051	3,127
Parking lot.....	3,586	3,367	3,396	3,380	3,569	3,554	3,569	3,895	3,511	3,423
Transfer station.....	7,310	7,349	6,192	6,046	6,371	6,306	6,178	6,376	6,122	5,822
Senior Center										
Number of visitors.....	7,500	13,352	17,776	19,600	23,776	27,954	24,585	34,200	31,940	32,500
Number of activities.....	477	622	663	697	2,208	2,208	1,788	2,234	2,364	2,256
n/a Number of congregate meals.....	n/a	7,129	7,657	5,493	4,169	5,430	4,986	4,693	5,356	4,867
Number of delivered meals.....	n/a	3,269	3,756	6,904	7,213	6,756	7,064	7,005	4,218	5,301
Number of paying rentals.....	12	59	64	84	108	166	357	172	135	322
Number of committee meetings.....	46	71	128	164	293	387	382	325	340	59
Duxbury Free Library										
Holdings.....	107,478	111,584	114,928	116,131	119,524	124,035	121,685	121,609	116,948	115,006
Reference questions answered.....	13,536	12,878	10,854	9,935	9,957	9,406	6,857	7,887	8,537	8,159
Print materials loaned.....	166,131	170,188	169,868	153,802	153,603	157,537	167,153	167,206	174,542	168,838
Videos loaned.....	48,020	46,287	54,176	49,047	49,239	48,407	75,445	93,416	82,615	48,883
All loans.....	246,765	259,480	257,439	235,680	237,464	237,562	242,598	260,622	257,457	247,909
Loans provided to other towns.....	24,551	22,451	22,816	19,123	31,390	33,764	35,212	37,978	39,594	39,282
Materials borrowed from other towns.....	21,978	22,509	20,648	21,869	22,330	25,678	27,610	31,847	32,107	30,564
Children's programs held.....	327	332	262	218	235	241	246	248	234	259
Children's program attendance.....	7,999	7,568	6,015	6,229	6,372	6,144	7,056	6,871	6,646	6,413
Adult & Teen programs held.....	202	135	138	119	180	243	214	236	241	228
Adult & Teen program attendance.....	3,381	2,546	2,525	3,065	3,740	3,948	4,849	3,218	3,690	3,901
Public computers.....	30	28	28	30	30	26	16	17	30	30
Public meeting room use.....	739	834	709	640	805	1,076	888	979	998	975

Source: Various Town Departments

N/A - Information not available

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Number of buildings.....	5	5	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	1	1	1	1	1	1	1	1
Animal control facilities.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Antique apparatus storage.....	1	1	1	1	1	1	1	1	1	1
Harbormaster										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	3	3	3	3	3	3	3	3	3	3
Public landings.....	16	16	16	16	16	16	16	16	16	16
Education										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Performing arts center.....	-	1	1	1	1	1	1	1	1	1
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	3
Water other.....	3	3	3	3	3	3	3	3	3	3
Sewage treatment plant.....	1	1	1	1	1	1	1	1	1	1
Shared septic systems.....	2	2	2	2	2	2	2	2	2	2
Public works buildings.....	11	11	11	11	11	11	11	11	11	11
Crematories.....	1	1	1	1	1	1	1	1	1	1
Cemetery buildings.....	3	3	3	3	3	3	3	3	3	3
Human Services										
Council on aging - senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation land (acreage).....	28.3	96.7	108.2	118.5	118.5	179.5	179.5	179.5	179.5	182.5
Playgrounds*.....	2	2	3	3	3	3	3	3	3	3
Ball fields*.....	24	24	24	29	29	29	29	29	29	29
Basketball courts.....	2	2	2	3	3	3	3	3	3	3
Tennis courts.....	13	13	13	14	14	14	14	14	14	14
Pools.....	1	1	1	1	1	1	1	1	1	1
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf clubhouses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	4	4	4	4	4	4	4	4	4	3
Libraries.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

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



Photo by Pamela Webster-Walsh

Sharing the day's adventures on the high seas as night settles in.