

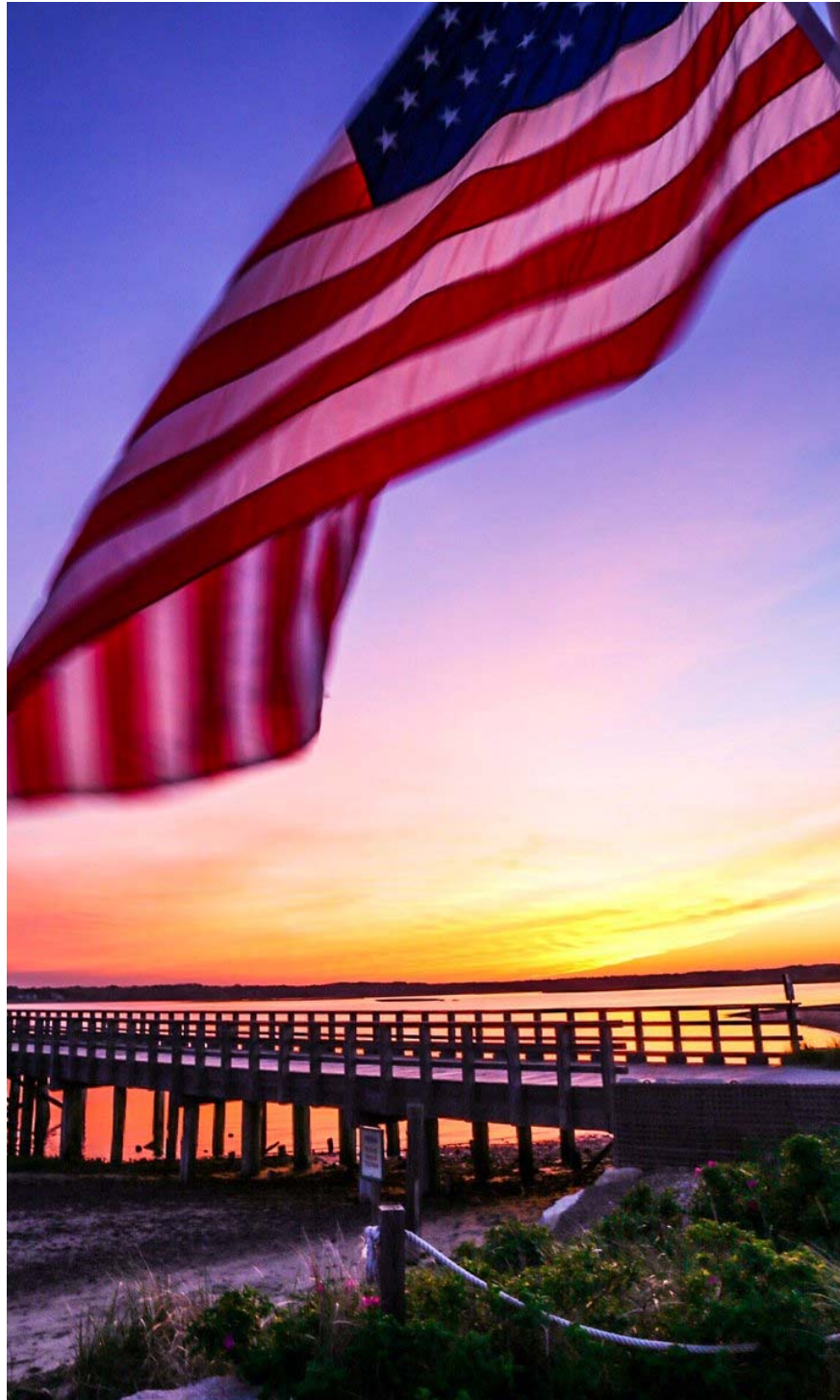
TOWN OF DUXBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



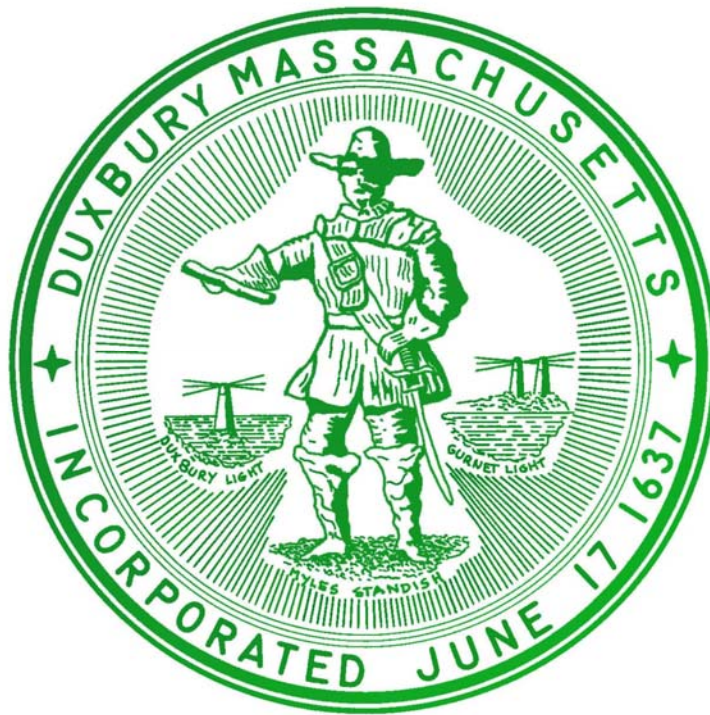
**For the year ended
June 30, 2018**

On the cover: *Duxbury Harbor at dawn.*



Powder Point Bridge

*The Town of
Duxbury, Massachusetts*



**Comprehensive
Annual Financial Report**

**For the Year
July 1, 2017 through June 30, 2018**

Prepared by the Finance Department

Town of Duxbury, Massachusetts
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

Table of Contents

INTRODUCTORY SECTION	1
Letter of Transmittal	3
Principal Executive Officers	8
Organizational Chart	9
Certificate of Achievement for Excellence in Financial Reporting	10
FINANCIAL SECTION	11
Independent Auditor's Report	13
Management's Discussion and Analysis	15
Basic Financial Statements	24
Government-Wide Financial Statements	25
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements	28
Governmental Funds – Balance Sheet	28
Reconciliation of the Governmental Funds Balance Sheet Total Fund Balances to the Statement of Net Position	29
Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31
Proprietary Funds – Statement of Net Position	32
Proprietary Funds – Statement of Revenues, Expenses, and Changes in Net Position	33
Proprietary Funds – Statement of Cash Flows	34
Fiduciary Funds – Statement of Fiduciary Net Position	35
Fiduciary Funds – Statement of Changes in Fiduciary Net Position	36
Notes to Basic Financial Statements	37
Required Supplementary Information	75
General Fund Budgetary Comparison Schedule	76
General Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	77
Pension Plan Schedules	81
Schedule of the Town's Proportionate Share of the Net Pension Liability.	82
Schedule of the Town's Contributions	83

Schedule of the Special Funding Amounts of the Net Pension Liability	84
Other Postemployment Benefit Plan Schedules.....	85
Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios..	86
Schedule of the Town's Contributions	87
Schedule of Investment Returns	88
Notes to Required Supplementary Information	89
Other Supplementary Information.....	94
Combining and Individual Fund Statements.....	95
Nonmajor Governmental Funds.....	96
Nonmajor Governmental Funds - Combining Balance Sheet	98
Nonmajor Governmental Funds - Combining Statement of Revenues, Expenditures and Changes in Fund Balances	102
Agency Fund.....	105
Agency Fund – Statement of Changes in Assets and Liabilities.....	106
STATISTICAL SECTION.....	107
Net Position by Component.....	108
Changes in Net Position	109
Fund Balances, Governmental Funds	110
Changes in Fund Balances, Governmental Funds.....	111
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates	112
Principal Taxpayers	113
Property Tax Levies and Collections	114
Ratios of Outstanding Debt by Type.....	115
Ratios of General Bonded Debt Outstanding	116
Direct and Overlapping Governmental Activities Debt	117
Computation of Legal Debt Margin	118
Demographic and Economic Statistics	119
Principal Employers (excluding Town).....	120
Full-time Equivalent Town Employees by Function.....	121
Operating Indicators by Function/Program.....	122
Capital Assets Statistics by Function/Program.....	123

Introductory Section



Harbormaster Shack and Patrol in Winter

Introductory Section

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Finance Director
John Q. Adams

Town of Duxbury, Massachusetts

ACCOUNTING DEPARTMENT

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Duxbury, MA 02332
Telephone 781-934-1100
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November 15, 2018

Letter of Transmittal

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

Subsequent to the close of each year, state law requires the Town of Duxbury to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of the Town of Duxbury, Massachusetts, for the year ending June 30, 2018, 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 year ended June 30, 2018, 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 year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion on the Town of Duxbury's financial statements for the year ended June 30, 2018, and that they are, in fact, fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Town

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

The Town is governed by an open Town Meeting form of government and is located in Southeastern Massachusetts in Plymouth County approximately 33 miles from Boston. Duxbury is accessible by Route 3, a major highway, as well as secondary roads including Routes 3A and 114. The Town is bordered by the Towns of Pembroke on the west, Marshfield on the north, Kingston on the south and the Atlantic Ocean on the east and southeast. Duxbury occupies an area of approximately 23.76 square miles and its population is 15,636 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 2018, the average price of a home in Duxbury was \$726,900 (based upon 2017 sales data), an increase of approximately 6.80% from the previous year. The current economic environment indicates that property values are once again on the rise. The strong building permit activity over the last several years has appeared to reach a peak and is trending to level out once again. The community has preserved large amounts of open space. Duxbury is an ocean front community with 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.

Mother Nature has brought some new challenges to Duxbury in fiscal year 2018. Relatively unscathed from previous storms our 4100 linear foot seawall is the latest of the Town's issues with infrastructure repairs resulting from the March storms. Coupled with the Powder Point bridge and the DPW Facility the Town needs to once again plan on some major projects. Along with capital costs the Town continues to be faced with the challenge of how to deal with a relatively flat revenue stream at a time when the cost of providing service to residents of Duxbury continue to increase. State aid results continue to be erratic mostly due to Charter School Funding and Enrolment. State aid revenues increased 1.22% from FY 2017 to FY 2018, while state and county assessments decreased by 3.91% during that period. The three-year average for Net State Aid is a modest 2.14%. Local Receipts showed a one-year increase of over 6.7%, due primarily to continuous increases in motor vehicle excise and the introduction of a 0.75% local option meals taxes on restaurant sales. The three-year average for local receipts was nearly 5.9%. Duxbury, much like every other community, deals with the rising cost of health care, however, aided by a very good claims year only a 3% increase in premium was necessitated heading into FY 2019 as opposed to the 12% rate increase heading into FY 2018. The Town continues to see increasing numbers in the endangered species of Piping Plovers that cause the Town to restrict use of the beach at various times during the summer. Despite the inconvenience residents and non-residents alike continue to purchase annual beach stickers at a record pace. Sticker revenue in FY 2018 was over \$1.87M versus \$1.80M in FY 2017.

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 and committees, 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 2018.

During the 2018 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. Department heads, committees, and boards understand that, all in all, revenues are not going to dramatically increase anytime soon. Knowing this, everyone involved in the budget process is committed to providing services more efficiently and at a lower cost.

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, and the Fiscal Advisory Committee have all provided input.

The Town continues to review and modify its 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. While FY 2018 was a quiet year for capital construction projects, the Town will be expanding its Council on Aging senior center in 2019 and is in the planning stages on how and if major capital projects on its Public Works facility, Powder Point bridge, and the sea wall should be funded.

During 2018, the Town dedicated just over \$1,000,000 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 for capital needs. Additionally, \$616,930 was voted to increase reserves such as the Stabilization Fund and Pension Reserve Fund. This figure also includes \$300,000 to fund the Other Postemployment Benefit Fund.

Relevant Financial Policies

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

Major Initiatives

The Town, through its long range planning development and strong financial position, saw its bond rating reaffirmed at AAA status. We are all very proud of this achievement. It was through these efforts that the Town has secured and maintained such a lofty bond rating.

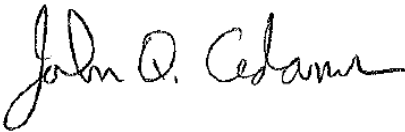
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Duxbury for its comprehensive annual financial report (CAFR) for the year ended June 30, 2017. This was the thirteenth year that the Town submitted a CAFR to the GFOA. Based on information available on the GFOA website, only forty-one municipalities in Massachusetts received this distinction for fiscal year 2016. Of the forty-one, only seven have held the distinction for more years. In order to receive this prestigious award, a government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "John Q. Adams". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

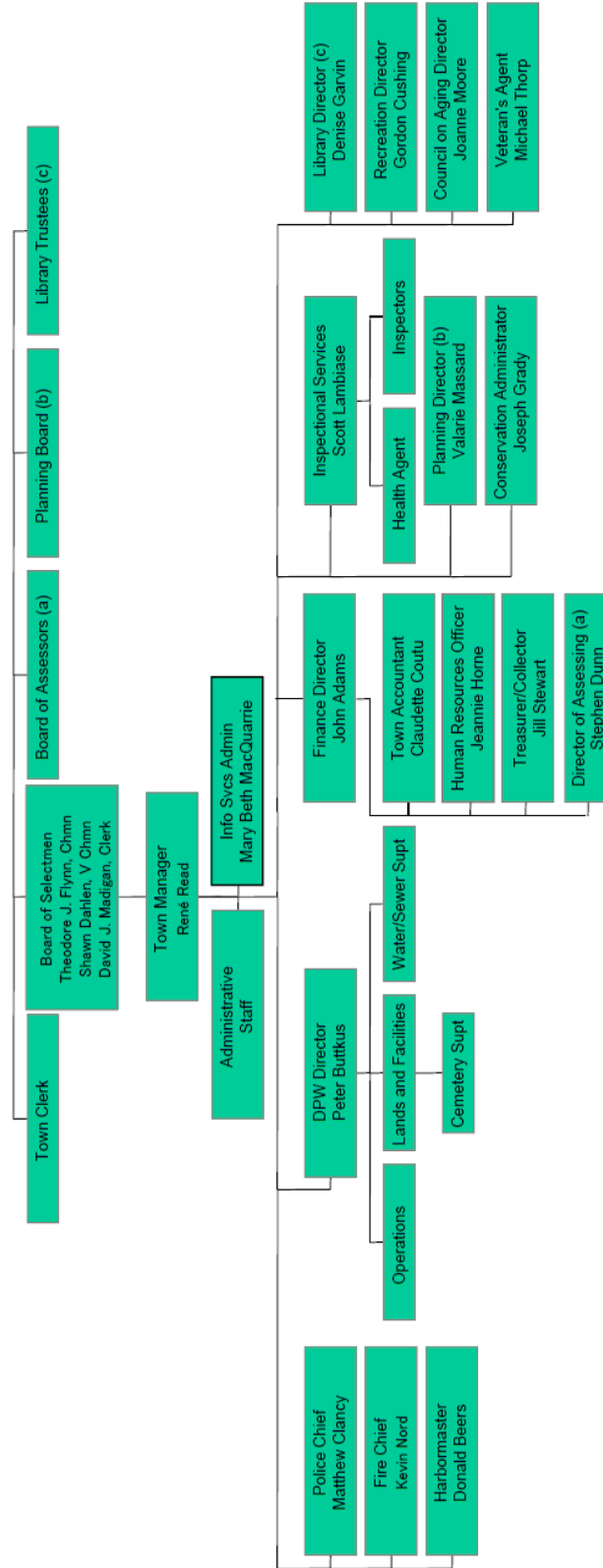
John Q. Adams
Finance Director

Town of Duxbury, Massachusetts

Principal Executive Officers

<u>Title</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Length of Term</u>	<u>Expiration of Term</u>
Chairman-Board of Selectmen	Theodore J. Flynn	Elected	3 Years	2020
Vice Chairman-Board of Selectmen	Shawn Dahlen	Elected	3 Years	2019
Clerk-Board of Selectmen	David J. Madigan	Elected	3 Years	2018
Town Manager	René J. Read	Appointed	Indefinite	N/A
Finance Director	John Q. Adams	Appointed	Indefinite	N/A
Town Accountant	Claudette Coutu	Appointed	Indefinite	N/A
Treasurer/Collector	Jill Stewart	Appointed	Indefinite	N/A
Town Clerk	Susan C. Kelley	Elected	3 Years	2019
Assessor- Chairman	James G. MacNab	Elected	3 Years	2019
Assessor-Vice Chairman	Nancy D. Reed	Elected	3 Years	2020
Assessor-Clerk	Linda M. Collari	Elected	3 Years	2018
Superintendent of Schools	Dr. John J. Antonucci	Appointed	Indefinite	N/A
School Business Manager	David Proule	Appointed	Indefinite	N/A
Director of Public Works	Peter Buttкус	Appointed	Indefinite	N/A
Town Moderator	John J. Tuffy	Elected	1 Year	2018
Town Counsel	Arthur P. Kreiger	Appointed	Indefinite	N/A

Town of Duxbury, Massachusetts Organizational Chart



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



Government Finance Officers Association

**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, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section



Duxbury Free Library

Financial Section

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Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Duxbury, Massachusetts

Report of the Financial Statements

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 year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Duxbury, Massachusetts' basic financial statements. The introductory section, combining statements, individual fund statements and statistical section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements, as listed in the table of contents, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018, on our consideration of the Town of Duxbury, Massachusetts' internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Duxbury, Massachusetts' internal control over financial reporting and compliance.



November 15, 2018

Management's Discussion and Analysis

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 year ended June 30, 2018. 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 position* presents information on all assets and liabilities, and deferred inflows/outflows of resources, with the difference between them reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position 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 periods (e.g., uncollected taxes and earned but unused vacation leave).

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial 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.

The Town maintains three different types of fiduciary funds. The Other Postemployment Benefits Fund is used to report resources held in trust for healthcare benefits for retirees and beneficiaries. The Private-Purpose Trust Fund is used to report the Town's scholarship funds. The Agency Fund reports resources held by the Town in a custodial capacity for individuals, private organizations and other governments. The Town's agency funds are used to account for performance bonds, security deposits and licenses and fees collected on-behalf of the state.

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 position may serve over time as a useful indicator of a government's financial position. Duxbury's government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$113.4 million at the end of 2018. The Town's total net position increased by \$4.5 million during 2018, this is an indication that the Town's overall financial position improved from the prior year.

Comparative analysis of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, 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 position of \$138.2 million 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 position, \$9.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is a deficit of \$48.8 million. The deficit is primarily the result of the recognition of net pension liability of \$26 million along with the net other postemployment benefits liability of \$31.1 million. These are long-term unfunded liabilities that will not require significant short-term resources.

The governmental activities net position increased by \$4.3 million during the current year. Net position invested in capital assets increased by \$3.4 million. Key reasons for this increase were capital grants of \$1.1 million for roadway, human services and community preservation projects, from \$1.6 million of general and special revenue funds used for capital acquisitions, and from capital asset acquisitions and payments on bond principal exceeding depreciation on capital assets. The \$132,000 decrease in restricted net position was mainly the timing of grant funding offset with the use of the community preservation funds for capital purchases. The increase of \$2.2 million in unrestricted net position was partially due to the decrease in net other postemployment benefit obligations liability (OPEB) net of deferred inflows and outflows related to OPEB; and with a decrease to the net pension liability net of deferred inflows and outflows related to pensions.

	2018	2017 (As Revised)
Assets:		
Current assets.....	\$ 49,471,628	\$ 47,822,161
Noncurrent assets (excluding capital).....	103,275	509,140
Capital assets, non depreciable.....	41,120,430	40,669,810
Capital assets, net of accumulated depreciation.....	<u>179,543,294</u>	<u>183,300,405</u>
Total assets.....	<u>270,238,627</u>	<u>272,301,516</u>
Deferred outflows of resources.....	1,073,788	4,593,587
Liabilities:		
Current liabilities (excluding debt).....	11,185,374	9,129,065
Noncurrent liabilities (excluding debt).....	57,463,101	81,601,765
Current debt.....	9,628,239	9,079,472
Noncurrent debt.....	<u>75,385,125</u>	<u>81,577,764</u>
Total liabilities.....	<u>153,661,839</u>	<u>181,388,066</u>
Deferred inflows of resources.....	19,060,392	1,230,985
Net position:		
Net investment in capital assets.....	138,163,519	135,950,281
Restricted.....	9,229,418	9,323,803
Unrestricted.....	<u>(48,802,753)</u>	<u>(50,998,032)</u>
Total net position.....	<u>\$ 98,590,184</u>	<u>\$ 94,276,052</u>

Capital grant revenues came in slightly lower than the previous year due to the final state reimbursement payment for the construction of the co-located school was received in the prior year, decrease in the state match for the community preservation act reimbursement; offset with an increase in reimbursements for roadway projects.

Operating grant revenue came in higher from the previous year due to increased state financing for the Massachusetts's Teacher's Retirement System.

The public safety functional expense increased partly due to the expenditures related to the new regional 911 dispatch center. The education functional expense line decreased due to the change in both the net pension liability and the net other postemployment liability, which caused decreases of \$683,000 and \$2.5 million, respectively.

	2018	2017 (As Revised)
Program Revenues:		
Charges for services.....	\$ 12,741,526	\$ 12,493,856
Operating grants and contributions.....	16,617,277	16,276,654
Capital grants and contributions.....	1,165,769	1,161,840
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	58,864,933	57,825,786
Tax and other liens.....	1,125,344	65,223
Motor vehicle and other excise taxes.....	3,281,194	3,130,994
Community preservation tax.....	508,105	482,247
Penalties and interest on taxes.....	260,524	285,929
Payments in lieu of taxes.....	8,250	11,725
Grants and contributions not restricted to specific programs.....	1,066,637	1,030,560
Unrestricted investment income.....	265,517	864,323
Gain (loss) on sale of capital assets.....	-	4,440
Miscellaneous.....	981	50,000
Total revenues.....	95,906,057	93,683,577
Expenses:		
General government.....	5,100,668	4,815,014
Public safety.....	12,779,966	12,631,679
Education.....	59,733,009	63,010,951
Public works.....	6,585,882	6,507,173
Health and human services.....	1,344,386	1,296,474
Culture and recreation.....	3,472,387	3,295,323
Community preservation.....	426,851	259,023
Interest.....	2,253,758	2,302,635
Total expenses.....	91,696,907	94,118,272
Excess (Deficiency) before transfers.....	4,209,150	(434,695)
Transfers.....	104,982	108,614
Change in net position.....	4,314,132	(326,081)
Net position, beginning of year (as revised).....	94,276,052	94,602,133
Net position, end of year.....	\$ 98,590,184	\$ 94,276,052

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #75. The implementation of this standard required the OPEB liability to be revised due to the use of different methods and assumptions as previously required by GASB Statement #45. Accordingly, previously reported net position of \$110,910,448 has been revised and totals \$94,276,052. See Note 15 for details.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14.9 million at the close of 2018. Of this amount \$10.8 million (73%) is net investment in capital assets, and \$4.1 million (27%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

There was an increase of \$264,000 in net position related to the Water Department's operations during the year. The water enterprise fund recognized \$512,000 increase in net other postemployment benefit liability, net of deferred outflows/inflows related to OPEB; offset by \$121,000 decrease in net pension liability, net of deferred outflows/inflows related to pensions, and a decrease in charges for services for decreased usage.

	2018	2017 (As Revised)
Assets:		
Current assets.....	\$ 7,252,339	\$ 6,379,550
Capital assets, non depreciable.....	4,198,439	3,629,017
Capital assets, net of accumulated depreciation.....	9,077,649	9,608,187
Total assets.....	20,528,427	19,616,754
Deferred outflows of resources.....	32,681	156,098
Liabilities:		
Current liabilities (excluding debt).....	167,108	194,384
Noncurrent liabilities (excluding debt).....	1,274,494	1,835,480
Current debt.....	1,839,364	586,307
Noncurrent debt.....	2,105,980	2,530,344
Total liabilities.....	5,386,946	5,146,515
Deferred inflows of resources.....	317,011	33,499
Net position:		
Net investment in capital assets.....	10,791,367	10,518,550
Unrestricted.....	4,065,784	4,074,288
Total net position.....	\$ 14,857,151	\$ 14,592,838
	2018	2017 (As Revised)
Program Revenues:		
Charges for services.....	\$ 3,085,668	\$ 3,490,670
Expenses:		
Water.....	2,716,373	2,775,921
Excess (Deficiency) before transfers.....	369,295	714,749
Transfers.....	(104,982)	(108,614)
Change in net position.....	264,313	606,135
Net position, beginning of year (as revised).....	14,592,838	13,986,703
Net position, end of year.....	\$ 14,857,151	\$ 14,592,838

Beginning net position of the business-type activities has been revised to reflect the implementation of GASB Statement #75. The implementation of this standard required the OPEB liability to be revised due to the use of different methods and assumptions as previously required by GASB Statement #45. Accordingly, previously reported net position of \$15,138,214 has been revised and totals \$14,592,838. See Note 15 for details.

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 year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$29.5 million, a decrease of \$1.8 million from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$7.8 million, while total fund balance is \$16.2 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 9.1% of total general fund expenditures, while total fund balance represents 19% of that same amount.

The general fund decreased by \$926,000 in 2018. This was mainly due to an increase in the tax refunds payable and decreases in the Town's stabilization and trust funds reported within the general fund. The increase in the Town's stabilization funds and use of reserves.

The Community Preservation Act fund had a fund balance at June 30, 2018, of \$4.2 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation Act's fund balance increased \$234,000 in 2018. This was the net result of \$607,000 in interest, taxes and state matching funds collected offset by \$273,000 in expenditures on community preservation projects and a transfer to the conservation trust fund of \$100,000.

The affordable housing fund had a balance of \$1.3 million at year end. The fund had \$431,000 of expenditures, which was used for a building purchase.

The senior center expansion project had a deficit balance of \$213,000 at year end. This was due to the Town issuing short-term notes to temporarily fund the project. The project had \$239,000 in expenditures during the year.

General Fund Budgetary Highlights

The \$2 million increase from the original budget to the final amended budget resulted mainly from a Spring Special Town Meeting vote to use free cash of \$1.9 million to supplement various governmental departments and funds. The largest uses of free cash includes \$300,000 for health insurance, \$200,000 for snow and ice removal, \$265,000 for engineering expenses, \$249,000 to fund the remaining portion of the co-located school project, \$132,000 for the special education reserve fund, \$300,000 to fund other postemployment benefits, and transfers to the stabilization and compensated absence funds.

General Fund revenues came in approximately \$1.9 million more than budgeted. The largest area of the surplus was in departmental and other revenues, and motor vehicle and other excise which made up \$1 million and \$673,000, of the total, respectively. This was mainly due to the Town budgeting conservatively in these areas.

General fund expenditures and encumbrances were approximately \$1.1 million less than budgeted. Key components of this surplus include \$240,000 in education salaries, \$138,000 in legal expenditures, \$185,000 in municipal services, \$98,000 in transfer station expenditures; offset with \$158,000 deficit in highway department expenditures due to storm cleanup.

Capital Asset and Debt Administration

In conjunction with the operating budget, the Town annually prepares a capital budget for the upcoming 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 2018 includes additions in vehicles of \$1.6 million and \$1.1 million for infrastructure.

Capital Assets

	<u>Capital Assets at end of year</u>	<u>Depreciation at end of year</u>	<u>Capital Assets, net</u>
Governmental activities			
<i>Function:</i>			
General government.....	\$ 20,808,853	\$ (495,652)	\$ 20,313,201
Public safety.....	19,566,407	(7,112,945)	12,453,462
Education.....	184,920,374	(36,626,805)	148,293,569
Public works.....	27,223,063	(13,264,976)	13,958,087
Culture and recreation.....	12,132,971	(5,162,877)	6,970,094
Community preservation.....	18,669,451	(1,756,926)	16,912,525
Human services.....	2,835,911	(1,073,125)	1,762,786
	<u>286,157,030</u>	<u>(65,493,306)</u>	<u>220,663,724</u>
Total governmental.....	\$ <u>286,157,030</u>	\$ <u>(65,493,306)</u>	\$ <u>220,663,724</u>
Business-type activities			
Water.....	\$ <u>28,582,594</u>	\$ <u>(15,306,506)</u>	\$ <u>13,276,088</u>

Debt

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$77.1 million at the end of the current year. Of this amount, \$65.3 million is related to school construction and equipment, \$1.7 million is related to the crematory, \$4.7 million is related to the police station construction, \$2.5 million is related to the fire station renovations, \$1.3 million is related to the Powder Point bridge and \$1.1 million for the Percy Walker Pool. The remaining \$523,000 relates to other capital related projects.

The water enterprise fund has \$2.5 million in water debt that is fully supported by the rates and does not rely on a general fund subsidy.

For further discussion please refer to Note 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 POSITION

JUNE 30, 2018

	<i>Primary Government</i>		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 20,094,516	\$ 5,708,836	\$ 25,803,352
Investments.....	24,229,485	-	24,229,485
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,189,829	-	1,189,829
Tax liens.....	679,861	-	679,861
Community preservation fund surtax.....	5,947	-	5,947
Motor vehicle and other excise taxes.....	155,343	-	155,343
User charges.....	26,474	1,543,503	1,569,977
Departmental and other.....	571,347	-	571,347
Intergovernmental - other.....	1,696,332	-	1,696,332
Community preservation state share.....	96,749	-	96,749
Special assessments.....	27,472	-	27,472
Tax foreclosures.....	698,273	-	698,273
Total current assets.....	49,471,628	7,252,339	56,723,967
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	103,275	-	103,275
Capital assets, nondepreciable.....	41,120,430	4,198,439	45,318,869
Capital assets, net of accumulated depreciation.....	179,543,294	9,077,649	188,620,943
Total noncurrent assets.....	220,766,999	13,276,088	234,043,087
TOTAL ASSETS.....	270,238,627	20,528,427	290,767,054
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	1,073,788	32,681	1,106,469
LIABILITIES			
CURRENT:			
Warrants payable.....	1,925,883	86,127	2,012,010
Accrued payroll.....	3,543,682	23,634	3,567,316
Health claims payable.....	2,309,285	-	2,309,285
Tax refunds payable.....	704,175	-	704,175
Accrued interest.....	898,911	18,147	917,058
Other liabilities.....	365,634	-	365,634
Compensated absences.....	1,350,400	39,200	1,389,600
Workers' compensation.....	87,404	-	87,404
Notes payable.....	3,435,600	1,415,000	4,850,600
Bonds payable.....	6,192,639	424,364	6,617,003
Total current liabilities.....	20,813,613	2,006,472	22,820,085
NONCURRENT:			
Compensated absences.....	337,100	7,200	344,300
Workers' compensation.....	67,232	-	67,232
Net pension liability.....	26,002,336	791,391	26,793,727
Net other postemployment benefits liability.....	31,056,433	475,903	31,532,336
Bonds payable.....	75,385,125	2,105,980	77,491,105
Total noncurrent liabilities.....	132,848,226	3,380,474	136,228,700
TOTAL LIABILITIES.....	153,661,839	5,386,946	159,048,785
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	718,792	-	718,792
Deferred inflows related to pensions.....	2,378,859	72,401	2,451,260
Deferred inflows related to other postemployment benefits.....	15,962,741	244,610	16,207,351
TOTAL DEFERRED INFLOWS OF RESOURCES.....	19,060,392	317,011	19,377,403
NET POSITION			
Net investment in capital assets.....	138,163,519	10,791,367	148,954,886
Restricted for:			
Permanent funds:			
Expendable.....	1,474,930	-	1,474,930
Nonexpendable.....	2,349,698	-	2,349,698
Gifts and grants.....	1,117,512	-	1,117,512
Community preservation.....	4,287,278	-	4,287,278
Unrestricted.....	(48,802,753)	4,065,784	(44,736,969)
TOTAL NET POSITION.....	\$ 98,590,184	\$ 14,857,151	\$ 113,447,335

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 5,100,668	\$ 622,506	\$ 84,947	\$ -	\$ (4,393,215)
Public safety.....	12,779,966	2,451,395	907,203	-	(9,421,368)
Education.....	59,733,009	5,023,406	15,127,573	-	(39,582,030)
Public works.....	6,585,882	1,816,716	166,000	1,067,147	(3,536,019)
Human services.....	1,344,386	178,135	270,622	1,873	(893,756)
Culture and recreation.....	3,472,387	2,649,368	57,941	-	(765,078)
Community preservation.....	426,851	-	-	96,749	(330,102)
Interest.....	2,253,758	-	2,991	-	(2,250,767)
Total Governmental Activities.....	<u>91,696,907</u>	<u>12,741,526</u>	<u>16,617,277</u>	<u>1,165,769</u>	(61,172,335)
<i>Business-Type Activities:</i>					
Water.....	<u>2,716,373</u>	<u>3,085,668</u>	<u>-</u>	<u>-</u>	369,295
Total Primary Government.....	<u>\$ 94,413,280</u>	<u>\$ 15,827,194</u>	<u>\$ 16,617,277</u>	<u>\$ 1,165,769</u>	<u>\$ (60,803,040)</u>

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES (continued)

YEAR ENDED JUNE 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (61,172,335)	\$ 369,295	\$ (60,803,040)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	58,864,933	-	58,864,933
Tax and other liens.....	1,125,344	-	1,125,344
Motor vehicle and other excise taxes.....	3,281,194	-	3,281,194
Community preservation tax.....	508,105	-	508,105
Penalties and interest on taxes.....	260,524	-	260,524
Payments in lieu of taxes.....	8,250	-	8,250
Grants and contributions not restricted to specific programs.....	1,066,637	-	1,066,637
Unrestricted investment income.....	265,517	-	265,517
Miscellaneous.....	981	-	981
<i>Transfers, net</i>	104,982	(104,982)	-
Total general revenues and transfers.....	<u>65,486,467</u>	<u>(104,982)</u>	<u>65,381,485</u>
Change in net position.....	4,314,132	264,313	4,578,445
<i>Net position:</i>			
Beginning of year, as revised.....	<u>94,276,052</u>	<u>14,592,838</u>	<u>108,868,890</u>
End of year.....	\$ <u><u>98,590,184</u></u>	\$ <u><u>14,857,151</u></u>	\$ <u><u>113,447,335</u></u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2018

	General	Community Preservation Act	Affordable Housing	Senior Center Expansion	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 6,557,915	\$ 4,234,591	\$ 10,742	\$ 2,576,892	\$ 5,797,199	\$ 19,177,339
Investments.....	15,051,070	-	1,283,853	-	3,774,048	20,108,971
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	1,189,829	-	-	-	-	1,189,829
Tax liens.....	674,002	5,859	-	-	-	679,861
Community preservation fund surtax.....	-	5,947	-	-	-	5,947
Motor vehicle and other excise taxes.....	155,343	-	-	-	-	155,343
User charges.....	26,474	-	-	-	-	26,474
Departmental and other.....	302,523	-	-	-	-	302,523
Intergovernmental - other.....	-	-	-	-	1,696,332	1,696,332
Community preservation state share.....	-	96,749	-	-	-	96,749
Special assessments.....	130,747	-	-	-	-	130,747
Tax foreclosures.....	698,273	-	-	-	-	698,273
Due from other funds.....	5,475	-	-	-	-	5,475
TOTAL ASSETS.....	\$ 24,791,651	\$ 4,343,146	\$ 1,294,595	\$ 2,576,892	\$ 11,267,579	\$ 44,273,863
LIABILITIES						
Warrants payable.....	\$ 783,646	\$ -	\$ -	\$ 239,400	\$ 836,928	\$ 1,859,974
Accrued payroll.....	3,362,394	46,290	-	-	133,816	3,542,500
Tax refunds payable.....	704,175	-	-	-	-	704,175
Due to other funds.....	-	-	-	-	5,475	5,475
Other liabilities.....	54,052	9,578	-	-	302,004	365,634
Notes payable.....	-	-	-	2,550,000	885,600	3,435,600
TOTAL LIABILITIES.....	4,904,267	55,868	-	2,789,400	2,163,823	9,913,358
DEFERRED INFLOWS OF RESOURCES						
Taxes paid in advance.....	718,792	-	-	-	-	718,792
Unavailable revenue.....	2,931,835	108,555	-	-	1,076,659	4,117,049
TOTAL DEFERRED INFLOWS OF RESOURCES.....	3,650,627	108,555	-	-	1,076,659	4,835,841
FUND BALANCES						
Nonspendable.....	-	-	-	-	2,349,698	2,349,698
Restricted.....	4,156,628	4,178,723	1,294,595	-	6,543,855	16,173,801
Committed.....	7,805,524	-	-	-	-	7,805,524
Assigned.....	1,742,816	-	-	-	-	1,742,816
Unassigned.....	2,531,789	-	-	(212,508)	(866,456)	1,452,825
TOTAL FUND BALANCES.....	16,236,757	4,178,723	1,294,595	(212,508)	8,027,097	29,524,664
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 24,791,651	\$ 4,343,146	\$ 1,294,595	\$ 2,576,892	\$ 11,267,579	\$ 44,273,863

See notes to basic financial statements.

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

JUNE 30, 2018

Total governmental fund balances.....	\$	29,524,664
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		220,663,724
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		4,117,049
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....		(17,267,812)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		2,930,139
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(898,911)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(81,577,764)	
Net pension liability.....	(26,002,336)	
Net other postemployment benefits liability.....	(31,056,433)	
Workers' compensation.....	(154,636)	
Compensated absences.....	(1,687,500)	
Net effect of reporting long-term liabilities.....		<u>(140,478,669)</u>
Net position of governmental activities.....	\$	<u>98,590,184</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2018

	General	Community Preservation Act	Affordable Housing	Senior Center Expansion	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 59,419,962	\$ -	\$ -	\$ -	\$ -	\$ 59,419,962
Tax liens.....	165,228	918	-	-	-	166,146
Motor vehicle and other excise taxes.....	3,329,106	-	-	-	-	3,329,106
Sewer charges.....	239,319	-	-	-	-	239,319
Trash disposal.....	686,391	-	-	-	-	686,391
Intergovernmental - Teachers Retirement.....	8,033,821	-	-	-	-	8,033,821
Intergovernmental.....	6,252,260	82,967	-	-	4,091,551	10,426,778
Departmental and other.....	5,343,136	-	-	-	6,953,812	12,296,948
Community preservation taxes.....	-	506,899	-	-	-	506,899
Contributions and donations.....	-	-	-	-	248,737	248,737
Investment income (loss).....	339,844	16,394	(22,620)	-	(53,116)	280,502
TOTAL REVENUES.....	83,809,067	607,178	(22,620)	-	11,240,984	95,634,609
EXPENDITURES:						
Current:						
General government.....	3,085,604	-	431,128	-	547,683	4,064,415
Public safety.....	8,472,225	-	-	-	2,569,575	11,041,800
Education.....	35,014,383	-	-	-	6,323,224	41,337,607
Public works.....	5,608,314	-	-	-	1,211,583	6,819,897
Health and human services.....	860,324	-	-	239,400	388,097	1,487,821
Culture and recreation.....	2,608,957	-	-	-	208,495	2,817,452
Community preservation.....	-	272,723	-	-	-	272,723
Pension benefits.....	3,308,746	-	-	-	2,282	3,311,028
Pension benefits - Teachers Retirement.....	8,033,821	-	-	-	-	8,033,821
Property and liability insurance.....	424,773	-	-	-	-	424,773
Employee benefits.....	8,830,412	-	-	-	41,283	8,871,695
State and county charges.....	526,890	-	-	-	-	526,890
Debt service:						
Principal.....	5,676,558	-	-	-	-	5,676,558
Interest.....	2,880,687	-	-	-	-	2,880,687
TOTAL EXPENDITURES.....	85,331,694	272,723	431,128	239,400	11,292,222	97,567,167
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,522,627)	334,455	(453,748)	(239,400)	(51,238)	(1,932,558)
OTHER FINANCING SOURCES (USES):						
Premium from issuance of bonds.....	-	-	-	26,892	1,943	28,835
Transfers in.....	921,431	-	-	-	451,142	1,372,573
Transfers out.....	(325,142)	(100,000)	-	-	(842,449)	(1,267,591)
TOTAL OTHER FINANCING SOURCES (USES)...	596,289	(100,000)	-	26,892	(389,364)	133,817
NET CHANGE IN FUND BALANCES.....	(926,338)	234,455	(453,748)	(212,508)	(440,602)	(1,798,741)
FUND BALANCES AT BEGINNING OF YEAR.....	17,163,095	3,944,268	1,748,343	-	8,467,699	31,323,405
FUND BALANCES AT END OF YEAR.....	\$ 16,236,757	\$ 4,178,723	\$ 1,294,595	\$ (212,508)	\$ 8,027,097	\$ 29,524,664

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**

YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds.....	\$	(1,798,741)
<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.....	3,585,047	
Depreciation expense.....	<u>(6,891,538)</u>	
Net effect of reporting capital assets.....		(3,306,491)
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		286,433
<p>The issuance of long-term debt 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 has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Premium from issuance of bonds.....	(28,835)	
Net amortization of premium from issuance of bonds.....	612,349	
Debt service principal payments.....	<u>5,676,558</u>	
Net effect of reporting long-term debt.....		6,260,072
<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.....	(13,500)	
Net change in accrued interest on long-term debt.....	14,580	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(4,912,855)	
Net change in net pension liability.....	5,626,704	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	(15,962,741)	
Net change in net other postemployment benefits liability.....	18,126,391	
Net change in workers' compensation liability.....	<u>488,429</u>	
Net effect of recording long-term liabilities.....		3,367,008
The net activity of internal service funds is reported with Governmental Activities.....		<u>(494,149)</u>
Change in net position of governmental activities.....	\$	<u><u>4,314,132</u></u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2018

	<u>Business-type Activities - Enterprise Funds Water</u>	<u>Governmental Activities - Internal Service Fund</u>
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 5,708,836	\$ 917,177
Investments.....	-	4,120,514
Receivables, net of allowance for uncollectibles:		
User charges.....	1,543,503	-
Departmental and other.....	-	268,824
	<u>7,252,339</u>	<u>5,306,515</u>
NONCURRENT:		
Capital assets, non depreciable.....	4,198,439	-
Capital assets, net of accumulated depreciation.....	9,077,649	-
	<u>13,276,088</u>	<u>-</u>
TOTAL ASSETS	<u>20,528,427</u>	<u>5,306,515</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	32,681	-
LIABILITIES		
CURRENT:		
Warrants payable.....	86,127	65,909
Accrued payroll.....	23,634	1,182
Health claims payable.....	-	2,309,285
Accrued interest.....	18,147	-
Compensated absences.....	39,200	-
Notes payable.....	1,415,000	-
Bonds payable.....	424,364	-
	<u>2,006,472</u>	<u>2,376,376</u>
NONCURRENT:		
Compensated absences.....	7,200	-
Net pension liability.....	791,391	-
Net other postemployment benefits liability.....	475,903	-
Bonds payable.....	2,105,980	-
	<u>3,380,474</u>	<u>-</u>
TOTAL LIABILITIES	<u>5,386,946</u>	<u>2,376,376</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	72,401	-
Deferred inflows related to other postemployment benefits.....	244,610	-
	<u>317,011</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>317,011</u>	<u>-</u>
NET POSITION		
Net investment in capital assets.....	10,791,367	-
Unrestricted.....	4,065,784	2,930,139
	<u>14,857,151</u>	<u>2,930,139</u>
TOTAL NET POSITION	<u>\$ 14,857,151</u>	<u>\$ 2,930,139</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
<u>OPERATING REVENUES:</u>		
Employee contributions.....	\$ -	\$ 3,533,757
Employer contributions.....	-	8,008,847
Charges for services.....	3,085,668	-
Other operating revenues.....	-	311,296
TOTAL OPERATING REVENUES	3,085,668	11,853,900
<u>OPERATING EXPENSES:</u>		
Cost of services and administration.....	1,053,233	-
Salaries and wages.....	633,047	-
Depreciation.....	972,627	-
Employee benefits.....	-	12,333,064
TOTAL OPERATING EXPENSES.....	2,658,907	12,333,064
OPERATING INCOME (LOSS).....	426,761	(479,164)
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Investment income (loss).....	-	(14,985)
Interest expense.....	(57,466)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(57,466)	(14,985)
INCOME (LOSS) BEFORE TRANSFERS.....	369,295	(494,149)
<u>TRANSFERS:</u>		
Transfers out.....	(104,982)	-
CHANGE IN NET POSITION.....	264,313	(494,149)
NET POSITION AT BEGINNING OF YEAR, AS REVISED.....	14,592,838	3,424,288
NET POSITION AT END OF YEAR.....	\$ 14,857,151	\$ 2,930,139

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2018

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 3,093,400	\$ 3,533,757
Receipts from interfund services provided.....	-	8,329,450
Payments to vendors.....	(1,229,631)	-
Payments to employees.....	(636,282)	-
Payments for interfund services used.....	-	(11,615,029)
NET CASH FROM OPERATING ACTIVITIES.....	1,227,487	248,178
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>		
Transfers out.....	(104,982)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of bonds.....	1,415,000	-
Premium from the issuance of bonds.....	14,929	-
Acquisition and construction of capital assets.....	(1,011,511)	-
Principal payments on bonds and notes.....	(586,307)	-
Interest expense.....	(74,095)	-
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(241,984)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Purchase of investments.....	-	(429,329)
Investment income (loss).....	-	(14,985)
NET CASH FROM INVESTING ACTIVITIES.....	-	(444,314)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	880,521	(196,136)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	4,828,315	1,113,313
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 5,708,836	\$ 917,177
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ 426,761	\$ (479,164)
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation.....	972,627	-
Deferred (outflows)/inflows related to pensions.....	162,319	-
Deferred (outflows)/inflows related to other postemployment benefits.....	244,610	-
Changes in assets and liabilities:		
User charges.....	7,732	-
Departmental and other.....	-	9,307
Warrants payable.....	(22,141)	63,564
Accrued payroll.....	1,365	35
Health claims payable.....	-	654,436
Compensated absences.....	(4,600)	-
Net pension liability.....	(283,421)	-
Other postemployment benefits.....	(277,765)	-
Total adjustments.....	800,726	727,342
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,227,487	\$ 248,178

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2018

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 28,047	\$ 25,674	\$ 284,526
Investments:			
U.S. treasuries.....	123,009	508,530	-
Government sponsored enterprises.....	98,169	516,845	-
Corporate bonds.....	101,359	231,199	-
Equity securities.....	1,005,966	1,659,138	-
Equity mutual funds.....	690,130	-	-
Fixed income mutual funds.....	222,085	125,743	-
TOTAL ASSETS.....	<u>2,268,765</u>	<u>3,067,129</u>	<u>284,526</u>
LIABILITIES			
Warrants payable.....	-	-	113
Accrued payroll.....	-	-	1,145
Liabilities due depositors.....	-	-	283,268
TOTAL LIABILITIES.....	<u>-</u>	<u>-</u>	<u>284,526</u>
NET POSITION			
Restricted for other postemployment benefits.....	2,268,765	-	-
Held in trust for other purposes.....	-	3,067,129	-
TOTAL NET POSITION.....	<u>\$ 2,268,765</u>	<u>\$ 3,067,129</u>	<u>\$ -</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2018

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 300,000	\$ -
Employer contributions for other postemployment benefit payments...	1,620,064	-
Total contributions.....	1,920,064	-
Net investment income:		
Investment income (loss).....	121,067	(12,914)
TOTAL ADDITIONS.....	2,041,131	(12,914)
DEDUCTIONS:		
Other postemployment benefit payments.....	1,620,064	-
Educational scholarships and other.....	-	26,658
TOTAL DEDUCTIONS.....	1,620,064	26,658
NET INCREASE (DECREASE) IN NET POSITION.....	421,067	(39,572)
NET POSITION AT BEGINNING OF YEAR.....	1,847,698	3,106,701
NET POSITION AT END OF YEAR.....	\$ 2,268,765	\$ 3,067,129

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Duxbury, Massachusetts (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 (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 position and the statement of changes in net position) 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 total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets and deferred outflows of resources, liabilities and deferred inflows or resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

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

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

Government-Wide Financial Statements

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

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

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

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

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

Fund Financial Statements

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

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

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

The following major governmental funds are reported:

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

The *community preservation act fund* is a special revenue fund used to account for funds held for uses restricted by law for community preservation purposes. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 1% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

The *affordable housing fund* is a special revenue fund used to account for activity related to the creation and preservation of affordable housing.

The *senior center expansion fund* is a capital project fund used to account for the construction of the senior center building addition.

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 fund is reported:

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

Additionally, the following proprietary fund type is reported:

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

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

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* is used to accumulate resources to provide funding for future other postemployment benefits (OPEB) liabilities.

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, security deposits, and fees and licenses collected on behalf of the state.

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. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. 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 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 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 for 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 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

year of the levy. The Commonwealth is responsible for reporting the number of boats registered and the fair value of those boats. The tax calculation is the fair value of the boat multiplied by \$10 per \$1,000 of value.

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

User Fees

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

Special Assessments

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

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

Intergovernmental

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

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

G. 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.

H. 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; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. 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 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 and building improvements.....	40
Plant, facilities and infrastructure.....	20 - 40
Vehicles.....	5 - 15
Furniture, fixtures and equipment.....	10
Improvements.....	10 - 20

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 year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pensions in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported taxes paid in advance, deferred inflows of resources related to pensions, and deferred inflows of resources related to other postemployment benefits in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents amounts that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has recorded unavailable revenue as deferred inflows of resources in the governmental funds balance sheet.

J. 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 position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position 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.

K. 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 activities. 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.

L. Unavailable Revenue

Unavailable 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, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position reported as “net investment in capital assets” 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 position is reported as restricted when amounts are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has 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.

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

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 Open Town Meeting, the government’s highest level of decision-making authority. Town Meeting is the highest level of decision making authority that can, by majority vote of a warrant article at an open Town Meeting, commit funds for a specific purpose. Once voted, the limitation imposed by the vote remains in place until the funds are used for their intended purpose, the purpose no longer exists, or a vote is taken to modify the commitment.

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

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only governmental fund that can report a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of both the Plymouth County Contributory Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. 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 position. 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.

P. 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.

Q. 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.

R. 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 year. Actual results could vary from estimates that were used.

S. Individual Fund Deficits

Individual fund deficit exists within the nonmajor capital project funds and in the co-located school major fund. These deficits will be funded through grants, available funds, and bond proceeds in future years.

The Town had expenditures that exceeded appropriations for harbor master salaries, highway department expenditures, employee benefits, and state and county charges. These will be funded with available funds during fiscal year 2019.

T. 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 (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 year-end, the carrying amount of deposits totaled \$25,100,321 and the bank balance totaled \$26,956,672. Of the bank balance, \$2,535,196 was covered by Federal Depository Insurance, \$13,060,411 was covered by Depositors Insurance Fund, \$3,478,454 was covered by Share Insurance Fund, and \$7,882,611 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) pre-qualifying banks, 2) diversifying its investments across several banks and 3) collateralizing deposits where practical.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments of \$16,995,532 in debt securities and \$10,498,409 in equity securities are exposed to custodial credit risk as the securities are uninsured. The shares of MMDT and open end mutual funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. The securities are registered to Dunn & Co. as nominee for the Town of Duxbury. The Town of Duxbury's investment policy allows for custodial safekeeping in the name of a nominee. It also requires proof that securities purchased from any bank or dealer be provided to the Treasurer and recorded on the Town's books.

Investments

As of June 30, 2018, the Town of Duxbury had the following investments:

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
<u>Debt securities:</u>					
U.S. treasury bonds.....	\$ 8,555,719	\$ 1,319,784	\$ 4,829,527	\$ 1,689,201	\$ 717,207
Government sponsored enterprises.....	6,125,113	949,827	4,622,273	461,379	91,634
Corporate bonds.....	2,314,700	-	1,886,281	428,419	-
Total debt securities.....	16,995,532	\$ 2,269,611	\$ 11,338,081	\$ 2,578,999	\$ 808,841
<u>Other investments:</u>					
Equity securities.....	10,498,409				
Equity mutual funds.....	690,130				
Fixed income mutual funds.....	1,327,587				
Money market mutual funds.....	181,283				
MMDT - Cash portfolio.....	859,995				
Total investments.....	\$ 30,552,936				

The Town participates in MMDT, which maintains a cash portfolio with combined average maturities of approximately 3 months.

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

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2018, the Town’s investments were rated as follows:

Quality Rating	U.S. Treasury Bonds	Government Sponsored Enterprises	Corporate Bonds
AAA.....	\$ 8,555,719	\$ -	\$ -
AA+.....	-	6,125,113	1,630,960
A-.....	-	-	207,143
BBB+.....	-	-	412,681
BBB.....	-	-	63,916
Total.....	\$ 8,555,719	\$ 6,125,113	\$ 2,314,700

The Town’s investment in money market mutual funds is unrated. The Town’s investment in MMDT is unrated.

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.

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>
U.S. Treasury Notes.....	29%
Federal Home Loan Mortgage Corporation.....	14%

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town’s mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2018:

Investment Type	June 30, 2018	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury bonds.....	\$ 8,555,719	\$ 8,555,719	\$ -	\$ -
Government sponsored enterprises.....	6,125,113	6,125,113	-	-
Corporate bonds.....	2,314,700	-	2,314,700	-
Total debt securities.....	16,995,532	14,680,832	2,314,700	-
<u>Other investments:</u>				
Equity securities.....	10,498,409	10,498,409	-	-
Equity mutual funds.....	690,130	690,130	-	-
Fixed income mutual funds.....	1,327,587	1,327,587	-	-
Money market mutual funds.....	181,283	181,283	-	-
Total other investments.....	12,697,409	12,697,409	-	-
Total investments measured at fair value.....	29,692,941	\$ 27,378,241	\$ 2,314,700	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	859,995			
Total investments.....	\$ 30,552,936			

Government sponsored enterprises, U.S. treasury notes, equity securities, equity mutual funds, fixed income mutual funds, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT Cash Portfolio investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

NOTE 3 – RECEIVABLES

At June 30, 2018, 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.....	\$ 1,199,143	\$ (9,314)	\$ 1,189,829
Tax liens.....	679,861	-	679,861
Community preservation fund surtax.....	5,947	-	5,947
Motor vehicle and other excise taxes.....	286,668	(131,325)	155,343
User charges.....	26,474	-	26,474
Departmental and other.....	720,471	(149,124)	571,347
Intergovernmental - other.....	1,696,332	-	1,696,332
Community preservation state share.....	96,749	-	96,749
Special assessments.....	130,747	-	130,747
Total.....	<u>\$ 4,842,392</u>	<u>\$ (289,763)</u>	<u>\$ 4,552,629</u>

At June 30, 2018, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 1,543,503	\$ -	\$ 1,543,503

Governmental funds report *unavailable 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 year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 944,474	\$ -	\$ 944,474
Tax liens.....	674,002	5,859	679,861
Community preservation fund surtax.....	-	5,947	5,947
Motor vehicle and other excise taxes.....	155,343	-	155,343
User charges.....	26,474	-	26,474
Departmental and other.....	302,522	-	302,522
Intergovernmental - highway improvements.....	-	1,076,659	1,076,659
Community preservation state share.....	-	96,749	96,749
Special assessments.....	130,747	-	130,747
Tax foreclosures.....	698,273	-	698,273
Total.....	<u>\$ 2,931,835</u>	<u>\$ 1,185,214</u>	<u>\$ 4,117,049</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 38,515,188	\$ -	\$ -	\$ 38,515,188
Construction in progress.....	2,154,622	450,620	-	2,605,242
Total capital assets not being depreciated.....	<u>40,669,810</u>	<u>450,620</u>	<u>-</u>	<u>41,120,430</u>
<u>Capital assets being depreciated:</u>				
Buildings.....	188,288,034	-	-	188,288,034
Building Improvments.....	8,078,022	60,665	-	8,138,687
Infrastructure.....	22,964,228	1,091,134	(360,000)	23,695,362
Vehicles.....	7,629,493	1,638,956	(947,387)	8,321,062
Furniture, fixtures and equipment.....	4,939,009	343,672	(30,000)	5,252,681
Improvements.....	11,340,774	-	-	11,340,774
Total capital assets being depreciated.....	<u>243,239,560</u>	<u>3,134,427</u>	<u>(1,337,387)</u>	<u>245,036,600</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	(26,574,941)	(4,591,000)	-	(31,165,941)
Building Improvments.....	(1,192,753)	(204,200)	-	(1,396,953)
Infrastructure.....	(14,238,961)	(876,878)	360,000	(14,755,839)
Vehicles.....	(5,009,706)	(720,558)	947,387	(4,782,877)
Furniture, fixtures and equipment.....	(3,568,977)	(255,459)	30,000	(3,794,436)
Improvements.....	(9,353,817)	(243,443)	-	(9,597,260)
Total accumulated depreciation.....	<u>(59,939,155)</u>	<u>(6,891,538)</u>	<u>1,337,387</u>	<u>(65,493,306)</u>
Total capital assets being depreciated, net.....	<u>183,300,405</u>	<u>(3,757,111)</u>	<u>-</u>	<u>179,543,294</u>
Total governmental activities capital assets, net.....	<u>\$ 223,970,215</u>	<u>\$ (3,306,491)</u>	<u>\$ -</u>	<u>\$ 220,663,724</u>

Business-Type Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Water:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,899,437	\$ -	\$ -	\$ 2,899,437
Construction in progress.....	729,580	734,627	(165,205)	1,299,002
Total capital assets not being depreciated.....	<u>3,629,017</u>	<u>734,627</u>	<u>(165,205)</u>	<u>4,198,439</u>
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	23,418,415	352,458	(3,142)	23,767,731
Equipment and motor vehicles.....	587,569	89,631	(60,776)	616,424
Total capital assets being depreciated.....	<u>24,005,984</u>	<u>442,089</u>	<u>(63,918)</u>	<u>24,384,155</u>
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(14,114,425)	(880,385)	3,142	(14,991,668)
Equipment and motor vehicles.....	(283,372)	(92,242)	60,776	(314,838)
Total accumulated depreciation.....	<u>(14,397,797)</u>	<u>(972,627)</u>	<u>63,918</u>	<u>(15,306,506)</u>
Total capital assets being depreciated, net.....	<u>9,608,187</u>	<u>(530,538)</u>	<u>-</u>	<u>9,077,649</u>
Total water activities capital assets, net.....	<u>\$ 13,237,204</u>	<u>\$ 204,089</u>	<u>\$ (165,205)</u>	<u>\$ 13,276,088</u>

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

Governmental Activities:

General government.....	\$ 22,457
Public safety.....	875,990
Education.....	4,376,965
Public works.....	1,081,567
Human services.....	57,173
Culture and recreation.....	280,685
Community preservation.....	196,701
Total depreciation expense - governmental activities.....	<u>\$ 6,891,538</u>

Business-Type Activities:

Water.....	<u>\$ 972,627</u>
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NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2018, the Town has interfund receivables/payables of \$5,475 which exists between the general fund and 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 for the year ended June 30, 2018, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 325,142	\$ 325,142 (1)
Community preservation act.....	-	100,000	100,000 (2)
Nonmajor governmental funds.....	816,449	26,000	842,449 (3)
Water Enterprise fund.....	104,982	-	104,982 (4)
Total.....	\$ <u>921,431</u>	\$ <u>451,142</u>	\$ <u>1,372,573</u>

- (1) Represents a transfer to the Co-located school for a BAN paydown and a transfer from general fund reserves to nonmajor funds for PEG access, receipts reserved for appropriations and capital projects.
- (2) Represents a transfer from community preservation funds to the conservation trust fund.
- (3) Represents budgeted transfers to the General Fund from PEG access, receipts reserved for appropriation, parks and recreation revolving and Town revolving. Also represents a transfer from Town state grants to Town revolving funds.
- (4) Represents budgeted transfers to the General Fund from the Water enterprise fund.

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 year ended June 30, 2018, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2017	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2018
Governmental Funds:							
BAN	Municipal Purpose.....	1.15%	12/01/17	\$ 2,819,400	\$ -	\$ (2,819,400)	\$ -
BAN	Municipal Purpose.....	1.30%	06/25/18	-	962,200	(962,200)	-
BAN	Municipal Purpose.....	3.00%	04/18/19	-	3,435,600	-	3,435,600
Total Governmental Funds.....				2,819,400	4,397,800	(3,781,600)	3,435,600
Water Enterprise Fund:							
BAN	Municipal Purpose.....	1.25%	12/01/17	150,000	-	(150,000)	-
BAN	Municipal Purpose.....	3.00%	04/18/19	-	1,415,000	-	1,415,000
Total Water Enterprise Fund.....				150,000	1,415,000	(150,000)	1,415,000
Total.....				\$ 2,969,400	\$ 5,812,800	\$ (3,931,600)	\$ 4,850,600

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, 2018, and the debt service requirements are as follows:

General Obligation Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
MWPAT 2001 Title V.....	2019	\$ 195,676	4.50	\$ 10,868
MWPAT 2004 Title V.....	2021	192,582	3.30-5.25	32,285
Municipal Purpose Loans of 2010.....	2023	2,950,000	2.00-5.00	1,350,000
Municipal Purpose Loans of 2013.....	2038	82,575,000	3.00-4.00	65,700,000
Municipal Purpose Loans of 2014.....	2024	2,200,000	2.00-3.00	1,320,000
Municipal Purpose Refunding Loans of 2014.....	2023	425,000	2.00-3.00	215,000
Municipal Purpose Loans of 2015.....	2025	4,500,000	2.00-3.00	3,150,000
Municipal Purpose Refunding Loans of 2016.....	2021	4,120,000	2.00-4.00	2,440,000
Municipal Purpose Loans of 2017.....	2027	3,185,000	4.00	2,860,000
Total Bonds Payable.....				77,078,153
Add: Unamortized premium on bonds.....				4,499,611
Total Bonds Payable, net.....				\$ 81,577,764

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

Year	Principal	Interest	Total
2019.....	\$ 5,656,558	\$ 8,291,400	\$ 13,947,958
2020.....	5,630,690	8,054,151	13,684,841
2021.....	5,630,905	7,838,132	13,469,037
2022.....	4,805,000	6,812,256	11,617,256
2023.....	4,795,000	6,618,863	11,413,863
2024.....	4,745,000	6,408,738	11,153,738
2025.....	4,525,000	6,032,475	10,557,475
2026.....	3,885,000	5,238,150	9,123,150
2027.....	3,885,000	5,118,450	9,003,450
2028.....	3,570,000	4,665,900	8,235,900
2029.....	3,150,000	4,111,500	7,261,500
2030.....	3,150,000	3,985,500	7,135,500
2031.....	3,150,000	3,859,500	7,009,500
2032.....	3,150,000	3,733,500	6,883,500
2033.....	3,150,000	3,623,250	6,773,250
2034.....	2,840,000	3,223,400	6,063,400
2035.....	2,840,000	3,138,200	5,978,200
2036.....	2,840,000	3,053,000	5,893,000
2037.....	2,840,000	2,967,800	5,807,800
2038.....	2,840,000	2,882,600	5,722,600
Total.....	\$ 77,078,153	\$ 99,656,765	\$ 176,734,918

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) for governmental fund debt on a periodic basis for interest costs for \$3,511. Thus, net MCWT loan repayments, including interest, are scheduled to be \$43,155 for the three MCWT governmental debt issuances. 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 2018 interest subsidies totaled \$2,991.

General Obligation Bonds Payable Schedule – Water Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2018
Municipal Purpose Loans of 2008.....	2023	\$ 1,700,000	3.00-3.85	\$ 485,000
MWPAT 2009.....	2029	3,150,000	2.00	1,880,344
Municipal Purpose Loans of 2014.....	2019	864,000	2.00	<u>165,000</u>
Total Bonds Payable, net.....				\$ <u>2,530,344</u>

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019.....	\$ 424,364	\$ 478,678	\$ 903,042
2020.....	262,482	308,038	570,520
2021.....	265,664	303,995	569,659
2022.....	263,909	295,048	558,957
2023.....	237,221	261,776	498,997
2024.....	170,599	190,427	361,026
2025.....	174,045	190,427	364,472
2026.....	177,561	190,427	367,988
2027.....	181,149	190,428	371,577
2028.....	184,808	190,427	375,235
2029.....	188,542	190,427	378,969
Total.....	\$ <u>2,530,344</u>	\$ <u>2,790,098</u>	\$ <u>5,320,442</u>

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, 2018, the Town had the following authorized and unissued debt:

<u>Purpose</u>	<u>Amount</u>
School construction.....	\$ 46,008,899
Water mains.....	47,000
Council on Aging expansion.....	<u>25,750</u>
Total.....	\$ <u>46,081,649</u>

Changes in Long-term Liabilities

During the year ended June 30, 2018, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 82,754,711	\$ -	\$ (5,676,558)	\$ -	\$ -	\$ 77,078,153	\$ 5,656,558
Add: Unamortized premium on bonds...	5,083,125	28,835	(612,349)	-	-	4,499,611	536,081
Total bonds payable.....	87,837,836	28,835	(6,288,907)	-	-	81,577,764	6,192,639
Compensated absences.....	1,674,000	-	-	1,293,500	(1,280,000)	1,687,500	1,350,400
Workers' compensation.....	643,065	-	-	52,540	(540,969)	154,636	87,404
Net pension liability.....	31,629,040	-	-	2,494,361	(8,121,065)	26,002,336	-
Other postemployment benefits.....	49,182,824	-	-	2,887,690	(21,014,081)	31,056,433	-
Total governmental activity long-term liabilities.....	\$ 170,966,765	\$ 28,835	\$ (6,288,907)	\$ 6,728,091	\$ (30,956,115)	\$ 140,478,669	\$ 7,630,443
Business-Type Activities:							
Long-term bonds payable.....	\$ 2,966,651	\$ -	\$ (436,307)	\$ -	\$ -	\$ 2,530,344	\$ 424,364
Add: Unamortized premium on bonds...	-	14,929	(14,929)	-	-	-	-
Total bonds payable.....	2,966,651	14,929	(451,236)	-	-	2,530,344	424,364
Compensated absences.....	51,000	-	-	39,400	(44,000)	46,400	39,200
Net pension liability.....	1,074,812	-	-	75,917	(359,338)	791,391	-
Other postemployment benefits.....	753,668	-	-	44,250	(322,015)	475,903	-
Total business-type activity long-term liabilities.....	\$ 4,846,131	\$ 14,929	\$ (451,236)	\$ 159,567	\$ (725,353)	\$ 3,844,038	\$ 463,564

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

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

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

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

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

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

As of June 30, 2018, the governmental fund balances consisted of the following:

	General	Community Preservation Act	Affordable Housing	Senior Center Expansion	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	2,349,698	\$ 2,349,698
Restricted for:						
Debt service - interest.....	4,156,628	-	-	-	-	4,156,628
Community Preservation Act.....	-	4,178,723	-	-	-	4,178,723
Affordable Housing.....	-	-	1,294,595	-	-	1,294,595
School Lunch.....	-	-	-	-	712,132	712,132
School Gifts and Grants.....	-	-	-	-	879,187	879,187
School Revolving.....	-	-	-	-	2,073,812	2,073,812
Recreation Revolving.....	-	-	-	-	12,644	12,644
Receipts Reserved for Appropriations.....	-	-	-	-	673,251	673,251
Town Gifts and Grants.....	-	-	-	-	238,325	238,325
Town Revolving.....	-	-	-	-	77,364	77,364
Special Revenue Trust Funds.....	-	-	-	-	245,687	245,687
Miscellaneous Small Projects.....	-	-	-	-	59,077	59,077
Public Safety Buildings.....	-	-	-	-	28,339	28,339
Crematory.....	-	-	-	-	1,463	1,463
Co-located School.....	-	-	-	-	67,644	67,644
Town Services Fund.....	-	-	-	-	1,474,930	1,474,930
Committed to:						
Articles and continuing appropriations:						
Selectmen.....	89,596	-	-	-	-	89,596
Information systems.....	127,849	-	-	-	-	127,849
Assessor.....	95	-	-	-	-	95
Human resources.....	40,898	-	-	-	-	40,898
Town clerk.....	10,952	-	-	-	-	10,952
Planning board.....	112,928	-	-	-	-	112,928
Facilities management.....	266,596	-	-	-	-	266,596
Police.....	1,555	-	-	-	-	1,555
Fire.....	20,150	-	-	-	-	20,150
Harbormaster/beach management.....	53,243	-	-	-	-	53,243
Education.....	80,756	-	-	-	-	80,756
Department of public works	153,580	-	-	-	-	153,580
Culture and recreation.....	8,732	-	-	-	-	8,732
Pension reserve.....	1,294,595	-	-	-	-	1,294,595
Unemployment.....	4,317,945	-	-	-	-	4,317,945
Compensated absences.....	1,226,054	-	-	-	-	1,226,054
Assigned to:						
Encumbrances:						
General government.....	28,047	-	-	-	-	28,047
Public safety.....	135,221	-	-	-	-	135,221
Education.....	254,869	-	-	-	-	254,869
Public works.....	144,169	-	-	-	-	144,169
Health and human services.....	19,833	-	-	-	-	19,833
Culture and recreation.....	9,553	-	-	-	-	9,553
Pension benefits.....	125,000	-	-	-	-	125,000
Free cash used for subsequent year budget.....	1,026,124	-	-	-	-	1,026,124
Unassigned.....	2,531,789	-	-	(212,508)	(866,456)	1,452,825
Total Fund Balances.....	\$ 16,236,757	\$ 4,178,723	\$ 1,294,595	\$ (212,508)	\$ 8,027,097	\$ 29,524,664

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, an unemployment trust fund and a compensated absences stabilization fund to assist the Town in funding it's liability for accrued sick and vacation time.

At year end, the balance of the general stabilization fund was \$4,317,945 and reported as a component of unassigned fund balance in the general fund. The pension trust stabilization, unemployment trust stabilization, and compensated absences trust stabilization totaled \$1,226,054, \$200,243 and \$167,519, respectively. These three funds are reported as committed fund balance in the general fund. The pension trust stabilization 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.

With the exception of the pension reserve and the unemployment reserve, the committed balances in the General Fund are articles carried forward to next year. With the exception of free cash used to fund the 2018 budget, assigned balances in the General Fund are encumbrances carried forward to next year. The detail of each article and encumbrance is included in the budgetary comparison schedule presented as required supplementary information.

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, 2018, the CPA fund has a balance of \$4,178,723 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 and unemployment benefits. 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 \$100,000 per claim. At June 30, 2018, the amount of the liability for health insurance claims totaled \$2,309,285. This liability is the Town's best estimate based

on available information. The Town has elected to record a conservative estimate using the high range of the estimated potential liability. Changes in the reported liability since July 1, 2016, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2017.....	\$ 1,047,080	\$	12,382,490	\$	(12,137,353)	\$	1,292,217
2018.....	1,292,217		12,632,097		(11,615,029)		2,309,285

(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. Changes in the reported liability since July 1, 2016, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End		Current Portion
2017.....	\$ 781,243	\$	194,583	\$	(332,761)	\$	643,065	\$	247,164
2018.....	643,065		52,540		(540,969)		154,636		87,404

NOTE 11 – PENSION PLAN

Plan Descriptions

The Town is a member of the Plymouth County Contributory Retirement System (PCCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 54 member units. The PCCRS is administered by five board members (Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://www.pcr-ma.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute

directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2017. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$8,033,821 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$76,972,281 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

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 Board and are borne by the System.

There were no changes of benefit terms that affected the total pension liability at December 31, 2016.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the PCCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's total contribution for the year ended December 31, 2017, was \$3,405,229 19.92% of covered payroll, actuarially determined as an amount that, when combine with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's proportionate share of the required contribution was \$2,799,348. The Town paid \$3,405,229 for its actual contribution. The required contribution is payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the required contributions.

Pension Liabilities

At June 30, 2018, the Town reported a liability of \$26,793,727 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to

the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2017, the Town's proportion was 4.983%, which decreased by 0.179% from its proportion measured at December 31, 2016 of 5.162%.

Pension Expense

For the year ended June 30, 2018, the Town recognized a net pension expense of \$2,516,695. At June 30, 2018, Town reported deferred outflows of resources related to pensions of \$1,106,469 and deferred inflows of resources related to pensions of \$2,451,260.

The balances of deferred outflows/(inflows) related to pensions consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 583,259	\$ -	\$ 583,259
Difference between projected and actual earnings.....	-	(1,029,026)	(1,029,026)
Changes in assumptions.....	-	(637,215)	(637,215)
Changes in proportion and proportionate share of contributions.....	<u>523,210</u>	<u>(785,019)</u>	<u>(261,809)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 1,106,469</u>	<u>\$ (2,451,260)</u>	<u>\$ (1,344,791)</u>

The deferred outflows/(inflows) of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2019.....	\$ 307,147
2020.....	(28,841)
2021.....	(788,889)
2022.....	<u>(834,208)</u>
Total.....	<u>\$ (1,344,791)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date.....	January 1, 2017
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Amortization method.....	Payments increase at 3.5% for the unfunded actuarial accrued liability, and level amortization of the 2002, 2003, and 2013 Early Retirement Incentives (ERI).
Remaining amortization period.....	Amortization of the unfunded actuarial accrued liability over 12 years, the 2002 ERI over two years, 2003 ERI over three years, and the 2013 ERI over 11 years; all as of July 1, 2017.

Asset valuation method.....	Market value with a five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.
Projected salary increases.....	3.75% per year.
Cost of living adjustments.....	3.0% of the first \$14,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality rates.....	It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.
Investment rate of return/Discount rate.....	8% nominal rate, net of investment expense.

Investment Policy

The pension plan’s policy in regard to the allocation of invested assets is established and may be amended by the Board and pursuant to Massachusetts General Laws and Public Employee Retirement Administration guidelines. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The investment objective is to fully fund the Plan by generating sufficient long-term inflation adjusted capital appreciation while providing sufficient liquidity to meet short-term withdrawal requirements. The Board desires to balance the goal of higher long-term returns with the goal of minimizing contribution volatility, recognizing these are often competing goals. This requires taking both assets and liabilities into account when setting investment strategy.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for

each major asset class included in the pension plan’s target asset allocation as of January 1, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity.....	26.50%	7.50%
Developed markets equity.....	16.00%	7.30%
Emerging markets equity.....	4.00%	9.80%
Core bonds.....	11.50%	4.20%
Foreign bonds.....	3.00%	2.40%
Emerging markets bonds.....	4.00%	5.50%
High yield bonds.....	4.00%	6.00%
Bank loans.....	3.00%	5.50%
Private equity.....	10.00%	9.60%
Real estate.....	10.00%	6.90%
Natural resources.....	1.00%	7.00%
Infrastructure.....	2.00%	7.80%
Hedge fund of funds.....	4.00%	5.30%
Cash.....	1.00%	2.80%
 Total.....	 <u>100.00%</u>	

Rate of Return

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability, calculated using the discount rate of 8.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
The Town's proportionate share of the net pension liability.....	\$ <u>34,760,397</u>	\$ <u>26,793,727</u>	\$ <u>19,896,051</u>

Changes in Assumptions and Plan Provisions

The following changes in assumptions were included in the January 1, 2017 actuarial valuation:

- Cost of living increases were 3.0% of the first \$14,000 of retirement income, as compared to \$13,000 in the prior year.
- The annual rate of both pre-retirement and beneficiary mortality was changed to the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational table.
- The mortality for retired group 1 and 2 members was changed to the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retired members were changed to the RP-2014 Blue Collar Mortality table set forward three years for males, and six years for females, fully generational.
- The assumed family composition was changed to assume that 80% of all male members and 60% of all female members will be survived by a spouse, as compared to the prior valuation assumption that 80% of all members will be survived by a spouse.
- The amortization method changed from the level percent open group method to a method where payments increase at 3.5% for the unfunded actuarial accrued liability and level amortization for the 2002, 2003 and 2013 ERI.
- The amortization period changed from 17 years to amortization of the unfunded liability over 12 years, the 2002 ERI over 2 years, the 2003 ERI over 3 years, and the 2013 ERI over 11 years.
- The assumed annual increase in administrative expenses was changed to 3.75%, from 4.00%.

There were no changes in plan provisions in the January 1, 2017 actuarial valuation.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description – The Town of Duxbury administers a single-employer defined benefit healthcare plan (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. Administrative costs of the plan are assumed to be included in plan premiums. For 2018, the Town contributed approximately \$1.9 million to the plan. For the year ended June 30, 2018, the Town's average contribution rate was 4.38% of covered-employee payroll.

The Commonwealth of Massachusetts passed special legislation that has allowed the Town to establish a postemployment benefit trust fund and to enable the Town to raise taxes necessary to begin pre-funding its OPEB liabilities.

During 2018, the Town pre-funded future OPEB liabilities totaling \$300,000 by contributing funds to the Other Postemployment Benefit Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2018, the balance of this fund totaled \$2,268,765.

The annual money-weighted rate of return on OPEB plan investments was 6.30%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

Plan Membership – The following table represents the Plan’s membership at July 1, 2018:

Active members.....	615
Inactive members currently receiving benefits.....	<u>608</u>
Total.....	<u><u>1,223</u></u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2018:

Total OPEB liability.....	\$ 33,801,101
Less: OPEB plan's fiduciary net position.....	<u>(2,268,765)</u>
Net OPEB liability.....	<u><u>\$ 31,532,336</u></u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	6.71%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2018, actuarial valuation was determined by using the following actuarial assumptions:

Valuation date.....	July 1, 2018
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Investment rate of return/ Discount rate.....	Full Prefunding: 7.5%, net of investment expenses.
Medical care inflation rate.....	4.5%
Participation.....	75% of future retiree teachers and are assumed to participate in the retiree medical plan, 75% of future non-teacher retirees are expected to participate in the retiree medical plan and 75% of future retirees are expected to elect life insurance.
Marital status.....	80% of male employees and 60% of female employees are assumed to have a covered spouse at retirement. Wives are assumed to be three years younger than their husbands.

Termination benefit.....	75% of current active teachers and 75% of current active nonteachers over age 50 with at least 10 years of service are expected to elect medical coverage starting at age 65.
Medical plan costs.....	<p>The estimated gross per capita incurred claim costs for all retirees and beneficiaries for 2018-17 at age 64 and 65 are \$15,318 and \$3,542, respectively. Medicare eligible retirees' per capita claims costs at age 65 is \$2,892.</p> <p>It is assumed that future retirees participate in the same manner as current retirees. Employee cost sharing is based on current rates. The cost sharing varies by medical plan. Future cost sharing is based on the weighted average of the current cost sharing of retirees and beneficiaries.</p>
Mortality.....	<p>It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2015, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2015.</p>
Mortality - Teachers.....	<p>It is assumed that mortality is represented by the RP-2014 White Collar Mortality with Scale MP-2017, fully generational. Generational adjusting is based on Scale MP-2017.</p>

Investment Policy

The Town's policy in regard to the allocation of invested assets is established and may be amended by the Board of Selectmen by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real of returns (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, are summarized in the table on the following page.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity - Large cap.....	46.00%	10.60%
Domestic equity - Small/mid cap.....	6.00%	12.50%
International equity - Developed market....	9.00%	10.40%
International equity - Emerging market.....	3.00%	14.60%
Domestic fixed income.....	19.00%	3.00%
International fixed income.....	2.00%	4.20%
Alternatives.....	10.00%	11.10%
Real estate.....	4.00%	12.70%
Cash.....	1.00%	1.80%
 Total.....	 <u>100.00%</u>	

The Town’s net other postemployment benefits liability was determined based on a projection of employer and employee contributions, benefit payments (with and without subsidy), expenses and the long-term expected rate of return on the other postemployment trust assets which resulted in a selected discount rate of 7.5%.

Sensitivity of the net other postemployment benefit liability to changes in the discount rate – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.50%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Net OPEB liability..... \$	<u>\$ 35,903,145</u>	<u>\$ 31,532,336</u>	<u>\$ 27,909,792</u>

Sensitivity of the net other postemployment benefit liability to changes in the healthcare trend – The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability..... \$	<u>\$ 27,504,387</u>	<u>\$ 31,532,336</u>	<u>\$ 36,512,048</u>

Changes in Assumptions and Plan Provisions

The following changes in assumptions were included in the July 1, 2018 actuarial valuation:

- The discount rate was increased from 4.25% to 7.50% and the Teacher’s demographic assumptions were updated.

There were no changes in plan provisions in the July 1, 2018 actuarial valuation.

Summary of Significant Accounting Policies – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts (repurchase agreements) that have a maturity at the time of purchase of one year or less, which are reported at cost.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2017.....	\$ 51,784,190	\$ 1,847,698	\$ 49,936,492
Changes for the year:			
Service cost.....	733,986	-	733,986
Interest.....	2,197,954	-	2,197,954
Changes of benefit terms.....	-	-	-
Differences between expected and actual experience.....	(1,896,167)	-	(1,896,167)
Changes in assumptions and other inputs.....	(17,398,798)	-	(17,398,798)
Benefit payments.....	(1,620,064)	(1,620,064)	-
Employer contributions.....	-	1,920,064	(1,920,064)
Investment income.....	-	121,067	(121,067)
Net change.....	<u>(17,983,089)</u>	<u>421,067</u>	<u>(18,404,156)</u>
Balances at June 30, 2018.....	<u>\$ 33,801,101</u>	<u>\$ 2,268,765</u>	<u>\$ 31,532,336</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2018, the GASB Statement #75 measurement date, the Town recognized a negative OPEB expense of \$276,741. At June 30, 2018, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Inflows of Resources
Differences between expected and actual experience.....	\$ (1,590,335)
Difference between projected and actual earnings.....	(24,476)
Changes in assumptions.....	<u>(14,592,540)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ (16,207,351)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2019.....	\$ (3,123,846)
2020.....	(3,123,846)
2021.....	(3,123,846)
2022.....	(3,119,338)
2023.....	(3,112,091)
2024.....	<u>(604,384)</u>
 Total.....	 \$ <u><u>(16,207,351)</u></u>

NOTE 13 – COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* through June 30, 2018, 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, 2018, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2018.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 15, 2018, which is the date the financial statements were available to be issued.

NOTE 15 – REVISION OF NET POSITION

Beginning net position of governmental activities, business-type activities and each applicable enterprise fund has been revised to reflect the implementation of GASB Statement #75. The revised balances are summarized in the following table:

	06/30/2017 Previously Reported Balances	Implementation of GASB #75	06/30/2017 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ 110,910,448	\$ (16,634,396)	\$ 94,276,052
Business-type activities.....	<u>15,138,214</u>	<u>(545,376)</u>	<u>14,592,838</u>
Total.....	<u>\$ 126,048,662</u>	<u>\$ (17,179,772)</u>	<u>\$ 108,868,890</u>
Business-type Activities - Enterprise Funds			
Water enterprise fund.....	<u>\$ 15,138,214</u>	<u>\$ (545,376)</u>	<u>\$ 14,592,838</u>

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2018, the following GASB pronouncements were implemented:

- GASB Statement #75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The basic financial statements, related notes and required supplementary information were updated to be in compliance with this pronouncement.
- GASB Statement #81, *Irrevocable Split-Interest Agreements*. This pronouncement did not impact the basic financial statements.
- GASB Statement #85, *Omnibus 2017*. This pronouncement did not impact the basic financial statements.
- GASB Statement #86, *Certain Debt Extinguishment Issues*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #83, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019.
- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2019.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.
- The GASB issued Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, which is required to be implemented in 2019.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2021.

- The GASB issued Statement #90, Majority Equity Interests – an amendment of GASB Statements #14 and #61, which is required to be implemented in 2020.

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

Required Supplementary Information

General Fund

Budgetary Comparison Schedule

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

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 60,370,259	\$ 60,370,259	\$ 60,370,259	\$ 60,221,546	\$ -	\$ (148,713)
Tax liens.....	-	-	-	-	165,228	-	165,228
Motor vehicle and other excise taxes.....	-	2,637,949	2,637,949	2,637,949	3,311,312	-	673,363
Sewer charges.....	-	260,000	260,000	260,000	239,374	-	(20,626)
Trash disposal.....	-	550,000	550,000	550,000	686,391	-	136,391
Intergovernmental.....	-	6,243,685	6,243,685	6,243,685	6,251,279	-	7,594
Departmental and other.....	-	4,288,000	4,288,000	4,288,000	5,293,732	-	1,005,732
Investment income.....	-	188,910	188,910	188,910	284,301	-	95,391
TOTAL REVENUES.....	-	74,538,803	74,538,803	74,538,803	76,453,163	-	1,914,360
EXPENDITURES:							
Current:							
General government							
Town Meeting							
Expenditures.....	-	3,650	3,650	3,650	3,498	-	152
Town Moderator							
Salaries.....	-	40	40	40	-	-	40
Selectmen							
Salaries.....	-	264,330	264,330	264,330	262,631	-	1,699
Expenditures.....	1,524	12,786	14,310	155,136	141,369	-	13,767
Articles.....	66,631	42,000	108,631	123,631	34,035	89,596	-
Total.....	68,155	319,116	387,271	543,097	438,035	89,596	15,466
Finance Committee							
Expenditures.....	-	450	450	450	210	-	240
Information Systems							
Salaries.....	-	156,920	156,920	162,920	162,920	-	-
Expenditures.....	17,882	296,900	314,782	343,543	324,622	14,142	4,779
Articles.....	184,648	14,000	198,648	188,291	52,083	127,849	8,359
Total.....	202,530	467,820	670,350	694,754	539,625	141,991	13,138
Public Television Access Services							
Expenditures.....	-	272,500	272,500	272,500	272,500	-	-
Accounting							
Salaries.....	-	358,323	358,323	377,273	376,881	-	392
Expenditures.....	-	12,235	12,235	12,235	9,908	2,300	27
Total.....	-	370,558	370,558	389,508	386,789	2,300	419
Audit							
Expenditures.....	-	48,000	48,000	48,000	48,000	-	-
Assessor							
Salaries.....	-	228,132	228,132	228,132	224,089	-	4,043
Expenditures.....	513	24,500	25,013	25,014	23,799	1,180	35
Articles.....	26,000	-	26,000	26,000	25,905	95	-
Total.....	26,513	252,632	279,145	279,146	273,793	1,275	4,078
Treasurer/Collector							
Salaries.....	-	260,703	260,703	260,703	250,110	-	10,593
Expenditures.....	331	58,435	58,766	58,766	52,516	246	6,004
Total.....	331	319,138	319,469	319,469	302,626	246	16,597
Legal							
Expenditures.....	-	275,000	275,000	310,000	171,899	-	138,101
Human Resources							
Salaries.....	-	119,116	119,116	119,116	115,643	-	3,473
Expenditures.....	2,628	49,380	52,008	52,007	27,437	665	23,905
Articles.....	28,855	100,000	128,855	40,898	-	40,898	-
Total.....	31,483	268,496	299,979	212,021	143,080	41,563	27,378
Town Clerk							
Salaries.....	-	140,505	140,505	134,255	133,878	-	377
Expenditures.....	-	27,725	27,725	33,975	22,290	8,757	2,928
Articles.....	-	35,000	35,000	35,000	24,048	10,952	-
Total.....	-	203,230	203,230	203,230	180,216	19,709	3,305
Conservation							
Salaries.....	-	140,516	140,516	144,136	143,178	-	958
Expenditures.....	1,003	13,435	14,438	14,438	14,233	58	147
Total.....	1,003	153,951	154,954	158,574	157,411	58	1,105

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Planning Board							
Salaries.....	-	105,684	105,684	118,372	117,347	-	1,025
Expenditures.....	868	12,250	13,118	13,118	6,562	148	6,408
Articles.....	10,000	125,000	135,000	135,000	22,072	112,928	-
Total	10,868	242,934	253,802	266,490	145,981	113,076	7,433
Tax Title							
Expenditures.....	20	8,000	8,020	8,020	7,469	551	-
Historical Commission							
Expenditures.....	-	1,050	1,050	1,050	335	-	715
Facilities Management							
Salaries.....	-	218,893	218,893	225,193	225,193	-	-
Expenses.....	-	143,050	143,050	190,575	184,600	-	5,975
Articles.....	186,617	273,000	459,617	468,871	197,233	266,596	5,042
Total	186,617	634,943	821,560	884,639	607,026	266,596	11,017
Total General Government.....	527,520	3,841,508	4,369,028	4,594,638	3,678,493	676,961	239,184
Public safety							
Police							
Salaries.....	-	3,119,217	3,119,217	3,132,052	3,109,446	2,611	19,995
Expenditures.....	43,779	394,320	438,099	454,031	399,841	27,505	26,685
Articles.....	-	72,436	72,436	72,436	70,846	1,555	35
Total	43,779	3,585,973	3,629,752	3,658,519	3,580,133	31,671	46,715
Fire							
Salaries.....	-	2,694,790	2,694,790	2,790,626	2,772,407	-	18,219
Expenditures.....	5,946	295,850	301,796	301,796	300,942	120	734
Articles.....	-	292,748	292,748	292,748	272,598	20,150	-
Total	5,946	3,283,388	3,289,334	3,385,170	3,345,947	20,270	18,953
Regional Dispatch							
Salaries.....	-	530,463	530,463	465,463	463,502	-	1,961
Expenditures.....	-	7,000	7,000	7,000	4,102	-	2,898
Total	-	537,463	537,463	472,463	467,604	-	4,859
Municipal Services							
Salaries.....	-	494,615	494,615	495,515	495,487	-	28
Expenditures.....	29,376	104,850	134,226	399,466	109,650	104,396	185,420
Total	29,376	599,465	628,841	894,981	605,137	104,396	185,448
Harbormaster/Beach Management							
Salaries.....	-	245,440	245,440	287,499	288,663	-	(1,164)
Expenditures.....	175	49,150	49,325	48,775	41,124	589	7,062
Articles.....	28,482	41,605	70,087	111,607	58,364	53,243	-
Total	28,657	336,195	364,852	447,881	388,151	53,832	5,898
Total Public Safety.....	107,758	8,342,484	8,450,242	8,859,014	8,386,972	210,169	261,873
Education							
Salaries and Expenditures.....	182,416	34,813,462	34,995,878	34,855,052	34,360,071	254,869	240,112
Articles.....	-	222,338	222,338	222,338	139,347	80,756	2,235
Total Education.....	182,416	35,035,800	35,218,216	35,077,390	34,499,418	335,625	242,347
Public Works							
DPW Management							
Salaries.....	-	306,563	306,563	306,563	296,005	-	10,558
Expenditures.....	-	54,650	54,650	54,650	25,276	17,717	11,657
Articles.....	113,906	-	113,906	113,906	4,590	109,316	-
Total	113,906	361,213	475,119	475,119	325,871	127,033	22,215
Vehicle Maintenance							
Salaries.....	-	163,190	163,190	163,190	160,427	-	2,763
Expenditures.....	1,197	147,100	148,297	178,470	169,785	348	8,337
Total	1,197	310,290	311,487	341,660	330,212	348	11,100
Highway Department							
Salaries.....	-	492,256	492,256	492,256	487,099	-	5,157
Expenditures.....	234	72,800	73,034	162,634	259,826	60,906	(158,098)
Articles.....	-	418,224	418,224	418,224	399,893	-	18,331
Total	234	983,280	983,514	1,073,114	1,146,818	60,906	(134,610)

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Snow & Ice							
Salaries.....	-	63,650	63,650	100,859	100,859	-	-
Expenditures.....	-	115,000	115,000	303,103	291,395	-	11,708
Total.....	-	178,650	178,650	403,962	392,254	-	11,708
Fuel Depot							
Expenditures.....	-	282,500	282,500	252,500	241,655	-	10,845
Land & Natural Resources							
Salaries.....	-	470,478	470,478	476,478	445,373	-	31,105
Expenditures.....	-	51,500	51,500	76,500	74,411	-	2,089
Articles.....	-	115,000	115,000	115,000	65,942	40,000	9,058
Total.....	-	636,978	636,978	667,978	585,726	40,000	42,252
Street Lights							
Expenditures.....	2,511	48,000	50,511	50,511	41,601	3,242	5,668
Transfer Station							
Salaries.....	-	233,813	233,813	233,813	229,416	-	4,397
Expenditures.....	70,203	674,500	744,703	744,703	595,576	51,428	97,699
Total.....	70,203	908,313	978,516	978,516	824,992	51,428	102,096
Sewer Department							
Salaries.....	-	16,455	16,455	17,955	16,971	-	984
Expenditures.....	336	238,100	238,436	251,936	229,804	144	21,988
Total.....	336	254,555	254,891	269,891	246,775	144	22,972
Cemetery							
Salaries.....	-	418,565	418,565	418,565	412,791	234	5,540
Expenditures.....	22,645	226,400	249,045	237,045	204,307	4,280	28,458
Articles.....	5,280	-	5,280	5,280	1,016	4,264	-
Total.....	27,925	644,965	672,890	660,890	618,114	8,778	33,998
Central Building							
Salaries.....	-	63,372	63,372	63,372	62,262	-	1,110
Expenditures.....	1,575	185,200	186,775	198,775	178,233	4,944	15,598
Total.....	1,575	248,572	250,147	262,147	240,495	4,944	16,708
Animal Control							
Salaries.....	-	79,915	79,915	79,915	79,223	-	692
Expenditures.....	-	7,200	7,200	7,200	6,030	926	244
Total.....	-	87,115	87,115	87,115	85,253	926	936
Tarklin Building							
Expenditures.....	-	9,350	9,350	9,350	6,775	-	2,575
Total Public Works.....	217,887	4,953,781	5,171,668	5,532,753	5,086,541	297,749	148,463
Human services							
Council on Aging							
Salaries.....	-	418,400	418,400	435,651	435,651	-	-
Expenditures.....	7,089	156,350	163,439	163,435	142,997	19,812	626
Articles.....	-	185,000	185,000	185,000	185,000	-	-
Total.....	7,089	759,750	766,839	784,086	763,648	19,812	626
Veterans							
Salaries.....	-	25,530	25,530	26,555	26,555	-	-
Expenditures.....	310	103,875	104,185	104,185	70,121	21	34,043
Total.....	310	129,405	129,715	130,740	96,676	21	34,043
Plymouth County Cooperative							
Expenditures.....	-	500	500	500	500	-	-
Total Human Services.....	7,399	889,655	897,054	915,326	860,824	19,833	34,669
Culture and Recreation							
Library							
Salaries.....	-	1,013,295	1,013,295	1,013,295	981,285	-	32,010
Expenditures.....	3,969	345,755	349,724	349,724	335,949	3,725	10,050
Articles.....	4,368	7,850	12,218	12,218	3,313	8,143	762
Total.....	8,337	1,366,900	1,375,237	1,375,237	1,320,547	11,868	42,822
Recreation							
Salaries.....	-	221,867	221,867	230,155	230,155	-	-
Expenditures.....	-	3,330	3,330	3,330	3,330	-	-
Articles - Duxbury Beach Lease.....	-	700,000	700,000	700,000	700,000	-	-
Total.....	-	925,197	925,197	933,485	933,485	-	-

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Pool							
Salaries.....	-	173,720	173,720	180,720	175,998	-	4,722
Expenditures.....	-	133,839	133,839	130,839	124,672	5,828	339
Total.....	-	307,559	307,559	311,559	300,670	5,828	5,061
North Hill							
Expenditures.....	-	1,500	1,500	1,500	1,475	-	25
Articles.....	4,275	9,000	13,275	13,275	8,411	589	4,275
Total.....	4,275	10,500	14,775	14,775	9,886	589	4,300
Lifeguards							
Salaries.....	-	25,056	25,056	25,056	20,136	-	4,920
Expenditures.....	-	2,650	2,650	2,650	2,530	-	120
Total.....	-	27,706	27,706	27,706	22,666	-	5,040
Public Celebrations							
Articles.....	-	15,000	15,000	15,000	-	-	15,000
Total Culture and Recreation.....	12,612	2,652,862	2,665,474	2,677,762	2,587,254	18,285	72,223
Pension Benefits							
Contributory Retirement.....	-	3,288,800	3,288,800	3,413,800	3,288,800	125,000	-
Non-Contributory Retirement.....	-	20,000	20,000	20,000	19,946	-	54
Total.....	-	3,308,800	3,308,800	3,433,800	3,308,746	125,000	54
Property and Liability Insurance.....	-	485,613	485,613	485,613	424,773	-	60,840
Employee Benefits.....	-	8,214,536	8,214,536	8,514,536	8,530,412	-	(15,876)
Reserve fund.....	-	120,000	120,000	13,563	-	-	13,563
State and County Charges.....	-	507,252	507,252	507,252	526,390	-	(19,138)
Debt Service							
Debt Service Principal.....	-	5,841,558	5,841,558	5,676,558	5,676,558	-	-
Debt Service Interest.....	-	2,861,747	2,861,747	2,894,548	2,880,687	-	13,861
Total.....	-	8,703,305	8,703,305	8,571,106	8,557,245	-	13,861
TOTAL EXPENDITURES.....	1,055,592	77,055,596	78,111,188	79,182,753	76,447,068	1,683,622	1,052,063
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,055,592)	(2,516,793)	(3,572,385)	(4,643,950)	6,095	(1,683,622)	2,966,423
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	933,838	933,838	975,358	1,020,058	-	44,700
Transfers out.....	-	(107,221)	(107,221)	(987,842)	(987,842)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	826,617	826,617	(12,484)	32,216	-	44,700
NET CHANGE IN FUND BALANCE.....	(1,055,592)	(1,690,176)	(2,745,768)	(4,656,434)	38,311	(1,683,622)	3,011,123
BUDGETARY FUND BALANCE, Beginning of year.....	-	10,505,618	10,505,618	10,505,618	10,505,618	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (1,055,592)	\$ 8,815,442	\$ 7,759,850	\$ 5,849,184	\$ 10,543,929	\$ (1,683,622)	\$ 3,011,123

(Concluded)

See notes to required supplementary information.

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM**

Year	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
December 31, 2017.....	4.983%	\$ 26,793,727	\$ 16,762,991	159.84%	65.56%
December 31, 2016.....	5.162%	32,703,852	16,118,261	202.90%	58.32%
December 31, 2015.....	4.951%	31,402,963	15,940,054	197.01%	56.76%
December 31, 2014.....	4.951%	28,862,001	15,363,907	187.86%	58.88%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
PLYMOUTH COUNTY CONTRIBUTORY RETIREMENT SYSTEM

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2018.....	\$ 3,405,229	\$ (3,405,229)	-	\$ 17,098,251	19.92%
June 30, 2017.....	3,286,712	(3,286,712)	-	16,440,626	19.99%
June 30, 2016.....	3,180,625	(3,180,625)	-	16,258,855	19.56%
June 30, 2015.....	3,004,465	(3,004,465)	-	15,671,185	19.17%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

Year	Commonwealth's 100% Share of the Associated Net Pension Liability	Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Liability
2018.....	\$ 76,972,281	\$ 8,033,821	54.25%
2017.....	75,354,160	7,686,618	52.73%
2016.....	69,363,733	5,626,016	55.38%
2015.....	53,033,926	3,684,521	61.64%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability presents multi-year trend information on the Plan's net other postemployment benefit liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten-year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018
Total OPEB Liability		
Service Cost.....	\$ 1,574,616	\$ 733,986
Interest.....	2,145,961	2,197,954
Changes of benefit terms.....	-	-
Differences between expected and actual experience....	-	(1,896,167)
Changes of assumptions.....	-	(17,398,798)
Benefit payments.....	<u>(1,692,355)</u>	<u>(1,620,064)</u>
Net change in total OPEB liability.....	2,028,222	(17,983,089)
Total OPEB liability - beginning.....	<u>49,755,968</u>	<u>51,784,190</u>
Total OPEB liability - ending (a).....	<u>\$ 51,784,190</u>	<u>\$ 33,801,101</u>
Plan fiduciary net position		
Employer contributions.....	\$ 300,000	\$ 300,000
Employer contributions for OPEB payments.....	1,692,355	1,620,064
Net investment income.....	90,773	121,067
Benefit payments.....	<u>(1,692,355)</u>	<u>(1,620,064)</u>
Net change in plan fiduciary net position.....	390,773	421,067
Plan fiduciary net position - beginning of year.....	<u>1,456,925</u>	<u>1,847,698</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 1,847,698</u>	<u>\$ 2,268,765</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 49,936,492</u>	<u>\$ 31,532,336</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	3.57%	6.71%
Covered-employee payroll.....	\$ 44,107,553	\$ 43,798,076
Net OPEB liability as a percentage of covered-employee payroll.....	113.22%	71.99%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for
which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2018.....	\$ 2,220,064	\$ (1,920,064)	\$ 300,000	\$ 43,798,076	4.38%
June 30, 2017.....	2,292,355	(1,992,355)	300,000	44,107,553	4.52%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2018.....	6.30%
June 30, 2017.....	5.93%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – BUDGETARY BASIS OF ACCOUNTINGA. Budgetary Information

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

Supplementary appropriations are voted at special town meetings.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent 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 2018 approved budget for the General Fund includes \$77.2 million in current year appropriations and other amounts to be raised and \$1.1 million in encumbrances and appropriations carried over from previous years. During 2018, the Town approved various transfers within appropriation lines in the General Fund along with supplemental appropriations totaling \$1.9 million used primarily to fund the Other Postemployment Benefit Trust Fund (\$300,000), the Stabilization Trust Funds (\$182,000), the Compensated Absence Trust Fund (\$75,000), the Pension Reserve Trust Fund (\$60,000), capital projects (\$256,000), and various other expenditure increases totaling (\$1 million).

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 year ended June 30, 2018, is presented on the following page.

Net change in fund balance - budgetary basis.....	\$	38,311
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		(145,045)
Activity of the pension, unemployment, and compensated absence trust funds recorded in the general fund for GAAP.....		(118,538)
Pool enterprise fund residual fund balance at June 30, 2018 moved to the general fund.....		100,518
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		(704,175)
Net change in recording 60 day receipts.....		(97,409)
Recognition of revenue for on-behalf payments.....		8,033,821
Recognition of expenditures for on-behalf payments.....		<u>(8,033,821)</u>
Net change in fund balance - GAAP basis.....	\$	<u>(926,338)</u>

C. Appropriation Deficits

Expenditures exceeded appropriations for harbormaster salaries, highway department expenditures, employee benefits, and state and county charges. These will be funded during fiscal year 2019.

NOTE B – PENSION PLAN

Pension Plan Schedules

A. Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

C. Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with

the Town; the portion of the collective pension expense as both a revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

D. Changes in Assumptions

The following changes in assumptions were included in the January 1, 2017 actuarial valuation:

- Cost of living increases were 3.0% of the first \$14,000 of retirement income, as compared to \$13,000 in the prior year.
- The annual rate of both pre-retirement and beneficiary mortality was changed to the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational table.
- The mortality for retired group 1 and 2 members was changed to the RP-2014 Blue Collar Mortality Table set forward five years for males and 3 years for females, fully generational. Group 4 retired members were changed to the RP-2014 Blue Collar Mortality table set forward three years for males, and six years for females, fully generational.
- The assumed family composition was changed to assume that 80% of all male members and 60% of all female members will be survived by a spouse, as compared to the prior valuation assumption that 80% of all members will be survived by a spouse.
- The amortization method changed from the level percent open group method to a method where payments increase at 3.5% for the unfunded actuarial accrued liability and level amortization for the 2002, 2003 and 2013 ERI.
- The amortization period changed from 17 years to amortization of the unfunded liability over 12 years, the 2002 ERI over 2 years, the 2003 ERI over 3 years, and the 2013 ERI over 11 years.
- The assumed annual increase in administrative expenses was changed to 3.75%, from 4.00%.

E. Changes in Plan Provisions – None.

NOTE C – 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 Other Postemployment Benefit Plan

A. Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered employee payroll. Actuarially, contribution rates are calculated as of June 30, two years prior to the end

of the fiscal year in which contributions are reported. Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	January 1, 2017
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Amortization method.....	Payments increase at 3.5% for the unfunded actuarial accrued liability, and level amortization of the 2002, 2003, and 2013 Early Retirement Incentives (ERI).
Remaining amortization period.....	Amortization of the unfunded actuarial accrued liability over 12 years, the 2002 ERI over two years, 2003 ERI over three years, and the 2013 ERI over 11 years; all as of July 1, 2017.
Asset valuation method.....	Market value with a five-year smoothing of asset returns greater than or less than the assumed rate of return, with a 20% corridor.
Projected salary increases.....	3.75% per year.
Cost of living adjustments.....	3.0% of the first \$14,000 of retirement income.
Rates of retirement.....	Varies based upon age for general employees, police and fire employees.
Rates of disability.....	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).
Mortality rates.....	It is assumed that both pre-retirement mortality and beneficiary mortality is represented by the RP-2014 Blue Collar Mortality with Scale MP-2016, fully generational. Mortality for retired members for Group 1 and 2 is represented by the RP-2014 Blue Collar Mortality Table set forward five years for males and three years for females, fully generational. Mortality for retired members for Group 4 is represented by the RP-2014 Blue Collar Mortality Table set forward three years for males, and six years for females, fully generational. Mortality for disabled members for Group 1 and 2 is represented by the RP-2000 Mortality Table set forward six years. Mortality for disabled members for Group 4 is represented by the RP-2000 Mortality Table set forward two years. Generational adjusting is based on Scale MP-2016.
Investment rate of return/Discount rate.....	8% nominal rate, net of investment expense.

C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

D. Changes of Assumptions – The discount rate was increased from 4.25% to 7.50% and the Teacher's demographic assumptions were updated.

E. Changes in Plan Provisions – None.

Other Supplementary Information

Combining and Individual Fund Statements

The combining and individual fund 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.

Individual fund statements offer more descriptive account information.

Nonmajor Governmental Funds

Fund Description

Special Revenue Funds

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

- ***School Lunch*** – accounts for the operations of the public school lunch program.
- ***School Gifts & Grants*** – accounts for educational programs specifically financed by gifts, grants and other restricted revenues.
- ***School Revolving*** – accounts for self-supporting educational programs and activities.
- ***Recreation Revolving*** – accounts for self-supporting recreational programs and activities.
- ***Receipts Reserved for Appropriation*** – accounts for the sale of cemetery lots.
- ***Town Gifts & Grants*** – accounts for various gifts, grants and legally restricted revenues for special programs administered by Town departments.
- ***Town Revolving*** – accounts for self-supporting programs and activities.
- ***Highway Improvements*** – accounts for construction, reconstruction and improvements of roadways, streets and sidewalks. Costs charged to the fund are subject to reimbursement by the Commonwealth of Massachusetts.
- ***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.
- ***Powder Point Bridge*** – accounts for the renovation of the Powder Point Bridge.
- ***Public Safety Buildings*** – accounts for the renovations to the fire station.
- ***Capital Equipment*** – accounts for capital equipment.

- **Crematory** – accounts for the construction of the new crematory and various cemetery projects.
- **Co-located School** – accounts for the design and construction of the co-located school.

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
COMBINING BALANCE SHEET**

JUNE 30, 2018

	Special Revenue Funds					
	School Lunch	School Gifts and Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations	Town Gifts and Grants
ASSETS						
Cash and cash equivalents.....	\$ 770,280	\$ 621,432	\$ 2,471,849	\$ 60,546	\$ 673,251	\$ 641,427
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
Intergovernmental.....	-	320,402	-	-	-	293,796
TOTAL ASSETS.....	<u>\$ 770,280</u>	<u>\$ 941,834</u>	<u>\$ 2,471,849</u>	<u>\$ 60,546</u>	<u>\$ 673,251</u>	<u>\$ 935,223</u>
LIABILITIES						
Warrants payable.....	\$ 58,148	\$ 28,675	\$ 41,170	\$ 5,762	\$ -	\$ 694,057
Accrued payroll.....	-	33,972	92,002	5,001	-	2,841
Due to other funds.....	-	-	-	-	-	-
Other liabilities.....	-	-	264,865	37,139	-	-
Notes payable.....	-	-	-	-	-	-
TOTAL LIABILITIES.....	<u>58,148</u>	<u>62,647</u>	<u>398,037</u>	<u>47,902</u>	<u>-</u>	<u>696,898</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	-	-	-	-
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	712,132	879,187	2,073,812	12,644	673,251	238,325
Unassigned.....	-	-	-	-	-	-
TOTAL FUND BALANCES.....	<u>712,132</u>	<u>879,187</u>	<u>2,073,812</u>	<u>12,644</u>	<u>673,251</u>	<u>238,325</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	<u>\$ 770,280</u>	<u>\$ 941,834</u>	<u>\$ 2,471,849</u>	<u>\$ 60,546</u>	<u>\$ 673,251</u>	<u>\$ 935,223</u>

Special Revenue Funds				Capital Project Funds				
Town Revolving	Highway Improvements	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Powder Point Bridge	Public Safety Buildings	Capital Equipment	Crematory
\$ 80,153	\$ -	\$ 176,208	\$ 5,495,146	\$ 59,077	\$ 4,613	\$ 28,339	\$ 15,305	\$ 1,463
-	-	69,479	69,479	-	-	-	-	-
-	1,082,134	-	1,696,332	-	-	-	-	-
<u>\$ 80,153</u>	<u>\$ 1,082,134</u>	<u>\$ 245,687</u>	<u>\$ 7,260,957</u>	<u>\$ 59,077</u>	<u>\$ 4,613</u>	<u>\$ 28,339</u>	<u>\$ 15,305</u>	<u>\$ 1,463</u>
\$ 2,789	\$ -	\$ -	\$ 830,601	\$ -	\$ -	\$ -	\$ 774	\$ -
-	-	-	133,816	-	-	-	-	-
-	5,475	-	5,475	-	-	-	-	-
-	-	-	302,004	-	-	-	-	-
-	-	-	-	-	185,600	-	700,000	-
<u>2,789</u>	<u>5,475</u>	<u>-</u>	<u>1,271,896</u>	<u>-</u>	<u>185,600</u>	<u>-</u>	<u>700,774</u>	<u>-</u>
-	1,076,659	-	1,076,659	-	-	-	-	-
-	-	-	-	-	-	-	-	-
77,364	-	245,687	4,912,402	59,077	-	28,339	-	1,463
-	-	-	-	-	(180,987)	-	(685,469)	-
<u>77,364</u>	<u>-</u>	<u>245,687</u>	<u>4,912,402</u>	<u>59,077</u>	<u>(180,987)</u>	<u>28,339</u>	<u>(685,469)</u>	<u>1,463</u>
<u>\$ 80,153</u>	<u>\$ 1,082,134</u>	<u>\$ 245,687</u>	<u>\$ 7,260,957</u>	<u>\$ 59,077</u>	<u>\$ 4,613</u>	<u>\$ 28,339</u>	<u>\$ 15,305</u>	<u>\$ 1,463</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2018

	Capital Project Funds		Permanent Funds		Total Nonmajor Governmental Funds
	Co-located School	Subtotal	Town Services Fund		
ASSETS					
Cash and cash equivalents.....	\$ 67,644	\$ 176,441	\$ 125,612	\$	5,797,199
Investments.....	-	-	3,704,569	\$	3,774,048
Receivables, net of uncollectibles:					
Intergovernmental.....	-	-	-	-	1,696,332
TOTAL ASSETS.....	\$ 67,644	\$ 176,441	\$ 3,830,181	\$	11,267,579
LIABILITIES					
Warrants payable.....	\$ -	\$ 774	\$ 5,553	\$	836,928
Accrued payroll.....	-	-	-	-	133,816
Due to other funds.....	-	-	-	-	5,475
Other liabilities.....	-	-	-	-	302,004
Notes payable.....	-	885,600	-	-	885,600
TOTAL LIABILITIES.....	-	886,374	5,553	\$	2,163,823
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	-	-	-	1,076,659
FUND BALANCES					
Nonspendable.....	-	-	2,349,698	-	2,349,698
Restricted.....	67,644	156,523	1,474,930	-	6,543,855
Unassigned.....	-	(866,456)	-	-	(866,456)
TOTAL FUND BALANCES.....	67,644	(709,933)	3,824,628	\$	8,027,097
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 67,644	\$ 176,441	\$ 3,830,181	\$	11,267,579

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

YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	School Lunch	School Gifts and Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations	Town Gifts and Grants
REVENUES:						
Intergovernmental.....	\$ 117,434	\$ 1,835,699	\$ -	\$ -	\$ -	\$ 1,047,284
Departmental and other.....	739,782	47,568	4,127,792	200,520	229,682	777,854
Contributions and donations.....	-	-	-	-	-	196,842
Investment income.....	-	-	-	-	-	15
TOTAL REVENUES.....	857,216	1,883,267	4,127,792	200,520	229,682	2,021,995
EXPENDITURES:						
Current:						
General government.....	-	-	-	-	-	466,236
Public safety.....	-	-	-	-	-	1,312,515
Education.....	708,637	1,650,396	3,964,191	-	-	-
Public works.....	-	-	-	-	-	-
Health and human services.....	-	-	-	-	-	253,263
Culture and recreation.....	-	-	-	152,452	-	36,253
Pension benefits.....	-	-	-	-	-	2,282
Employee benefits.....	-	-	-	-	-	-
TOTAL EXPENDITURES.....	708,637	1,650,396	3,964,191	152,452	-	2,070,549
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	148,579	232,871	163,601	48,068	229,682	(48,554)
OTHER FINANCING SOURCES (USES):						
Premium from issuance of bonds.....	-	-	-	-	-	-
Transfers in.....	-	-	-	-	50,000	11,451
Transfers out.....	-	-	-	(40,724)	(282,511)	(501,417)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	(40,724)	(232,511)	(489,966)
NET CHANGE IN FUND BALANCES.....	148,579	232,871	163,601	7,344	(2,829)	(538,520)
FUND BALANCES AT BEGINNING OF YEAR.....	563,553	646,316	1,910,211	5,300	676,080	776,845
FUND BALANCES AT END OF YEAR.....	\$ 712,132	\$ 879,187	\$ 2,073,812	\$ 12,644	\$ 673,251	\$ 238,325

Special Revenue Funds				Capital Project Funds				
Town Revolving	Highway Improvements	Special Revenue Trust Funds	Subtotal	Miscellaneous Small Projects	Powder Point Bridge	Public Safety Buildings	Capital Equipment	Crematory
\$ -	\$ 1,091,134	\$ -	\$ 4,091,551	\$ -	\$ -	\$ -	\$ -	\$ -
823,252	-	-	6,946,450	-	-	-	7,362	-
-	-	20,670	217,512	-	-	-	-	-
-	-	465	480	-	-	-	-	-
<u>823,252</u>	<u>1,091,134</u>	<u>21,135</u>	<u>11,255,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,362</u>	<u>-</u>
37,476	-	28,163	531,875	-	-	-	-	-
564,229	-	-	1,876,744	-	-	-	692,831	-
-	-	-	6,323,224	-	-	-	-	-
12,449	1,091,134	-	1,103,583	-	108,000	-	-	-
134,834	-	-	388,097	-	-	-	-	-
-	-	19,790	208,495	-	-	-	-	-
-	-	-	2,282	-	-	-	-	-
<u>41,283</u>	<u>-</u>	<u>-</u>	<u>41,283</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>790,271</u>	<u>1,091,134</u>	<u>47,953</u>	<u>10,475,583</u>	<u>-</u>	<u>108,000</u>	<u>-</u>	<u>692,831</u>	<u>-</u>
<u>32,981</u>	<u>-</u>	<u>(26,818)</u>	<u>780,410</u>	<u>-</u>	<u>(108,000)</u>	<u>-</u>	<u>(685,469)</u>	<u>-</u>
-	-	-	-	-	1,943	-	-	-
26,000	-	100,000	187,451	-	14,400	-	-	-
<u>(17,797)</u>	<u>-</u>	<u>-</u>	<u>(842,449)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,203</u>	<u>-</u>	<u>100,000</u>	<u>(654,998)</u>	<u>-</u>	<u>16,343</u>	<u>-</u>	<u>-</u>	<u>-</u>
41,184	-	73,182	125,412	-	(91,657)	-	(685,469)	-
<u>36,180</u>	<u>-</u>	<u>172,505</u>	<u>4,786,990</u>	<u>59,077</u>	<u>(89,330)</u>	<u>28,339</u>	<u>-</u>	<u>1,463</u>
<u>\$ 77,364</u>	<u>\$ -</u>	<u>\$ 245,687</u>	<u>\$ 4,912,402</u>	<u>\$ 59,077</u>	<u>\$ (180,987)</u>	<u>\$ 28,339</u>	<u>\$ (685,469)</u>	<u>\$ 1,463</u>

(Continued)

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

YEAR ENDED JUNE 30, 2018

	Capital Project Funds		Permanent Funds	Total
	Co-located School	Subtotal	Town Services Fund	Nonmajor Governmental Funds
REVENUES:				
Intergovernmental.....	\$ -	\$ -	\$ -	\$ 4,091,551
Departmental and other.....	-	7,362	-	6,953,812
Contributions and donations.....	-	-	31,225	248,737
Investment income.....	-	-	(53,596)	(53,116)
TOTAL REVENUES.....	-	7,362	(22,371)	11,240,984
EXPENDITURES:				
Current:				
General government.....	-	-	15,808	547,683
Public safety.....	-	692,831	-	2,569,575
Education.....	-	-	-	6,323,224
Public works.....	-	108,000	-	1,211,583
Health and human services.....	-	-	-	388,097
Culture and recreation.....	-	-	-	208,495
Pension benefits.....	-	-	-	2,282
Employee benefits.....	-	-	-	41,283
TOTAL EXPENDITURES.....	-	800,831	15,808	11,292,222
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	-	(793,469)	(38,179)	(51,238)
OTHER FINANCING SOURCES (USES):				
Premium from issuance of bonds.....	-	1,943	-	1,943
Transfers in.....	249,291	263,691	-	451,142
Transfers out.....	-	-	-	(842,449)
TOTAL OTHER FINANCING SOURCES (USES).....	249,291	265,634	-	(389,364)
NET CHANGE IN FUND BALANCES.....	249,291	(527,835)	(38,179)	(440,602)
FUND BALANCES AT BEGINNING OF YEAR.....	(181,647)	(182,098)	3,862,807	8,467,699
FUND BALANCES AT END OF YEAR.....	\$ 67,644	\$ (709,933)	\$ 3,824,628	\$ 8,027,097

(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
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2018

	June 30, 2017	Additions	Deletions	June 30, 2018
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 255,604	\$ 409,663	\$ (380,741)	\$ 284,526
TOTAL ASSETS.....	<u>\$ 255,604</u>	<u>\$ 409,663</u>	<u>\$ (380,741)</u>	<u>\$ 284,526</u>
LIABILITIES				
Warrants payable.....	\$ -	\$ 9,818	\$ (9,705)	\$ 113
Liabilities due depositors.....	255,604	399,845	(371,036)	284,413
TOTAL LIABILITIES.....	<u>\$ 255,604</u>	<u>\$ 409,663</u>	<u>\$ (380,741)</u>	<u>\$ 284,526</u>

Statistical Section

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



Duxbury Sea Wall

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Net Position By Component

Last Ten Years

	2009	2010	2011	2012	2013	2014 (1)	2015	2016	2017 (2)	2018
Governmental activities										
Net investment in capital assets.....	\$ 73,890,487	\$ 75,622,789	\$ 76,170,781	\$ 81,520,404	\$ 92,575,525	\$ 117,755,690	\$ 127,204,540	\$ 133,843,271	\$ 135,950,281	\$ 138,163,519
Restricted.....	2,630,344	2,967,897	3,556,664	3,634,743	3,809,125	4,944,484	9,979,621	8,956,769	9,323,803	9,229,418
Unrestricted.....	<u>12,286,665</u>	<u>10,146,293</u>	<u>8,172,334</u>	<u>1,690,298</u>	<u>3,581,453</u>	<u>(23,663,282)</u>	<u>(27,512,740)</u>	<u>(31,563,516)</u>	<u>(50,998,032)</u>	<u>(48,802,753)</u>
Total governmental activities net position.....	\$ <u>88,807,496</u>	\$ <u>88,736,979</u>	\$ <u>87,899,779</u>	\$ <u>86,845,445</u>	\$ <u>99,966,103</u>	\$ <u>99,036,892</u>	\$ <u>109,671,421</u>	\$ <u>111,236,524</u>	\$ <u>94,276,052</u>	\$ <u>98,590,184</u>
Business-type activities										
Net investment in capital assets.....	\$ 9,523,752	\$ 9,535,029	\$ 10,300,382	\$ 10,672,429	\$ 10,972,261	\$ 10,935,005	\$ 11,043,300	\$ 11,036,636	\$ 10,518,550	\$ 10,791,367
Unrestricted.....	<u>2,493,137</u>	<u>3,010,096</u>	<u>2,769,929</u>	<u>2,741,409</u>	<u>2,705,180</u>	<u>2,291,772</u>	<u>2,930,734</u>	<u>3,743,344</u>	<u>4,074,288</u>	<u>4,065,784</u>
Total business-type activities net position.....	\$ <u>12,016,889</u>	\$ <u>12,545,125</u>	\$ <u>13,070,311</u>	\$ <u>13,413,838</u>	\$ <u>13,677,441</u>	\$ <u>13,226,777</u>	\$ <u>13,974,034</u>	\$ <u>14,779,980</u>	\$ <u>14,592,838</u>	\$ <u>14,857,151</u>
Primary government										
Net investment in capital assets.....	\$ 83,414,239	\$ 85,157,818	\$ 86,471,163	\$ 92,192,833	\$ 103,547,786	\$ 128,690,695	\$ 138,247,840	\$ 144,879,907	\$ 146,468,831	\$ 148,954,886
Restricted.....	2,630,344	2,967,897	3,556,664	3,634,743	3,809,125	4,944,484	9,979,621	8,956,769	9,323,803	9,229,418
Unrestricted.....	<u>14,779,802</u>	<u>13,156,389</u>	<u>10,942,263</u>	<u>4,431,707</u>	<u>6,286,633</u>	<u>(21,371,510)</u>	<u>(24,582,006)</u>	<u>(27,820,172)</u>	<u>(46,923,744)</u>	<u>(44,736,969)</u>
Total primary government net position.....	\$ <u>100,824,385</u>	\$ <u>101,282,104</u>	\$ <u>100,970,090</u>	\$ <u>100,259,283</u>	\$ <u>113,643,544</u>	\$ <u>112,263,669</u>	\$ <u>123,645,455</u>	\$ <u>126,016,504</u>	\$ <u>108,868,890</u>	\$ <u>113,447,335</u>

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #68.

(2) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #75.

Fund Balances, Governmental Funds

Last Ten Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved.....	\$ 823,067	\$ 771,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	4,731,295	5,882,157	-	-	-	-	-	-	-	-
Nonspendable.....	-	-	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	-	7,013,483	6,612,344	6,071,276	5,127,521	4,629,803	4,156,628
Committed.....	-	-	1,000,645	1,332,306	2,032,555	2,257,522	2,606,405	2,238,705	2,529,716	7,805,524
Assigned.....	-	-	2,054,451	1,698,230	2,234,372	1,474,689	1,785,239	1,621,478	2,468,179	1,742,816
Unassigned.....	-	-	6,606,737	7,868,426	6,504,610	7,823,978	6,775,272	7,631,064	7,535,397	2,531,789
Total general fund.....	\$ 5,554,362	\$ 6,653,698	\$ 9,661,833	\$ 10,898,962	\$ 17,785,020	\$ 18,168,533	\$ 17,238,192	\$ 16,618,768	\$ 17,163,095	\$ 16,236,757
All Other Governmental Funds										
Reserved.....	\$ 1,871,270	\$ 1,926,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	5,252,915	7,438,997	-	-	-	-	-	-	-	-
Capital projects funds.....	(82,588)	102,903	-	-	-	-	-	-	-	-
Permanent funds.....	263,675	430,125	-	-	-	-	-	-	-	-
Nonspendable.....	-	-	1,971,395	2,034,870	2,077,070	2,152,855	2,205,823	2,264,673	2,318,473	2,349,698
Restricted.....	-	-	7,132,302	11,664,137	47,844,142	14,581,241	11,814,850	11,512,555	12,163,383	12,017,173
Unassigned.....	-	-	(961,306)	(255,726)	(498,150)	-	-	(3,614,106)	(321,546)	(1,078,964)
Total all other governmental funds....	\$ 7,305,272	\$ 9,898,370	\$ 8,142,391	\$ 13,443,281	\$ 49,423,062	\$ 16,734,096	\$ 14,020,673	\$ 10,163,122	\$ 14,160,310	\$ 13,287,907

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

Changes in Fund Balances, Governmental Funds

Last Ten Years

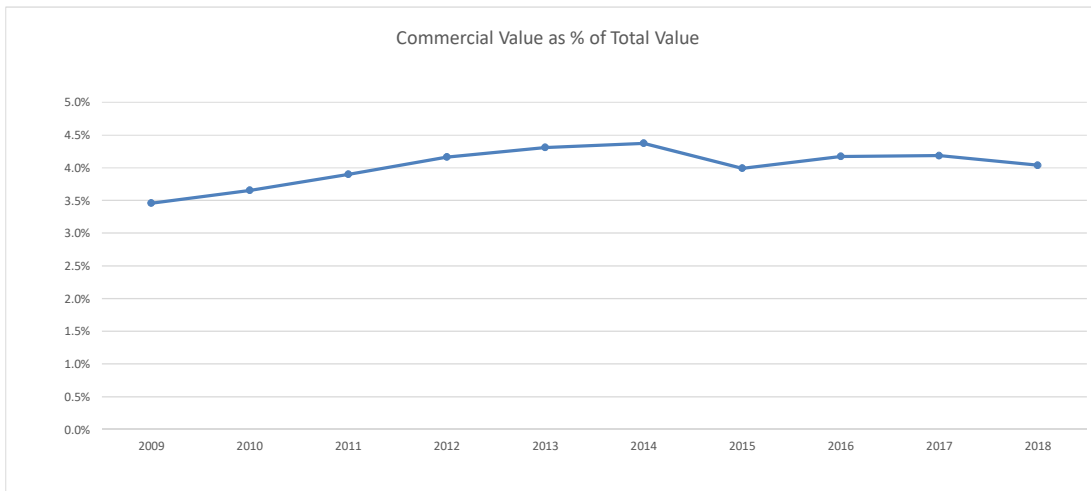
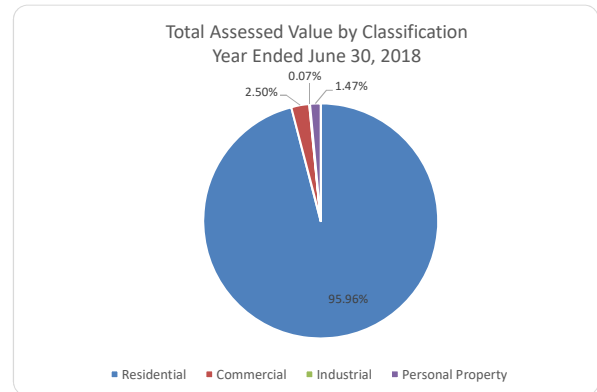
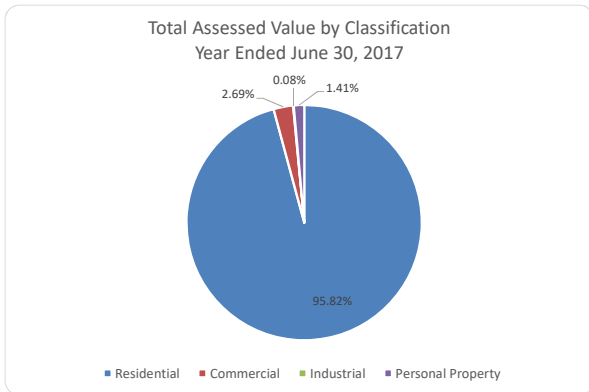
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 40,270,024	\$ 40,844,508	\$ 41,658,119	\$ 43,933,438	\$ 45,288,464	\$ 52,513,892	\$ 54,204,322	\$ 56,295,558	\$ 58,041,540	\$ 59,419,962
Tax and trash liens.....	123,783	216,803	84,186	91,948	69,547	34,594	17,656	67,508	60,471	166,146
Motor vehicle and other excise taxes.....	2,135,478	2,099,164	2,107,443	2,304,289	2,264,283	2,630,758	2,492,965	3,035,431	3,176,073	3,329,106
Sewer charges.....	365,785	295,819	319,396	304,243	287,269	296,186	212,226	312,228	281,530	239,319
Trash disposal.....	544,505	568,964	633,692	604,833	591,499	599,680	605,573	616,259	624,436	686,391
Intergovernmental.....	14,682,388	15,069,862	15,405,675	17,004,600	32,930,015	38,635,421	18,317,424	15,926,713	17,244,211	18,460,599
Departmental and other.....	9,621,256	9,198,751	9,016,882	10,107,279	10,601,027	10,543,232	11,577,762	11,766,381	12,085,340	12,296,948
Community preservation taxes.....	1,171,545	1,187,673	1,204,247	1,285,151	1,322,525	444,959	452,436	462,949	482,247	506,899
Contributions and donations.....	537,054	275,223	341,316	348,240	302,255	290,207	319,020	351,013	555,113	248,737
Investment income.....	255,659	812,935	753,198	464,529	728,342	1,072,436	554,845	1,156,690	764,562	280,502
Total Revenues.....	69,707,477	70,569,702	71,524,154	76,448,550	94,385,226	107,061,365	88,754,229	89,990,730	93,315,523	95,634,609
Expenditures:										
General government.....	2,394,190	2,652,335	2,923,274	3,236,553	3,668,986	3,421,889	3,619,149	3,392,746	3,290,326	3,992,888
Public safety.....	6,210,899	6,308,590	6,139,513	7,110,163	7,272,844	7,456,518	8,076,183	7,892,295	8,830,467	9,847,871
Education.....	31,933,772	32,759,722	33,097,960	33,962,562	36,483,547	36,443,826	38,288,116	38,752,314	41,314,574	41,109,409
Public works.....	3,919,387	3,443,754	3,671,585	3,731,811	3,884,382	4,162,988	4,255,555	4,770,444	4,457,197	5,243,002
Human services.....	642,844	652,303	694,772	765,164	928,925	935,898	887,962	980,453	932,530	1,063,421
Culture and recreation.....	1,853,985	1,746,958	1,277,439	1,639,688	1,796,905	1,722,918	1,706,659	2,250,499	2,476,854	2,769,927
Community preservation.....	99,858	100,102	635,483	718,536	163,408	260,986	52,013	136,400	62,700	230,150
Pension benefits - Town.....	1,879,350	1,937,647	2,199,485	2,159,162	2,422,765	2,525,382	2,840,847	3,075,016	3,168,990	3,311,028
Pension benefits - School.....	5,556,000	5,916,000	6,521,227	6,666,279	6,882,597	7,487,437	3,684,521	5,626,016	7,686,618	8,033,821
Property and liability insurance.....	274,266	223,935	239,620	186,966	253,465	280,147	380,564	387,272	410,395	424,773
Employee benefits.....	7,597,692	6,799,445	6,785,582	6,806,418	6,692,042	6,916,638	6,973,526	7,642,949	8,102,315	8,871,695
Claims and judgments.....	-	-	-	-	-	-	-	435,000	-	-
State and county charges.....	259,473	251,333	273,473	327,762	296,362	448,529	485,681	459,520	500,571	526,890
Capital outlay.....	4,908,558	3,121,296	3,917,109	16,632,384	53,127,988	61,056,139	16,721,338	9,887,399	2,296,384	3,585,047
Debt service:										
Principal.....	2,584,860	1,761,774	1,543,513	1,482,726	1,363,792	4,301,886	6,276,053	5,580,267	5,552,518	5,676,558
Principal - current refunding.....	-	-	-	-	-	-	-	4,325,000	-	-
Interest.....	673,298	590,079	520,706	502,267	505,484	4,576,710	3,112,964	3,026,758	2,900,403	2,880,687
Total Expenditures.....	70,788,432	68,265,273	70,440,741	85,928,441	125,743,492	141,997,891	97,361,131	98,620,395	91,982,842	97,567,167
Excess (deficiency) of revenues over (under) expenditures.....	(1,080,955)	2,304,429	1,083,413	(9,479,891)	(31,358,266)	(34,936,526)	(8,606,902)	(8,629,665)	1,332,681	(1,932,558)
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	-	787,000	-	16,098,000	67,349,000	2,200,000	4,500,000	-	3,185,000	-
Issuance of refunding bonds.....	-	-	-	-	-	425,000	282,000	4,120,000	-	-
Premium from issuance of bonds and notes.....	-	32,767	18,834	29,606	7,013,483	119,049	150,750	216,676	345,918	28,835
Proceeds from sale of capital assets.....	-	-	-	-	-	-	241,000	-	4,440	-
Transfers in.....	1,306,323	1,418,382	765,242	404,377	527,892	254,154	375,344	852,350	559,871	1,372,573
Transfers out.....	(992,607)	(1,141,576)	(615,334)	(514,073)	(666,270)	(367,130)	(585,956)	(1,036,336)	(785,876)	(1,267,591)
Special item - Reclassification Percy Walker Pool.....	-	-	-	-	-	-	-	-	(100,519)	-
Total other financing sources (uses).....	313,716	1,096,573	168,742	16,017,910	74,224,105	2,631,073	4,963,138	4,152,690	3,208,834	133,817
Net change in fund balance.....	\$ (767,239)	\$ 3,401,002	\$ 1,252,155	\$ 6,538,019	\$ 42,865,839	\$ (32,305,453)	\$ (3,643,764)	\$ (4,476,975)	\$ 4,541,515	\$ (1,798,741)
Debt service as a percentage of noncapital expenditures.....	4.95%	3.61%	3.10%	2.86%	2.57%	10.97%	11.64%	14.57%	9.42%	9.11%

(a) Does not include the transfer of capital assets from the Percy Walker Pool Enterprise Fund.

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

Last Ten Years

Assessed and Actual Values and Tax Rates									
Year	Residential Value	Residential & Personal Property Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate (1)	Total Town Value
2009	\$3,605,653,048	\$10.91	\$92,736,552	\$2,174,600	\$34,180,600	\$129,091,752	\$10.91	\$10.91	\$3,734,744,800
2010	\$3,374,398,059	\$11.81	\$89,418,341	\$2,233,500	\$36,242,040	\$127,893,881	\$11.81	\$11.81	\$3,502,291,940
2011	\$3,222,272,471	\$12.60	\$87,896,029	\$2,319,500	\$40,395,200	\$130,610,729	\$12.60	\$12.60	\$3,352,883,200
2012	\$3,067,422,072	\$13.79	\$88,685,699	\$2,844,400	\$41,683,140	\$133,213,239	\$13.79	\$13.79	\$3,200,635,311
2013	\$3,076,141,600	\$14.19	\$92,204,500	\$2,735,800	\$43,585,780	\$138,526,080	\$14.19	\$14.19	\$3,214,667,680
2014	\$3,133,284,628	\$16.15	\$94,583,642	\$2,779,800	\$45,889,560	\$143,253,002	\$16.15	\$16.15	\$3,276,537,630
2015	\$3,366,472,285	\$15.60	\$90,881,004	\$4,128,976	\$44,938,420	\$139,948,400	\$15.60	\$15.60	\$3,506,420,685
2016	\$3,480,420,057	\$15.55	\$100,122,228	\$3,009,900	\$48,372,550	\$151,504,678	\$15.55	\$15.55	\$3,631,924,735
2017	\$3,590,943,268	\$15.51	\$100,882,281	\$3,009,900	\$52,872,380	\$156,764,561	\$15.51	\$15.51	\$3,747,707,829
2018	\$3,836,620,986	\$15.16	\$100,091,785	\$2,635,000	\$58,670,190	\$161,396,975	\$15.16	\$15.16	\$3,998,017,961



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

Source: Assessor's Department, Town of Duxbury

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

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value.

The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding 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

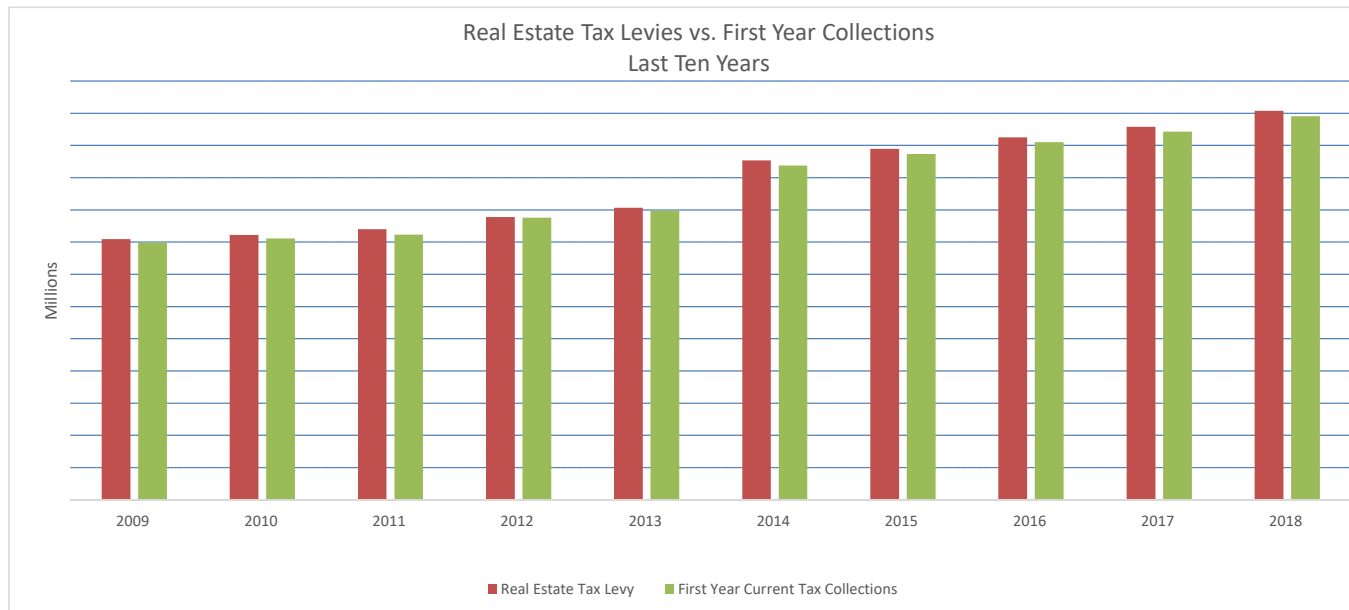
Name	Nature of Business	2018			2009		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
The Village at Duxbury - Assisted Living	Retirement Community	\$48,845,600	1	1.22%	\$53,759,810	1	1.44%
Island Creek Properties LLC	Subsidized Housing	\$40,539,800	2	1.01%	\$6,993,800	8	0.19%
Eversource	Utility	\$22,745,220	3	0.57%	-	-	-
Cynthia Reed Revocable Trust	Eight Residential Parcels	\$13,903,900	4	0.35%	-	-	-
Verizon	Utility	\$11,050,200	5	0.28%	\$9,535,100	4	0.26%
Bay State Gas	Public Utility	\$9,983,770	6	0.25%	-	-	-
Ditch Digger LLC	Oyster Company	\$8,866,900	7	0.22%	-	-	-
Individual	Residence	\$8,084,100	8	0.20%	\$9,752,200	3	0.26%
Standish LLC	Medical Office Building	\$7,070,200	9	0.18%	\$7,060,200	7	0.19%
Duxbury Yacht Club, Golf Course	Yacht Club, Golf Course	\$6,534,900	10	0.16%	\$6,458,500	10	0.17%
Nstar Service	Utility	-	-	-	\$11,112,050	2	0.30%
Individual	Residence	-	-	-	\$9,201,200	5	0.25%
Individual	Residence	-	-	-	\$7,075,900	6	0.19%
Thomas Walsh	Nursing Home	-	-	-	\$6,839,540	9	0.18%
	Totals	<u>\$177,624,590</u>		<u>4.44%</u>	<u>\$127,788,300</u>		<u>3.42%</u>

Source: Assessor's Department

Property Tax Levies and Collections

Last Ten Years

Year	(1) Total Tax Levy	Less Reserve for Abatements & Exemptions	(1) 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 (2)
2009	\$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%	\$769,493	\$41,944,250	99.87%
2012	\$44,136,761	\$268,633	\$43,868,128	99.39%	\$43,785,222	99.81%	\$558,376	\$44,343,598	101.08%
2013	\$45,616,134	\$285,269	\$45,330,865	99.37%	\$44,899,174	99.05%	\$935,072	\$45,834,246	101.11%
2014	\$52,916,083	\$232,932	\$52,683,151	99.56%	\$51,883,927	98.48%	\$591,069	\$52,474,996	99.60%
2015	\$54,700,163	\$214,125	\$54,486,038	99.61%	\$53,668,095	98.50%	\$669,810	\$54,337,905	99.73%
2016	\$56,476,430	\$222,947	\$56,253,483	99.61%	\$55,536,843	98.73%	\$944,011	\$56,480,853	100.40%
2017	\$58,126,948	\$202,417	\$57,924,531	99.65%	\$57,151,655	98.67%	\$559,741	\$57,711,396	99.63%
2018	\$60,609,952	\$239,693	\$60,370,259	99.60%	\$59,561,527	98.66%	\$0	\$59,561,527	98.66%



(1) Includes tax liens.

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

Source: Official Statements, Town of Duxbury.

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	General Obligation Bonds (1)	General Obligation Bonds (1)	General Obligation Bonds (1)				
2009	\$ 14,756,240	\$ 6,944,000	\$ 21,700,240		2.99%	15,372	\$ 1,412	
2010	13,781,466	8,523,149	22,304,615		3.15%	15,059	1,481	
2011	12,237,953	7,623,610	19,861,563		2.78%	15,274	1,300	
2012	26,853,227	6,729,413	33,582,640		4.53%	15,290	2,196	
2013	92,838,435	5,957,505	98,795,940		12.87%	15,582	6,340	
2014	91,161,549	6,101,831	97,263,380		11.40%	15,560	6,251	
2015	89,667,496	5,450,336	95,117,832		10.77%	15,636	6,083	
2016	89,180,995	4,804,962	93,985,957		10.13%	15,937	5,897	
2017	87,837,836	2,966,651	90,804,487		9.90%	15,297	5,936	
2018	81,577,764	2,530,344	84,108,108		8.80%	15,483	5,432	

(1) Presented net of original issuance discounts and premiums.

(2) Personal income is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U. S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
2009	\$ 21,700,240	0.58%	\$ 1,412
2010	22,304,615	0.64%	1,481
2011	19,861,563	0.59%	1,300
2012	33,582,640	1.05%	2,196
2013	98,795,940	3.07%	6,340
2014	97,263,380	2.97%	6,251
2015	95,117,832	2.71%	6,083
2016	93,985,957	2.59%	5,897
2017	90,804,487	2.42%	5,936
2018	84,108,108	2.10%	5,432

(1) Property value data is disclosed on the Schedule of Assessed Value of Taxable Property by Classification and Tax Rates.

(2) Population data is disclosed on the Schedule of Demographic and Economic Statistics.

Source: Audited Financial Statements, U. S. Census

Direct and Overlapping Governmental Activities Debt

As of June 30, 2018

<u>Overlapping Entities</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Share of Overlapping Debt</u>
Debt repaid with property taxes			
Plymouth County.....	\$ 1,925,000	4.94%	\$ 95,095
Town direct debt.....			<u>81,577,764</u>
Total direct and overlapping debt.....			<u>\$ 81,672,859</u>

Source: Official Statements

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

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

Computation of Legal Debt Margin

Last Ten Years

(Amounts in Thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Equalized Valuation.....	\$ <u>4,026,593</u>	\$ <u>4,026,593</u>	\$ <u>3,853,684</u>	\$ <u>3,853,684</u>	\$ <u>3,466,188</u>	\$ <u>3,466,188</u>	\$ <u>3,475,391</u>	\$ <u>3,475,391</u>	\$ <u>3,855,500</u>	\$ <u>3,855,500</u>
Debt Limit -5% of Equalized Valuation.....	\$ 201,330	\$ 201,330	\$ 192,684	\$ 192,684	\$ 173,309	\$ 173,309	\$ 173,770	\$ 173,770	\$ 192,775	\$ 192,775
Less:										
Outstanding debt applicable to limit.....	13,287	14,936	13,315	11,758	29,227	29,061	26,477	23,716	21,195	18,991
Authorized and unissued debt applicable to limit.....	<u>13</u>	<u>-</u>	<u>-</u>	<u>3,325</u>	<u>1,900</u>	<u>200</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin.....	\$ <u>188,030</u>	\$ <u>186,394</u>	\$ <u>179,369</u>	\$ <u>177,601</u>	\$ <u>142,182</u>	\$ <u>144,048</u>	\$ <u>147,093</u>	\$ <u>150,054</u>	\$ <u>171,580</u>	\$ <u>173,784</u>
Total debt applicable to the limit as a percentage of debt limit.....	6.61%	7.42%	6.91%	7.83%	17.96%	16.88%	15.35%	13.65%	10.99%	9.85%

Source: Assessor's Office

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2009	15,372	\$ 726,034,932	\$ 47,231	41.0	3,341	3.8%
2010	15,059	707,697,705	46,995	40.0	3,291	4.0%
2011	15,274	715,052,310	46,815	40.0	3,219	5.7%
2012	15,290	742,054,280	48,532	42.2	3,184	4.9%
2013	15,582	767,553,738	49,259	43.0	3,181	5.2%
2014	15,560	853,497,120	54,852	45.2	3,187	4.5%
2015	15,636	883,395,848	56,498	47.3	3,242	4.3%
2016	15,937	927,413,662	58,192	45.4	3,218	4.4%
2017	15,297	916,875,585	59,938	46.4	3,121	3.3%
2018	15,483	955,864,824	61,736	53.0	3,109	2.4%

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	2018			2009		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Bay Path Nursing Home	Nursing Home	180	1	2.41%	176	1	2.48%
The Villages at Duxbury	Retirement Condos	164	2	2.19%	160	2	2.26%
Batelle Labs	Science and Technology Research	72	3	0.96%	70	3	0.99%
Duxbury Yacht Club	Yacht Club, Golf Course, Tennis	70	4	0.94%	70	4	0.99%
Foodies	Grocery Store	61	5	0.82%	60	5	0.85%
South Shore Conservatory	Music and Art Institution	55	6	0.74%	54	7	0.76%
Plymouth Bay Orthopedic Associates	Physician Services	50	7	0.67%	50	6	0.71%
Millbrook Motors	Automotive	42	8	0.56%	39	8	0.55%
U.S. Post Office	Mail	28	9	0.37%	28	9	0.40%
Verc Enterprises	Convenience Stores, Gasoline Sales	7	10	0.09%	-	-	-
Totals		<u>729</u>		<u>9.76%</u>	<u>707</u>		<u>9.98%</u>

For 2009 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 Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Function										
General government.....	30	29	29	29	30	32	32	32	32	32
Public safety.....	72	68	69	68	70	72	72	72	78	78
Education.....	411	398	382	392	392	387	385	385	409 *	409
Public works.....	42	44	46	46	45	48	48	48	50	50
Human services.....	4	4	5	5	5	6	5	5	6	6
Culture and recreation.....	21	24	25	20	20	21	20	20	20	20
Total	<u>580</u>	<u>567</u>	<u>556</u>	<u>560</u>	<u>562</u>	<u>566</u>	<u>562</u>	<u>562</u>	<u>595</u>	<u>595</u>

Source: Various Town Departments

*= Prior to 2017, only general fund full-time equivalents were reported for education.

Operating Indicators by Function/Program

Last Ten Years

<u>Function/Program</u>	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fire Department										
Fire related calls.....	805	606	817	1,035	1,131	847	1,066	992	973	1,438
Rescue/EMS.....	1,247	1,328	1,281	1,245	1,323	1,291	1,345	1,479	1,441	1,603
Inspectional Services Department										
Number of building permits (quick and zoning).....	626	522	491	794	573	593	699	769	741	770
Number of electrical permits.....	343	362	368	429	477	606	536	600	543	570
Number of plumbing/gas permits.....	529	531	543	618	739	871	796	869	739	742
Water/Sewer										
Number of gallons pumped (millions).....	492,250	410,896	500,002	499,754	469,000	502,942	552,891	563,756	587,577	545,404
Number of new services added.....	13	15	8	11	6	6	4	25	8	35
Number of additional mains installed.....	-	-	-	-	1	1	-	-	-	1
Number of main improvements.....	1	-	2	1	2	2	1	-	2	3
Highway										
Number of miles completed-road rehab.....	3	4	2	2	3	3	4	2	7	4
Number of snow operations.....	54	39	31	2	30	36	48	21	22	32
Cemetery										
Cremations.....	3,624	3,014	3,008	3,184	3,248	3,382	2,956	2,583	2,780	2,843
Recreation										
Number of programs offered.....	52	60	56	65	68	64	70	68	69	70
Number of participants-winter.....	578	588	555	504	522	595	739	664	702	701
Number of participants-spring.....	342	320	272	397	325	302	469	371	358	316
Number of participants-summer.....	788	822	762	955	798	702	848	766	528	542
Number of participants-fall.....	642	658	558	507	439	440	442	484	489	529
Parking Sticker Sales										
Non resident over sand.....	2,948	3,512	3,653	3,771	3,281	2,981	3,122	2,862	3,043	3,124
Over sand.....	3,331	3,051	3,127	3,203	2,730	3,267	3,873	3,088	3,195	3,273
Parking lot.....	3,895	3,511	3,423	3,276	2,799	2,204	2,631	2,968	3,011	3,015
Transfer station.....	6,376	6,122	5,822	5,617	5,088	5,207	6,129	5,652	5,886	5,860
Senior Center										
Number of visitors.....	34,200	31,940	32,500	27,902	28,000	32,381	34,083	41,081	41,633	43,841
Number of activities.....	2,234	2,364	2,256	2,308	2,602	10,339	3,492	3,560	3,780	3,674
Number of congregate meals.....	4,693	5,356	4,867	5,367	5,384	5,949	5,050	8,124	4,833	4,303
Number of delivered meals.....	7,005	4,218	5,301	4,025	4,515	4,440	3,996	4,996	6,261	6,011
Number of meals served from the café.....	-	-	-	-	-	-	5,537	7,558	9,424	17,686
Number of paying rentals.....	172	135	322	376	118	27	25	13	17	17
Number of committee meetings.....	325	340	59	43	180	294	300	423	254	379
Duxbury Free Library										
Holdings.....	121,609	116,948	115,006	117,461	109,437	112,783	253,933	243,665	154,234	113,945
Reference questions answered.....	7,887	8,537	8,159	7,829	6,862	6,788	6,368	6,485	6,764	6,800
Print materials loaned.....	167,206	174,542	168,838	202,980	157,088	151,582	139,986	137,287	131,840	127,828
Videos loaned.....	93,416	82,615	48,883	47,071	44,584	41,254	37,444	32,319	28,987	23,743
All loans.....	260,622	257,457	247,909	250,059	236,207	229,079	213,943	212,020	201,278	193,613
Loans provided to other towns.....	37,978	39,594	39,282	41,306	38,109	22,163	20,419	21,461	19,991	20,293
Materials borrowed from other towns.....	31,847	32,107	30,564	29,639	25,625	14,768	13,327	14,857	14,587	13,907
Children's programs held.....	248	234	259	238	228	338	334	383	427	481
Children's program attendance.....	6,871	6,646	6,413	6,316	5,558	6,856	6,057	7,062	8,523	9,360
Adult & Teen programs held.....	236	241	228	262	332	445	467	395	411	409
Adult & Teen program attendance.....	3,218	3,690	3,901	4,234	4,618	4,300	4,402	4,064	4,098	3,636
Public computers.....	17	30	30	30	30	37	31	35	39	39
Public meeting room use.....	979	998	975	941	842	964	918	913	1,160	1,239

Source: Various Town Departments

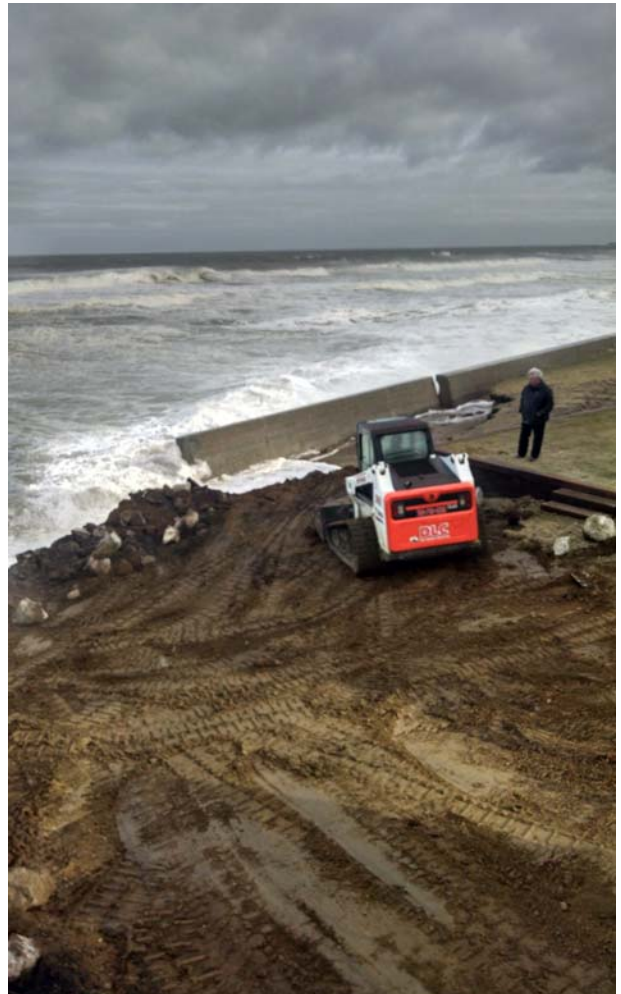
Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Government										
Number of buildings.....	5	5	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	1	1	2	2	2	1	1	1
Animal control facilities.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Antique apparatus storage.....	1	1	1	1	1	1	1	1	1	1
Harbormaster										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	3	3	3	3	3	3	3	3	3	3
Public landings.....	16	16	16	16	16	16	16	16	16	16
Education										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Performing arts center.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water pumping stations.....	13	13	13	13	13	13	13	13	13	13
Water towers.....	2	2	3	3	3	3	3	3	3	3
Water other.....	3	3	3	3	3	3	3	3	3	3
Sewage treatment plant.....	1	1	1	1	1	1	1	1	1	1
Shared septic systems.....	2	2	2	2	2	2	2	2	2	2
Public works buildings.....	11	11	11	11	11	11	11	11	11	11
Crematories.....	1	1	1	1	1	1	1	1	1	1
Cemetery buildings.....	3	3	3	3	3	3	3	3	3	3
Human Services										
Council on aging - senior center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation land (acreage).....	179.5	179.5	182.5	187.5	190.5	190.5	190.5	455.5	455.5	455.5
Playgrounds*.....	3	3	3	3	3	3	3	3	3	3
Ball fields*.....	29	29	29	29	29	29	29	29	29	29
Basketball courts.....	3	3	3	3	3	3	3	3	3	3
Tennis courts.....	14	14	14	14	14	14	14	14	14	14
Pools.....	1	1	1	1	1	1	1	1	1	1
Golf courses.....	1	1	1	1	1	1	1	1	1	1
Golf clubhouses.....	1	1	1	1	1	1	1	1	1	1
Golf course buildings.....	4	4	3	3	3	3	3	3	3	3
Libraries.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

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



Duxbury Sea Wall