

# **TOWN OF DUXBURY, MASSACHUSETTS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**



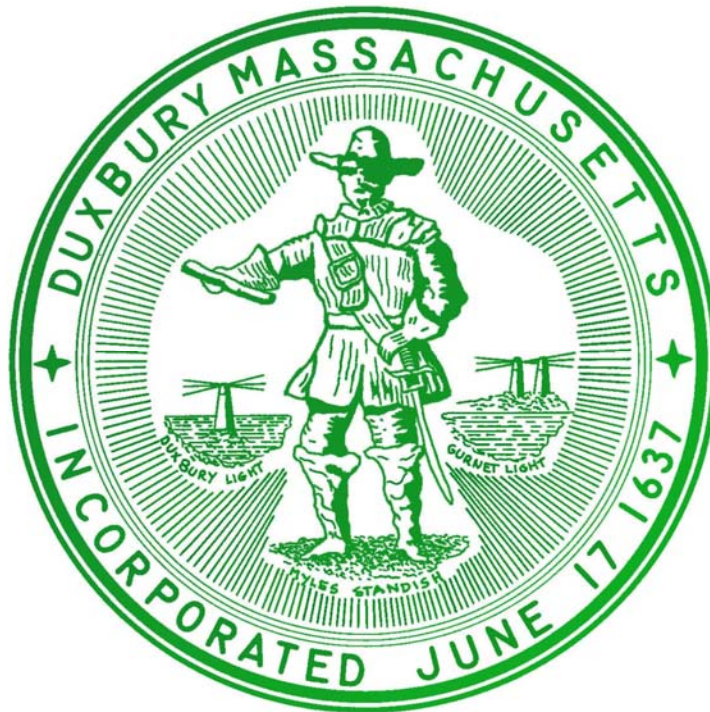
**For the year ended  
June 30, 2019**

On the cover: *Duxbury Harbor at dawn.*



Harbormaster Patrol

*The Town of  
Duxbury, Massachusetts*



**Comprehensive  
Annual Financial Report**

**For the Year  
July 1, 2018 through June 30, 2019**

Prepared by the Finance Department

**Town of Duxbury, Massachusetts**

**Comprehensive Annual Financial Report**  
*For the Year Ended June 30, 2019*

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## ***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

878 Tremont Street  
Duxbury, MA 02332  
Telephone 781-934-1100  
e-mail: adams@town.duxbury.ma.us

December 18, 2019

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, 2019, 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 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, 2019, 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, 2019, 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, 2019, 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 2019, the average price of a home in Duxbury was \$746,400 (based upon 2018 sales data), an increase of approximately 2.70% from the previous year. The current economic environment indicates that property values and new growth are leveling out. The community has preserved large amounts of open space and is 97.6% residential. 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.

While 2018 brought us challenges by Mother Nature, FY 2019 has brought us some economic challenges to our revenue streams. While we did finish with a revenue surplus the portion attributed to its local receipts was lagging. State aid results continue to be erratic mostly due to Charter School Funding and Enrolment. State aid revenues increased 3.25% from FY 2018 to FY 2019, while state and county assessments increased by 18.47% during that period. The three-year average for Net State Aid is a modest 2.28%. Local Receipts showed a dismal one-year increase of 1.35%, due primarily to a drop in motor vehicle excise and departmental revenues. Although beach sticker revenue stayed roughly the same at over \$1.8M the number of beach stickers sold went down by over 12% to the lowest amount sold in the last 10 years. The three-year average for local receipts was 3.79%. Duxbury, much like every other community, deals with the rising cost of health care, however, aided by two good claims years in a row only a 3% and 5% increase in premium was necessitated heading into FY 2019 and FY 2020, respectively, as opposed to the 12% rate increase heading into FY 2018.

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 2019.

During the 2019 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 benchmarks and has established a new Capital Stabilization reserve. In FY 2019 the Town has completed its expansion of the Council on Aging senior center. The Town and FEMA still await construction on the roughly 800 linear feet of sea wall that was destroyed by the winter storms last March. Evaluation of the Powder Point bridge showed that with modest maintenance the Town could continue without a significant capital impact. Lastly, Town Meeting did not approve a Proposition 2 ½ debt exclusion for Engineering and design for its Public Works facility.

During 2019, the Town dedicated just over \$1.5M 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 \$1.35M in "cash" funding on an annual basis for capital needs. Additionally, just over \$1.2M 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*

In early FY 2019 The Town did a major update to its Financial Policies to provide various benchmarks from everything including short and long term goals for its various reserves to what percentage of Free cash should be used towards the Capital Plan. The Town is putting more emphasis on its debt and capital while still balancing an Operating budget without the use of reserves or one-time funds.

### *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.

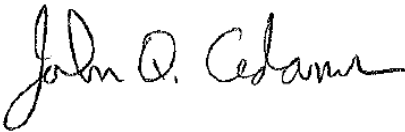
**Awards and Acknowledgements**

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, 2018. This was the fourteenth year that the Town submitted a CAFR to the GFOA. Based on information available on the GFOA website, only forty-five municipalities in Massachusetts received this distinction for fiscal year 2017. Of the forty-five, 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,



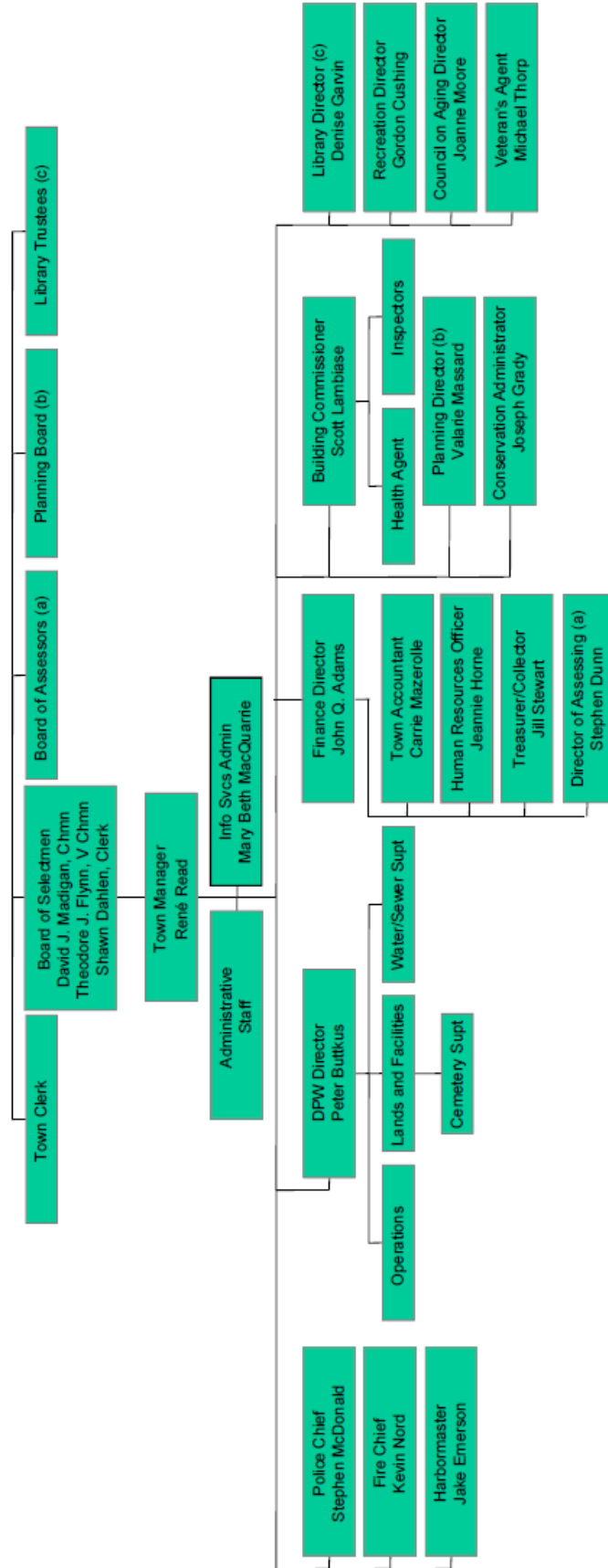
John Q. Adams  
Finance Director

# Town of Duxbury, Massachusetts

## Principal Executive Officers

Title	Name	Manner of Selection	Length of Term	Expiration of Term
Chairman-Board of Selectmen	David J. Madigan	Elected	3 Years	2021
Vice Chairman-Board of Selectmen	Theodore J. Flynn	Elected	3 Years	2020
Clerk-Board of Selectmen	Shawn Dahlen	Elected	3 Years	2022
Town Manager	René J. Read	Appointed	Indefinite	N/A
Finance Director	John Q. Adams	Appointed	Indefinite	N/A
Town Accountant	Carrie Mazerolle	Appointed	Indefinite	N/A
Treasurer/Collector	Jill Stewart	Appointed	Indefinite	N/A
Town Clerk	Susan C. Kelley	Elected	3 Years	2019
Assessor-Chairman	Nancy D. Reed	Elected	3 Years	2020
Assessor-Vice Chairman	Linda M. Collari	Elected	3 Years	2021
Assessor-Clerk	James G. MacNab	Elected	3 Years	2022
Superintendent of Schools	Dr. John J. Antonucci	Appointed	Indefinite	N/A
School Business Manager	Catherine Blake	Appointed	Indefinite	N/A
Director of Public Works	Peter Buttkus	Appointed	Indefinite	N/A
Town Moderator	John J. Tuffy	Elected	1 Year	2019
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, 2018**

*Christopher P. Morill*

Executive Director/CEO



# ***Financial Section***



Duxbury Free Library

# ***Financial Section***

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100 Quannapowitt Parkway  
Suite 101  
Wakefield, MA 01880  
T. 781-914-1700  
F. 781-914-1701  
[www.powersandsullivan.com](http://www.powersandsullivan.com)

## 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, 2019, 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, 2019, 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 relate 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 December 18, 2019, 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.



December 18, 2019

# 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, 2019. 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 \$122.3 million at the end of 2019. The Town's total net position increased by \$8.9 million during 2019, 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, expenses 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 \$144.0 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, \$8.3 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 \$44.9 million. The deficit is primarily the result of the recognition of net pension liability of \$36.3 million along with the net other postemployment benefits liability of \$32.2 million. These are long-term unfunded liabilities that will not require significant short-term resources.

The governmental activities net position increased by \$8.8 million during the current year. Net position invested in capital assets increased by \$5.8 million. Key reasons for this increase were capital grants of \$2.1 million for the Regional Old Colony Communications Center (ROCCC), roadway improvements, and community preservation projects, and from \$6.2 million of general fund and community preservation funds used for capital acquisitions. The \$955,000 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 \$3.9 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, better than expected budgetary results; offset by an increase to the net pension liability net of deferred inflows and outflows related to pensions.

	2019	2018
<b>Assets:</b>		
Current assets.....	\$ 45,736,608	\$ 49,471,628
Noncurrent assets (excluding capital).....	103,431	103,275
Capital assets, nondepreciable.....	44,522,315	41,120,430
Capital assets, net of accumulated depreciation.....	177,878,048	179,543,294
<b>Total assets.....</b>	<b>268,240,402</b>	<b>270,238,627</b>
<b>Deferred outflows of resources.....</b>	<b>8,601,731</b>	<b>1,073,788</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	8,004,045	11,185,374
Noncurrent liabilities (excluding debt).....	68,922,027	57,463,101
Current debt.....	6,490,055	9,628,239
Noncurrent debt.....	72,193,512	75,385,125
<b>Total liabilities.....</b>	<b>155,609,639</b>	<b>153,661,839</b>
<b>Deferred inflows of resources.....</b>	<b>13,829,529</b>	<b>19,060,392</b>
<b>Net position:</b>		
Net investment in capital assets.....	143,984,565	138,163,519
Restricted.....	8,274,740	9,229,418
Unrestricted.....	(44,856,340)	(48,802,753)
<b>Total net position.....</b>	<b>\$ 107,402,965</b>	<b>\$ 98,590,184</b>

Capital grant revenues came in higher than the previous year due to the Town receiving state funding for the construction and equipping of the ROCCC; offset by decreases in reimbursements for roadway projects and the state match for the community preservation act.

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

The public safety functional expense increased partly due to operating expenses related to the new regional 911 dispatch center. The human services functional expense line increased due technology upgrades at the senior center.

	2019		2018
<b>Program Revenues:</b>			
Charges for services.....	\$ 13,074,284	\$	12,778,430
Operating grants and contributions.....	17,114,661		16,617,277
Capital grants and contributions.....	2,097,394		1,165,769
<b>General Revenues:</b>			
Real estate and personal property taxes, net of tax refunds payable.....	62,076,801		58,864,933
Tax and other liens.....	202,042		1,125,344
Motor vehicle and other excise taxes.....	3,077,911		3,149,833
Meals tax.....	140,039		131,361
Community preservation tax.....	532,098		508,105
Penalties and interest on taxes.....	251,105		260,524
Payments in lieu of taxes.....	14,440		8,250
Grants and contributions not restricted to specific programs.....	1,182,592		1,066,637
Unrestricted investment income.....	2,210,872		265,517
Gain on sale of assets.....	253,747		-
<b>Total revenues.....</b>	<b>102,227,986</b>		<b>95,941,980</b>
<b>Expenses:</b>			
General government.....	5,738,689		5,743,117
Public safety.....	13,199,149		12,695,806
Education.....	60,300,331		59,733,009
Public works.....	6,314,029		5,970,834
Human services.....	1,613,604		1,332,086
Culture and recreation.....	3,729,255		3,472,387
Community preservation.....	447,830		426,851
Interest.....	2,072,318		2,253,758
<b>Total expenses.....</b>	<b>93,415,205</b>		<b>91,627,848</b>
<b>Change in net position.....</b>	<b>8,812,781</b>		<b>4,314,132</b>
<b>Net position, beginning of year.....</b>	<b>98,590,184</b>		<b>94,276,052</b>
<b>Net position, end of year.....</b>	<b>\$ 107,402,965</b>	\$	<b>98,590,184</b>

**Business-type Activities**

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 2019. Of this amount \$10.8 million (72.3%) is net investment in capital assets, and \$4.1 million (27.7%) is unrestricted and may be used to meet the water enterprise's ongoing obligations.

There was an increase of \$71,000 in net position related to the Water Department's operations during the year. The water enterprise fund recognized \$42,000 increase in net other postemployment benefit liability, net of

deferred outflows/inflows related to OPEB, a \$131,000 increase in net pension liability, net of deferred outflows/inflows related to pensions; offset by a slight increase in charges for services.

	2019	2018
<b>Assets:</b>		
Current assets..... \$	6,579,564	\$ 7,252,339
Capital assets, nondepreciable.....	5,149,078	4,198,439
Capital assets, net of accumulated depreciation.....	8,623,776	9,077,649
<b>Total assets.....</b>	<b>20,352,418</b>	<b>20,528,427</b>
<b>Deferred outflows of resources.....</b>	<b>289,511</b>	<b>32,681</b>
<b>Liabilities:</b>		
Current liabilities (excluding debt).....	188,875	167,108
Noncurrent liabilities (excluding debt).....	1,779,670	1,274,494
Current debt.....	439,237	1,839,364
Noncurrent debt.....	3,058,223	2,105,980
<b>Total liabilities.....</b>	<b>5,466,005</b>	<b>5,386,946</b>
<b>Deferred inflows of resources.....</b>	<b>248,235</b>	<b>317,011</b>
<b>Net position:</b>		
Net investment in capital assets.....	10,796,637	10,791,367
Unrestricted.....	4,131,052	4,065,784
<b>Total net position..... \$</b>	<b>14,927,689</b>	<b>\$ 14,857,151</b>
	2019	2018
<b>Program Revenues:</b>		
Charges for services..... \$	3,190,577	\$ 3,085,668
<b>Expenses:</b>		
Water.....	3,120,039	2,716,373
<b>Excess (Deficiency) before transfers.....</b>	<b>70,538</b>	<b>369,295</b>
<b>Transfers.....</b>	<b>-</b>	<b>(104,982)</b>
<b>Change in net position.....</b>	<b>70,538</b>	<b>264,313</b>
<b>Net position, beginning of year.....</b>	<b>14,857,151</b>	<b>14,592,838</b>
<b>Net position, end of year..... \$</b>	<b>14,927,689</b>	<b>\$ 14,857,151</b>

## ***Financial Analysis of the Government's Funds***

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

***Governmental funds.*** The focus of *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, *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 \$32.5 million, an increase of \$3 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 \$11.3 million, while total fund balance is \$17.5 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 12.9% of total general fund expenditures, while total fund balance represents 20.1% of that same amount.

The general fund increased by \$1.3 million in 2019. This was mainly due to an increase in the Town's stabilization and trust funds, a first-time revenue from the 911 regional dispatch center for their portion, increased investment returns and better than anticipated budgetary results; offset by article increases in the facilities department.

The Community Preservation Act fund had a fund balance at June 30, 2019, of \$2.5 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation Act's fund balance decreased \$1.6 million in 2019. This was the net result of \$652,000 in interest, taxes and state matching funds collected offset by \$2.3 million in expenditures on community preservation projects.

The affordable housing fund had a balance of \$1.7 million at year end. The fund had \$156,000 in revenue offset by \$30,000 of expenditures, and \$254,000 in gain on sale of asset from a property sale.

The Town services fund is made up of the Town's permanent funds. The fund had an ending balance of \$4.3 million. Activity during the year consisted of \$480,000 in investment earnings and donations offset by \$20,000 in expenditures mainly for cemetery perpetual care.

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

The \$2.1 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 \$68,000 to supplement various governmental departments and funds. The largest uses of free cash include \$271,000 for projects relating to the Powder Point Bridge, \$139,000 for the special education reserve fund, \$300,000 to fund other postemployment benefits, \$605,000 for the stabilization fund, and transfers to the unemployment and compensated absence trust funds.

General Fund revenues came in approximately \$2.5 million more than budgeted. The largest area of the surplus was in departmental and other revenues, investment income, and motor vehicle and other excise which made up \$858,000, \$409,000, and \$351,000, of the total, respectively. This was mainly due to the Town budgeting conservatively in these areas.

General fund expenditures and encumbrances were approximately \$1.5 million less than budgeted. Key components of this surplus include \$163,000 in police salaries, \$141,000 in education salaries and expenditures, \$309,000 in employee benefits, and \$99,000 in state and county charges.

### **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 2019 includes additions in land of \$1.8 million, construction in progress of \$4.1 million, buildings of \$1.7 million, vehicles of \$448,000, and improvements of \$1.1 million.

#### **Capital Assets**

	<u>Capital Assets at end of year</u>	<u>Depreciation at end of year</u>	<u>Capital Assets, net</u>
<b>Governmental activities</b>			
<i>Function:</i>			
General government.....	\$ 21,524,108	\$ (542,351)	\$ 20,981,757
Public safety.....	21,655,993	(7,848,769)	13,807,224
Education.....	185,109,489	(41,061,734)	144,047,755
Public works.....	28,087,095	(13,968,253)	14,118,842
Culture and recreation.....	12,149,956	(5,445,864)	6,704,092
Community preservation.....	20,714,179	(1,964,835)	18,749,344
Human services.....	5,120,348	(1,128,999)	3,991,349
Total governmental.....	<u>\$ 294,361,168</u>	<u>\$ (71,960,805)</u>	<u>\$ 222,400,363</u>
<b>Business-type activities</b>			
Water.....	<u>\$ 29,646,370</u>	<u>\$ (15,873,516)</u>	<u>\$ 13,772,854</u>

#### **Debt**

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$74.4 million at the end of the current year. Of this amount, \$60.8 million is related to school construction and equipment, \$1.6 million is related to the crematory, \$4.4 million is related to the police station construction, \$2.2 million is related to the fire station renovations, \$1.1 million is related to the Powder Point bridge, \$930,000 for the Percy Walker Pool, and \$2.3 million is related to the senior center renovations. The remaining \$1.1 million relates to other capital related projects.

The water enterprise fund has \$3.4 million in bonded 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, 2019

	<i>Primary Government</i>		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>CURRENT:</b>			
Cash and cash equivalents.....	\$ 16,464,977	\$ 5,093,056	\$ 21,558,033
Investments.....	24,486,486	-	24,486,486
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,027,937	-	1,027,937
Tax liens.....	589,379	-	589,379
Community preservation fund surtax.....	2,763	-	2,763
Motor vehicle and other excise taxes.....	240,900	-	240,900
User charges.....	18,498	1,486,508	1,505,006
Departmental and other.....	735,383	-	735,383
Intergovernmental.....	1,410,612	-	1,410,612
Community preservation state share.....	61,400	-	61,400
Tax foreclosures.....	698,273	-	698,273
<b>Total current assets.....</b>	<b>45,736,608</b>	<b>6,579,564</b>	<b>52,316,172</b>
<b>NONCURRENT:</b>			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	103,431	-	103,431
Capital assets, nondepreciable.....	44,522,315	5,149,078	49,671,393
Capital assets, net of accumulated depreciation.....	177,878,048	8,623,776	186,501,824
<b>Total noncurrent assets.....</b>	<b>222,503,794</b>	<b>13,772,854</b>	<b>236,276,648</b>
<b>TOTAL ASSETS.....</b>	<b>268,240,402</b>	<b>20,352,418</b>	<b>288,592,820</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions.....	8,601,731	289,511	8,891,242
<b>LIABILITIES</b>			
<b>CURRENT:</b>			
Warrants payable.....	1,203,184	130,344	1,333,528
Accrued payroll.....	2,206,191	-	2,206,191
Health claims payable.....	997,347	-	997,347
Tax refunds payable.....	869,436	-	869,436
Accrued interest.....	788,581	16,431	805,012
Other liabilities.....	281,421	-	281,421
Compensated absences.....	1,511,500	42,100	1,553,600
Workers' compensation.....	146,385	-	146,385
Bonds payable.....	6,490,055	439,237	6,929,292
<b>Total current liabilities.....</b>	<b>14,494,100</b>	<b>628,112</b>	<b>15,122,212</b>
<b>NONCURRENT:</b>			
Compensated absences.....	350,700	14,200	364,900
Workers' compensation.....	125,240	-	125,240
Net pension liability.....	36,286,232	1,221,295	37,507,527
Net other postemployment benefits liability.....	32,159,855	544,175	32,704,030
Bonds payable.....	72,193,512	3,058,223	75,251,735
<b>Total noncurrent liabilities.....</b>	<b>141,115,539</b>	<b>4,837,893</b>	<b>145,953,432</b>
<b>TOTAL LIABILITIES.....</b>	<b>155,609,639</b>	<b>5,466,005</b>	<b>161,075,644</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Taxes paid in advance.....	45,955	-	45,955
Deferred inflows related to pensions.....	896,523	30,174	926,697
Deferred inflows related to other postemployment benefits.....	12,887,051	218,061	13,105,112
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>13,829,529</b>	<b>248,235</b>	<b>14,077,764</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	143,984,565	10,796,637	154,781,202
Restricted for:			
Perpetual care and other permanent funds:			
Expendable.....	1,906,090	-	1,906,090
Nonexpendable.....	2,378,098	-	2,378,098
Gifts and grants.....	1,444,023	-	1,444,023
Community preservation.....	2,546,529	-	2,546,529
Unrestricted.....	(44,856,340)	4,131,052	(40,725,288)
<b>TOTAL NET POSITION.....</b>	<b>\$ 107,402,965</b>	<b>\$ 14,927,689</b>	<b>\$ 122,330,654</b>

See notes to basic financial statements.



**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<i>Governmental Activities:</i>					
General government.....	\$ 5,738,689	\$ 697,178	\$ 231,358	\$ -	\$ (4,810,153)
Public safety.....	13,199,149	2,761,702	649,305	1,920,249	(7,867,893)
Education.....	60,300,331	5,062,793	15,303,934	-	(39,933,604)
Public works.....	6,314,029	1,703,465	329,341	118,929	(4,162,294)
Human services.....	1,613,604	179,530	504,827	-	(929,247)
Culture and recreation.....	3,729,255	2,669,616	94,010	-	(965,629)
Community preservation.....	447,830	-	-	58,216	(389,614)
Interest.....	2,072,318	-	1,886	-	(2,070,432)
<b>Total Governmental Activities.....</b>	<b>93,415,205</b>	<b>13,074,284</b>	<b>17,114,661</b>	<b>2,097,394</b>	<b>(61,128,866)</b>
<i>Business-Type Activities:</i>					
Water.....	3,120,039	3,190,577	-	-	<b>70,538</b>
<b>Total Primary Government.....</b>	<b>\$ 96,535,244</b>	<b>\$ 16,264,861</b>	<b>\$ 17,114,661</b>	<b>\$ 2,097,394</b>	<b>\$ (61,058,328)</b>

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Changes in net position:</b>			
Net (expense) revenue from previous page.....	\$ <b>(61,128,866)</b>	\$ <b>70,538</b>	\$ <b>(61,058,328)</b>
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	62,076,801	-	62,076,801
Tax and other liens.....	202,042	-	202,042
Motor vehicle and other excise taxes.....	3,077,911	-	3,077,911
Meals tax.....	140,039	-	140,039
Community preservation tax.....	532,098	-	532,098
Penalties and interest on taxes.....	251,105	-	251,105
Payments in lieu of taxes.....	14,440	-	14,440
Grants and contributions not restricted to specific programs.....	1,182,592	-	1,182,592
Unrestricted investment income.....	2,210,872	-	2,210,872
Gain on sale of assets.....	253,747	-	253,747
<b>Total general revenues and transfers.....</b>	<b>69,941,647</b>	<b>-</b>	<b>69,941,647</b>
 Change in net position.....	 8,812,781	 70,538	 8,883,319
<i>Net position:</i>			
Beginning of year.....	98,590,184	14,857,151	113,447,335
End of year.....	\$ <u>107,402,965</u>	\$ <u>14,927,689</u>	\$ <u>122,330,654</u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS  
BALANCE SHEET**

JUNE 30, 2019

	General	Community Preservation Act	Affordable Housing	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents.....	\$ 5,559,538	\$ 2,550,043	\$ 296,573	\$ 170,183	\$ 6,642,608	\$ 15,218,945
Investments.....	14,964,040	-	1,377,187	4,114,697	77,141	20,533,065
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	1,027,937	-	-	-	-	1,027,937
Tax liens.....	585,196	4,183	-	-	-	589,379
Community preservation fund surtax.....	-	2,763	-	-	-	2,763
Motor vehicle and other excise taxes.....	240,900	-	-	-	-	240,900
User charges.....	18,498	-	-	-	-	18,498
Departmental and other.....	315,055	-	-	-	-	315,055
Intergovernmental - other.....	522,613	-	-	-	887,999	1,410,612
Community preservation state share.....	-	61,400	-	-	-	61,400
Special assessments.....	103,431	-	-	-	-	103,431
Tax foreclosures.....	698,273	-	-	-	-	698,273
Due from other funds.....	10,864	-	-	-	-	10,864
<b>TOTAL ASSETS.....</b>	<b>\$ 24,046,345</b>	<b>\$ 2,618,389</b>	<b>\$ 1,673,760</b>	<b>\$ 4,284,880</b>	<b>\$ 7,607,748</b>	<b>\$ 40,231,122</b>
<b>LIABILITIES</b>						
Warrants payable.....	\$ 547,358	\$ 2,546	\$ -	\$ 692	\$ 523,165	\$ 1,073,761
Accrued payroll.....	2,180,809	-	-	-	25,382	2,206,191
Tax refunds payable.....	869,436	-	-	-	-	869,436
Due to other funds.....	-	-	-	-	10,864	10,864
Other liabilities.....	52,529	968	-	-	227,924	281,421
<b>TOTAL LIABILITIES.....</b>	<b>3,650,132</b>	<b>3,514</b>	<b>-</b>	<b>692</b>	<b>787,335</b>	<b>4,441,673</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Taxes paid in advance.....	45,955	-	-	-	-	45,955
Unavailable revenue.....	2,818,147	68,346	-	-	367,117	3,253,610
<b>TOTAL DEFERRED INFLOWS OF RESOURCES.....</b>	<b>2,864,102</b>	<b>68,346</b>	<b>-</b>	<b>-</b>	<b>367,117</b>	<b>3,299,565</b>
<b>FUND BALANCES</b>						
Nonspendable.....	-	-	-	2,378,098	-	2,378,098
Restricted.....	3,711,483	2,546,529	1,673,760	1,906,090	6,453,296	16,291,158
Committed.....	1,066,592	-	-	-	-	1,066,592
Assigned.....	1,464,471	-	-	-	-	1,464,471
Unassigned.....	11,289,565	-	-	-	-	11,289,565
<b>TOTAL FUND BALANCES.....</b>	<b>17,532,111</b>	<b>2,546,529</b>	<b>1,673,760</b>	<b>4,284,188</b>	<b>6,453,296</b>	<b>32,489,884</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 24,046,345</b>	<b>\$ 2,618,389</b>	<b>\$ 1,673,760</b>	<b>\$ 4,284,880</b>	<b>\$ 7,607,748</b>	<b>\$ 40,231,122</b>

See notes to basic financial statements.

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

JUNE 30, 2019

Total governmental fund balances.....	\$	32,489,884
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		222,400,363
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		3,253,610
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.....		(5,181,843)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		4,493,011
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(788,581)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(78,683,567)	
Net pension liability.....	(36,286,232)	
Net other postemployment benefits liability.....	(32,159,855)	
Workers' compensation.....	(271,625)	
Compensated absences.....	<u>(1,862,200)</u>	
Net effect of reporting long-term liabilities.....		<u>(149,263,479)</u>
Net position of governmental activities.....	\$	<u>107,402,965</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2019

	General	Community Preservation Act	Affordable Housing	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Real estate and personal property taxes, net of tax refunds.....	\$ 62,191,382	\$ -	\$ -	\$ -	\$ -	\$ 62,191,382
Tax liens.....	259,906	1,841	-	-	-	261,747
Motor vehicle and other excise taxes.....	2,992,354	-	-	-	-	2,992,354
Meals tax.....	140,039	-	-	-	-	140,039
Sewer charges.....	229,907	-	-	-	-	229,907
Regional dispatch member revenue.....	325,000	-	-	-	-	325,000
Penalties and interest on taxes.....	251,105	-	-	-	-	251,105
Trash disposal.....	709,365	-	-	-	-	709,365
Payments in lieu of taxes.....	14,440	-	-	-	-	14,440
Intergovernmental - state aid.....	6,427,451	-	-	-	-	6,427,451
Intergovernmental - Teachers Retirement.....	7,996,768	-	-	-	-	7,996,768
Intergovernmental.....	226,288	96,749	-	-	5,643,695	5,966,732
Departmental and other.....	5,102,266	-	50,000	-	6,952,895	12,105,181
Community preservation taxes.....	-	533,774	-	-	-	533,774
Contributions and donations.....	-	-	-	28,400	453,161	481,561
Investment income (loss).....	1,334,247	20,090	105,526	451,388	10,398	1,921,649
<b>TOTAL REVENUES.....</b>	<b>88,200,538</b>	<b>652,454</b>	<b>155,526</b>	<b>479,788</b>	<b>13,060,149</b>	<b>102,548,455</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government.....	4,515,968	-	30,108	5,830	480,363	5,032,269
Public safety.....	8,931,819	-	-	-	2,667,769	11,599,588
Education.....	35,810,456	-	-	-	6,283,072	42,093,528
Public works.....	4,632,883	-	-	14,398	975,153	5,622,434
Health and human services.....	742,595	-	-	-	2,834,005	3,576,600
Culture and recreation.....	2,717,823	-	-	-	227,125	2,944,948
Community preservation.....	-	2,284,648	-	-	-	2,284,648
Pension benefits.....	3,583,797	-	-	-	6,847	3,590,644
Pension benefits - Teachers Retirement.....	7,996,768	-	-	-	-	7,996,768
Property and liability insurance.....	478,617	-	-	-	-	478,617
Employee benefits.....	9,011,242	-	-	-	26,937	9,038,179
State and county charges.....	501,914	-	-	-	-	501,914
<b>Debt service:</b>						
Principal.....	5,656,558	-	-	-	-	5,656,558
Interest.....	2,718,729	-	-	-	-	2,718,729
<b>TOTAL EXPENDITURES.....</b>	<b>87,299,169</b>	<b>2,284,648</b>	<b>30,108</b>	<b>20,228</b>	<b>13,501,271</b>	<b>103,135,424</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>901,369</b>	<b>(1,632,194)</b>	<b>125,418</b>	<b>459,560</b>	<b>(441,122)</b>	<b>(586,969)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of bonds.....	-	-	-	-	2,985,000	2,985,000
Premium from issuance of bonds.....	-	-	-	-	313,442	313,442
Proceeds from the sale of assets.....	-	-	253,747	-	-	253,747
Transfers in.....	675,948	-	-	-	281,963	957,911
Transfers out.....	(281,963)	-	-	-	(675,948)	(957,911)
<b>TOTAL OTHER FINANCING SOURCES (USES)...</b>	<b>393,985</b>	<b>-</b>	<b>253,747</b>	<b>-</b>	<b>2,904,457</b>	<b>3,552,189</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>1,295,354</b>	<b>(1,632,194)</b>	<b>379,165</b>	<b>459,560</b>	<b>2,463,335</b>	<b>2,965,220</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>16,236,757</b>	<b>4,178,723</b>	<b>1,294,595</b>	<b>3,824,628</b>	<b>3,989,961</b>	<b>29,524,664</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 17,532,111</b>	<b>\$ 2,546,529</b>	<b>\$ 1,673,760</b>	<b>\$ 4,284,188</b>	<b>\$ 6,453,296</b>	<b>\$ 32,489,884</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds.....		\$ 2,965,220
<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.....	8,656,462	
Depreciation expense.....	<u>(6,919,823)</u>	
Net effect of reporting capital assets.....		1,736,639
<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>		
		(863,439)
<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>		
Issuance of bonds.....	(2,985,000)	
Premium from issuance of bonds.....	(313,442)	
Net amortization of premium from issuance of bonds.....	536,081	
Debt service principal payments.....	<u>5,656,558</u>	
Net effect of reporting long-term debt.....		2,894,197
<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.....	(174,700)	
Net change in accrued interest on long-term debt.....	110,330	
Net change in deferred outflow/(inflow) of resources related to pensions.....	9,010,279	
Net change in net pension liability.....	(10,283,896)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	3,075,690	
Net change in net other postemployment benefits liability.....	(1,103,422)	
Net change in workers' compensation liability.....	<u>(116,989)</u>	
Net effect of recording long-term liabilities.....		517,292
The net activity of internal service funds is reported with Governmental Activities.....		<u>1,562,872</u>
Change in net position of governmental activities.....		<u>\$ 8,812,781</u>

See notes to basic financial statements.

**PROPRIETARY FUNDS**  
STATEMENT OF NET POSITION

JUNE 30, 2019

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
<b>ASSETS</b>		
CURRENT:		
Cash and cash equivalents.....	\$ 5,093,056	\$ 1,246,032
Investments.....	-	3,953,421
Receivables, net of allowance for uncollectibles:		
User charges.....	1,486,508	-
Departmental and other.....	-	420,328
	<u>6,579,564</u>	<u>5,619,781</u>
Total current assets.....		
	<u>6,579,564</u>	<u>5,619,781</u>
NONCURRENT:		
Capital assets, nondepreciable.....	5,149,078	-
Capital assets, net of accumulated depreciation.....	8,623,776	-
	<u>13,772,854</u>	<u>-</u>
Total noncurrent assets.....		
	<u>13,772,854</u>	<u>-</u>
TOTAL ASSETS.....	<u>20,352,418</u>	<u>5,619,781</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions.....	289,511	-
	<u>289,511</u>	<u>-</u>
<b>LIABILITIES</b>		
CURRENT:		
Warrants payable.....	130,344	129,423
Health claims payable.....	-	997,347
Accrued interest.....	16,431	-
Compensated absences.....	42,100	-
Bonds payable.....	439,237	-
	<u>628,112</u>	<u>1,126,770</u>
Total current liabilities.....		
	<u>628,112</u>	<u>1,126,770</u>
NONCURRENT:		
Compensated absences.....	14,200	-
Net pension liability.....	1,221,295	-
Net other postemployment benefits liability.....	544,175	-
Bonds payable.....	3,058,223	-
	<u>4,837,893</u>	<u>-</u>
Total noncurrent liabilities.....		
	<u>4,837,893</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>5,466,005</u>	<u>1,126,770</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions.....	30,174	-
Deferred inflows related to other postemployment benefits.....	218,061	-
	<u>248,235</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>248,235</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets.....	10,796,637	-
Unrestricted.....	4,131,052	4,493,011
	<u>14,927,689</u>	<u>4,493,011</u>
TOTAL NET POSITION.....	<u>\$ 14,927,689</u>	<u>\$ 4,493,011</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
<b>OPERATING REVENUES:</b>		
Employee contributions.....	\$ -	\$ 3,589,445
Employer contributions.....	-	8,178,552
Charges for services.....	3,190,577	-
Other operating revenues.....	-	381,680
<b>TOTAL OPERATING REVENUES .....</b>	<b>3,190,577</b>	<b>12,149,677</b>
<b>OPERATING EXPENSES:</b>		
Cost of services and administration.....	1,319,183	-
Salaries and wages.....	744,173	-
Depreciation.....	969,537	-
Employee benefits.....	-	10,876,028
<b>TOTAL OPERATING EXPENSES.....</b>	<b>3,032,893</b>	<b>10,876,028</b>
<b>OPERATING INCOME (LOSS).....</b>	<b>157,684</b>	<b>1,273,649</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (loss).....	-	289,223
Interest expense.....	(87,146)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES), NET.....</b>	<b>(87,146)</b>	<b>289,223</b>
<b>CHANGE IN NET POSITION.....</b>	<b>70,538</b>	<b>1,562,872</b>
<b>NET POSITION AT BEGINNING OF YEAR.....</b>	<b>14,857,151</b>	<b>2,930,139</b>
<b>NET POSITION AT END OF YEAR.....</b>	<b>\$ 14,927,689</b>	<b>\$ 4,493,011</b>

See notes to basic financial statements.



**PROPRIETARY FUNDS**  
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2019

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>		
Receipts from customers and users.....	\$ 3,247,572	\$ 3,589,445
Receipts from interfund services provided.....	-	8,408,728
Payments to vendors.....	(1,102,396)	-
Payments to employees.....	(757,907)	-
Payments for interfund services used.....	-	(12,125,634)
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>1,387,269</b>	<b>(127,461)</b>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u></b>		
Proceeds from the issuance of bonds.....	1,260,000	-
Premium from the issuance of bonds.....	131,480	-
Acquisition and construction of capital assets.....	(1,466,303)	-
Principal payments on bonds and notes.....	(1,839,364)	-
Interest expense.....	(88,862)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....</b>	<b>(2,003,049)</b>	<b>-</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>		
Sale (Purchase) of investments, net.....	-	167,093
Investment income (loss).....	-	289,223
<b>NET CASH FROM INVESTING ACTIVITIES.....</b>	<b>-</b>	<b>456,316</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>(615,780)</b>	<b>328,855</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....</b>	<b>5,708,836</b>	<b>917,177</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR.....</b>	<b>\$ 5,093,056</b>	<b>\$ 1,246,032</b>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u></b>		
<b><u>FROM OPERATING ACTIVITIES:</u></b>		
Operating income (loss).....	\$ 157,684	\$ 1,273,649
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation.....	969,537	-
Deferred (outflows)/inflows related to pensions.....	(299,057)	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(26,549)	-
Changes in assets and liabilities:		
User charges.....	56,995	-
Departmental and other.....	-	(151,504)
Warrants payable.....	44,217	63,514
Accrued payroll.....	(23,634)	(1,182)
Health claims payable.....	-	(1,311,938)
Compensated absences.....	9,900	-
Net pension liability.....	429,904	-
Net other postemployment benefits.....	68,272	-
<b>Total adjustments.....</b>	<b>1,229,585</b>	<b>(1,401,110)</b>
<b>NET CASH FROM OPERATING ACTIVITIES.....</b>	<b>\$ 1,387,269</b>	<b>\$ (127,461)</b>

See notes to basic financial statements.

**FIDUCIARY FUNDS**  
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 31,437	\$ 73,508	\$ 403,683
Investments:			
U.S. treasury notes.....	126,950	568,073	-
Government sponsored enterprises.....	126,665	557,596	-
Corporate bonds.....	129,143	318,445	-
Equity securities.....	1,242,354	1,686,746	-
Equity mutual funds.....	859,364	-	-
Fixed income mutual funds.....	261,064	218,277	-
<b>TOTAL ASSETS.....</b>	<b>2,776,977</b>	<b>3,422,645</b>	<b>403,683</b>
<b>LIABILITIES</b>			
Warrants payable.....	-	-	28,607
Liabilities due depositors.....	-	-	375,076
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>-</b>	<b>403,683</b>
<b>NET POSITION</b>			
Restricted for other postemployment benefits.....	2,776,977	-	-
Held in trust for other purposes.....	-	3,422,645	-
<b>TOTAL NET POSITION.....</b>	<b>2,776,977</b>	<b>3,422,645</b>	<b>-</b>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2019

	<u>Other Postemployment Benefit Trust Fund</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS:</b>		
Contributions:		
Employer contributions.....	\$ 300,000	\$ -
Employer contributions for other postemployment benefit payments....	<u>1,642,697</u>	<u>-</u>
Total contributions.....	<u>1,942,697</u>	<u>-</u>
Net investment income:		
Investment income (loss).....	<u>208,212</u>	<u>383,624</u>
TOTAL ADDITIONS.....	<u>2,150,909</u>	<u>383,624</u>
<b>DEDUCTIONS:</b>		
Other postemployment benefit payments.....	1,642,697	-
Educational scholarships and other.....	<u>-</u>	<u>28,108</u>
TOTAL DEDUCTIONS.....	<u>1,642,697</u>	<u>28,108</u>
NET INCREASE (DECREASE) IN NET POSITION.....	508,212	355,516
NET POSITION AT BEGINNING OF YEAR.....	<u>2,268,765</u>	<u>3,067,129</u>
NET POSITION AT END OF YEAR.....	<u>\$ 2,776,977</u>	<u>\$ 3,422,645</u>

See notes to basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Town of Duxbury, Massachusetts (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 activities) 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 *Town services fund* is a permanent fund used to account 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.

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.

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

Water and sewer user charges 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 charges 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, 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 taxes paid in advance and 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.

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. 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, 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 \$20,359,726 and the bank balance totaled \$22,336,178. Of the bank balance, \$2,464,650 was covered by Federal Depository Insurance, \$8,895,728 was covered by Depositors Insurance Fund, \$4,124,037 was covered by Share Insurance Fund, \$1,037,362 was collateralized, and \$5,814,401 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town's investment policy limits its custodial credit risk by 1) 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 \$16,858,090 in debt securities and \$11,300,988 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, 2019, the Town of Duxbury had the following investments:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>			
		<u>Under 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>Over 10 Years</u>
<u>Debt securities:</u>					
U.S. treasury notes.....	\$ 8,452,428	\$ 1,527,380	\$ 5,028,155	\$ 1,343,109	\$ 553,784
Government sponsored enterprises.....	5,958,186	598,738	4,901,849	374,356	83,243
Corporate bonds.....	2,447,476	645,394	1,649,223	152,859	-
Total debt securities.....	16,858,090	\$ 2,771,512	\$ 11,579,227	\$ 1,870,324	\$ 637,027
<u>Other investments:</u>					
Equity securities.....	11,300,988				
Equity mutual funds.....	859,364				
Fixed income mutual funds.....	1,562,721				
Money market mutual funds.....	380,369				
MMDT - Cash portfolio.....	1,326,566				
Total investments.....	\$ 32,288,098				

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, 2019, the Town’s investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ 966,041	\$ -
AA+.....	4,908,782	-
AA.....	-	331,565
A+.....	-	176,669
A.....	-	587,626
A-.....	-	464,777
BBB.....	-	364,843
BBB+.....	-	521,996
Not Rated.....	<u>83,363</u>	<u>-</u>
Total.....	<u>\$ 5,958,186</u>	<u>\$ 2,447,476</u>

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>
Federal Home Loan Mortgage Corporation.....	11%
Federal National Mortgage Association.....	8%

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, 2019:

Investment Type	June 30, 2019	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)
<b>Investments measured at fair value:</b>				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 8,452,428	\$ 8,452,428	\$ -	\$ -
Government sponsored enterprises.....	5,958,186	5,958,186	-	-
Corporate bonds.....	<u>2,447,476</u>	<u>-</u>	<u>2,447,476</u>	<u>-</u>
Total debt securities.....	<u>16,858,090</u>	<u>14,410,614</u>	<u>2,447,476</u>	<u>-</u>
<u>Other investments:</u>				
Equity securities.....	11,300,988	11,300,988	-	-
Equity mutual funds.....	859,364	859,364	-	-
Fixed income mutual funds.....	1,562,721	1,562,721	-	-
Money market mutual funds.....	<u>380,369</u>	<u>380,369</u>	<u>-</u>	<u>-</u>
Total other investments.....	<u>14,103,442</u>	<u>14,103,442</u>	<u>-</u>	<u>-</u>
Total investments measured at fair value.....	30,961,532	<u>\$ 28,514,056</u>	<u>\$ 2,447,476</u>	<u>\$ -</u>
<b>Investments measured at amortized cost:</b>				
MMDT - Cash portfolio.....	<u>1,326,566</u>			
Total investments.....	<u>\$ 32,288,098</u>			

U.S. treasury notes, government sponsored enterprises, 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, 2019, 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.....	\$ 1,035,266	\$ (7,329)	\$ 1,027,937
Tax liens.....	589,379	-	589,379
Community preservation fund surtax.....	2,763	-	2,763
Motor vehicle and other excise taxes.....	381,366	(140,466)	240,900
User charges.....	18,498	-	18,498
Departmental and other.....	884,507	(149,124)	735,383
Intergovernmental.....	1,410,612	-	1,410,612
Community preservation state share.....	61,400	-	61,400
Special assessments.....	103,431	-	103,431
<b>Total.....</b>	<b>\$ 4,487,222</b>	<b>\$ (296,919)</b>	<b>\$ 4,190,303</b>

At June 30, 2019, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	\$ 1,486,508	\$ -	\$ 1,486,508

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 and other asset types:</u>			
Real estate and personal property taxes.....	\$ 856,794	\$ -	\$ 856,794
Tax liens.....	585,196	4,183	589,379
Community preservation fund surtax.....	-	2,763	2,763
Motor vehicle and other excise taxes.....	240,900	-	240,900
User charges.....	18,498	-	18,498
Departmental and other.....	315,055	-	315,055
Intergovernmental - highway improvements.....	-	367,117	367,117
Community preservation state share.....	-	61,400	61,400
Special assessments.....	103,431	-	103,431
Tax foreclosures.....	698,273	-	698,273
<b>Total.....</b>	<b>\$ 2,818,147</b>	<b>\$ 435,463</b>	<b>\$ 3,253,610</b>

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2019, was as follows:

**Governmental Activities**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 38,515,188	\$ 1,758,544	\$ -	\$ 40,273,732
Construction in progress.....	<u>2,605,242</u>	<u>4,063,583</u>	<u>(2,420,242)</u>	<u>4,248,583</u>
Total capital assets not being depreciated.....	<u>41,120,430</u>	<u>5,822,127</u>	<u>(2,420,242)</u>	<u>44,522,315</u>
<u>Capital assets being depreciated:</u>				
Buildings.....	188,288,034	1,673,222	-	189,961,256
Building improvements.....	8,138,687	807,058	-	8,945,745
Infrastructure.....	23,695,362	669,237	(360,000)	24,004,599
Vehicles.....	8,321,062	447,642	(92,324)	8,676,380
Furniture, fixtures and equipment.....	5,252,681	541,584	-	5,794,265
Improvements.....	<u>11,340,774</u>	<u>1,115,834</u>	<u>-</u>	<u>12,456,608</u>
Total capital assets being depreciated.....	<u>245,036,600</u>	<u>5,254,577</u>	<u>(452,324)</u>	<u>249,838,853</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	(31,165,941)	(4,614,608)	-	(35,780,549)
Building improvements.....	(1,396,953)	(225,442)	-	(1,622,395)
Infrastructure.....	(14,755,839)	(822,848)	360,000	(15,218,687)
Vehicles.....	(4,782,877)	(673,430)	92,324	(5,363,983)
Furniture, fixtures and equipment.....	(3,794,436)	(303,526)	-	(4,097,962)
Improvements.....	<u>(9,597,260)</u>	<u>(279,969)</u>	<u>-</u>	<u>(9,877,229)</u>
Total accumulated depreciation.....	<u>(65,493,306)</u>	<u>(6,919,823)</u>	<u>452,324</u>	<u>(71,960,805)</u>
Total capital assets being depreciated, net.....	<u>179,543,294</u>	<u>(1,665,246)</u>	<u>-</u>	<u>177,878,048</u>
Total governmental activities capital assets, net.....	<u>\$ 220,663,724</u>	<u>\$ 4,156,881</u>	<u>\$ (2,420,242)</u>	<u>\$ 222,400,363</u>

**Business-Type Activities**

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Water:</b>				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 2,899,437	\$ 400,000	\$ -	\$ 3,299,437
Construction in progress.....	<u>1,299,002</u>	<u>1,048,053</u>	<u>(497,414)</u>	<u>1,849,641</u>
Total capital assets not being depreciated.....	<u>4,198,439</u>	<u>1,448,053</u>	<u>(497,414)</u>	<u>5,149,078</u>
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	23,767,731	497,414	(402,527)	23,862,618
Equipment and motor vehicles.....	<u>616,424</u>	<u>18,250</u>	<u>-</u>	<u>634,674</u>
Total capital assets being depreciated.....	<u>24,384,155</u>	<u>515,664</u>	<u>(402,527)</u>	<u>24,497,292</u>
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(14,991,668)	(877,176)	402,527	(15,466,317)
Equipment and motor vehicles.....	<u>(314,838)</u>	<u>(92,361)</u>	<u>-</u>	<u>(407,199)</u>
Total accumulated depreciation.....	<u>(15,306,506)</u>	<u>(969,537)</u>	<u>402,527</u>	<u>(15,873,516)</u>
Total capital assets being depreciated, net.....	<u>9,077,649</u>	<u>(453,873)</u>	<u>-</u>	<u>8,623,776</u>
Total water activities capital assets, net.....	<u>\$ 13,276,088</u>	<u>\$ 994,180</u>	<u>\$ (497,414)</u>	<u>\$ 13,772,854</u>

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

**Governmental Activities:**

General government.....	\$ 52,779
Public safety.....	771,846
Education.....	4,434,928
Public works.....	1,113,499
Human services.....	55,874
Culture and recreation.....	282,987
Community preservation.....	<u>207,910</u>
Total depreciation expense - governmental activities.....	<u>\$ 6,919,823</u>

**Business-Type Activities:**

Water.....	<u>\$ 969,537</u>
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**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At June 30, 2019, the Town had an interfund receivable/payable totaling \$10,864 which exists between the general fund and the Town gifts and grants nonmajor special revenue 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, 2019, are summarized as follows:

Transfers Out:	Transfers In:		
	General fund	Nonmajor governmental funds	Total
General fund.....	\$ -	\$ 281,963	\$ 281,963 (1)
Nonmajor governmental funds.....	675,948	-	675,948 (2)
Total.....	\$ 675,948	\$ 281,963	\$ 957,911

- (1) Represents budgeted transfers from general fund reserves to nonmajor funds for PEG access, receipts reserved for appropriations and capital projects. Also represents a transfer to nonmajor highway improvements to cover deficits totaling \$4,307.
- (2) Represents budgeted transfers to the general fund from PEG access, receipts reserved for appropriation, and Town revolving. Also represents a transfer to the general fund from parks and recreation revolving.

**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, 2019, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2018	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2019
<b>Governmental Funds:</b>							
BAN	Municipal Purpose.....	3.00%	04/18/19	\$ 3,435,600	\$ -	\$ (3,435,600)	\$ -
<b>Water Enterprise Fund:</b>							
BAN	Municipal Purpose.....	3.00%	04/18/19	\$ 1,415,000	\$ -	\$ (1,415,000)	\$ -

**NOTE 7 – LONG-TERM DEBT**

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

Details related to the outstanding indebtedness at June 30, 2019, 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, 2019
MCWT 2004 Title V.....	2021	\$ 192,582	3.30-5.25	\$ 21,595
Municipal Purpose Loans of 2010.....	2023	2,950,000	2.00-5.00	1,155,000
Municipal Purpose Loans of 2013.....	2038	82,575,000	3.00-4.00	62,120,000
Municipal Purpose Loans of 2014.....	2024	2,200,000	2.00-3.00	1,100,000
Municipal Purpose Refunding Loans of 2014.....	2023	425,000	2.00-3.00	170,000
Municipal Purpose Loans of 2015.....	2025	4,500,000	2.00-3.00	2,700,000
Municipal Purpose Refunding Loans of 2016.....	2021	4,120,000	2.00-4.00	1,620,000
Municipal Purpose Loans of 2017.....	2027	3,185,000	4.00	2,535,000
Municipal Purpose Loans of 2019.....	2034	2,985,000	5.00	2,985,000
Total Bonds Payable.....				74,406,595
Add: Unamortized premium on bonds.....				4,276,972
Total Bonds Payable, net.....				\$ 78,683,567

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

Year	Principal	Interest	Total
2020.....	\$ 5,950,690	\$ 2,550,482	\$ 8,501,172
2021.....	5,950,905	2,321,877	8,272,782
2022.....	5,125,000	2,105,906	7,230,906
2023.....	5,115,000	1,906,513	7,021,513
2024.....	4,900,000	1,730,388	6,630,388
2025.....	4,680,000	1,566,375	6,246,375
2026.....	4,040,000	1,404,300	5,444,300
2027.....	4,040,000	1,276,850	5,316,850
2028.....	3,725,000	1,131,550	4,856,550
2029.....	3,305,000	989,400	4,294,400
2030.....	3,305,000	858,750	4,163,750
2031.....	3,305,000	728,100	4,033,100
2032.....	3,305,000	597,450	3,902,450
2033.....	3,305,000	482,550	3,787,550
2034.....	2,995,000	388,050	3,383,050
2035.....	2,840,000	298,200	3,138,200
2036.....	2,840,000	213,000	3,053,000
2037.....	2,840,000	127,800	2,967,800
2038.....	2,840,000	42,600	2,882,600
<b>Total.....</b>	<b>\$ 74,406,595</b>	<b>\$ 20,720,141</b>	<b>\$ 95,126,736</b>

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 \$1,625. Thus, net MCWT loan repayments, including interest, are scheduled to be \$21,597 for the two 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 2019 interest subsidies totaled \$1,886.

**General Obligation Bonds Payable Schedule – Water Enterprise Fund**

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2019
Municipal Purpose Loans of 2008.....	2023	\$ 1,700,000	3.00-3.85	\$ 380,000
MCWT 2009.....	2029	3,150,000	2.00	1,725,980
Municipal Purpose Loans of 2019.....	2028	1,260,000	5.00	<u>1,260,000</u>
Total Bonds Payable.....				3,365,980
Add: Unamortized premium on bonds.....				<u>131,480</u>
Total Bonds Payable, net.....				<u>\$ 3,497,460</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>
2020.....	\$ 412,482	\$ 106,806	\$ 519,288
2021.....	415,664	93,831	509,495
2022.....	408,909	79,139	488,048
2023.....	382,221	65,305	447,526
2024.....	315,599	53,328	368,927
2025.....	319,045	42,632	361,677
2026.....	322,561	31,866	354,427
2027.....	316,149	21,029	337,178
2028.....	284,808	10,619	295,427
2029.....	188,542	1,885	190,427
Total.....	\$ <u>3,365,980</u>	\$ <u>506,440</u>	\$ <u>3,872,420</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, 2019, 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.....	25,750
Crematory.....	300,000
Chromebooks.....	512,998
Pipe replacement.....	2,250,000
Seawall repairs.....	4,909,770
Total.....	\$ <u>54,054,417</u>



Changes in Long-term Liabilities

During the year ended June 30, 2019, 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
<b>Governmental Activities:</b>							
Long-term bonds payable.....	\$ 77,078,153	\$ 2,985,000	\$ (5,656,558)	\$ -	\$ -	\$ 74,406,595	\$ 5,950,690
Add: Unamortized premium on bonds...	4,499,611	313,442	(536,081)	-	-	4,276,972	539,365
Total bonds payable.....	81,577,764	3,298,442	(6,192,639)	-	-	78,683,567	6,490,055
Compensated absences.....	1,687,500	-	-	1,525,100	(1,350,400)	1,862,200	1,511,500
Workers' compensation.....	154,636	-	-	263,001	(146,012)	271,625	146,385
Net pension liability.....	26,002,336	-	-	14,853,073	(4,569,177)	36,286,232	-
Net other postemployment benefits.....	31,056,433	-	-	16,957,780	(15,854,358)	32,159,855	-
Total governmental activity long-term liabilities.....	\$ 140,478,669	\$ 3,298,442	\$ (6,192,639)	\$ 33,598,954	\$ (21,919,947)	\$ 149,263,479	\$ 8,147,940
<b>Business-Type Activities:</b>							
Long-term bonds payable.....	\$ 2,530,344	\$ 1,260,000	\$ (424,364)	\$ -	\$ -	\$ 3,365,980	\$ 412,482
Add: Unamortized premium on bonds...	-	131,480	-	-	-	131,480	26,755
Total bonds payable.....	2,530,344	1,391,480	(424,364)	-	-	3,497,460	439,237
Compensated absences.....	46,400	-	-	49,100	(39,200)	56,300	42,100
Net pension liability.....	791,391	-	-	580,825	(150,921)	1,221,295	-
Net other postemployment benefits.....	475,903	-	-	261,447	(193,175)	544,175	-
Total business-type activity long-term liabilities.....	\$ 3,844,038	\$ 1,391,480	\$ (424,364)	\$ 891,372	\$ (383,296)	\$ 5,319,230	\$ 481,337

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, 2019, the governmental fund balances consisted of the following:

	General	Community Preservation Act	Affordable Housing	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 2,378,098	\$ -	\$ 2,378,098
<b>Restricted for:</b>						
Debt service - interest.....	3,711,483	-	-	-	-	3,711,483
Community Preservation Act.....	-	2,546,529	-	-	-	2,546,529
Affordable Housing.....	-	-	1,673,760	-	-	1,673,760
Town Services Fund.....	-	-	-	1,906,090	-	1,906,090
School Lunch.....	-	-	-	-	868,204	868,204
School Gifts and Grants.....	-	-	-	-	1,300,195	1,300,195
School Revolving.....	-	-	-	-	2,286,712	2,286,712
Recreation Revolving.....	-	-	-	-	12,644	12,644
Receipts Reserved for Appropriations.....	-	-	-	-	1,250,432	1,250,432
Town Gifts and Grants.....	-	-	-	-	143,828	143,828
Town Revolving.....	-	-	-	-	82,457	82,457
Special Revenue Trust Funds.....	-	-	-	-	241,055	241,055
Miscellaneous Projects.....	-	-	-	-	156,523	156,523
Powder Point Bridge.....	-	-	-	-	1,943	1,943
Capital Equipment.....	-	-	-	-	37,562	37,562
Senior Center Expansion.....	-	-	-	-	71,741	71,741
<b>Committed to:</b>						
<b>Articles and continuing appropriations:</b>						
Selectmen.....	91,485	-	-	-	-	91,485
Information systems.....	124,569	-	-	-	-	124,569
Assessor.....	42,296	-	-	-	-	42,296
Human resources.....	64,542	-	-	-	-	64,542
Town clerk.....	20,075	-	-	-	-	20,075
Conservation.....	43,390	-	-	-	-	43,390
Planning board.....	161,944	-	-	-	-	161,944
Facilities management.....	9,254	-	-	-	-	9,254
Police.....	79,765	-	-	-	-	79,765
Fire.....	14,494	-	-	-	-	14,494
Harbormaster/beach management.....	40,132	-	-	-	-	40,132
Education.....	97,000	-	-	-	-	97,000
Department of public works management.....	67,809	-	-	-	-	67,809
Highway department.....	17,787	-	-	-	-	17,787
Land and natural resources.....	56,000	-	-	-	-	56,000
Engineering.....	85,000	-	-	-	-	85,000
Cemetery.....	26,300	-	-	-	-	26,300
Library.....	9,750	-	-	-	-	9,750
Public celebrations.....	15,000	-	-	-	-	15,000
<b>Assigned to:</b>						
<b>Encumbrances:</b>						
General government.....	32,604	-	-	-	-	32,604
Public safety.....	55,128	-	-	-	-	55,128
Education.....	176,161	-	-	-	-	176,161
Public works.....	107,438	-	-	-	-	107,438
Health and human services.....	14,005	-	-	-	-	14,005
Culture and recreation.....	21,135	-	-	-	-	21,135
Free cash used for subsequent year budget.....	1,058,000	-	-	-	-	1,058,000
Unassigned.....	11,289,565	-	-	-	-	11,289,565
<b>Total Fund Balances.....</b>	<b>\$ 17,532,111</b>	<b>\$ 2,546,529</b>	<b>\$ 1,673,760</b>	<b>\$ 4,284,188</b>	<b>\$ 6,453,296</b>	<b>\$ 32,489,884</b>

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, a compensated absences stabilization fund and a special education stabilization fund.

At year end, the balance of the general stabilization fund, pension trust stabilization, unemployment trust stabilization, compensated absences trust stabilization, and the special education stabilization fund totaled \$4,837,368, \$1,423,839, \$156,374, \$88,158, and \$318,900, respectively, and are reported as a component of unassigned 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.

The committed balances in the General Fund are articles carried forward to next year. With the exception of free cash used to fund the 2020 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, 2019, the CPA fund has a balance of \$2,546,529 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 multi-year 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, 2019, the amount of the liability for health insurance claims totaled \$997,347. 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, 2017, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End
2018.....	\$ 1,292,217	\$ 12,632,097	\$ (11,615,029)	\$ 2,309,285
2019.....	2,309,285	10,813,696	(12,125,634)	997,347

(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, 2017, are as follows:

	Balance at Beginning of Year	Current Year Claims and Changes in Estimate	Claims Payments	Balance at Year-End	Current Portion
2018.....	\$ 643,065	\$ 52,540	\$ (540,969)	\$ 154,636	\$ 87,404
2019.....	154,636	412,640	(295,651)	271,625	146,385

**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, 2018. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$7,996,768 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 \$78,913,771 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.

#### *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 proportionate share of the required contribution equaled its actual contribution for the year ended June 30, 2019, was \$3,708,285, 20.43% of covered payroll, actuarially determined as an amount that, when combined 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 required contribution is payable on July 1 and January 1. Employers may choose to pay the entire appropriation in July at a discounted rate. The Town's payment of \$3,708,285 reflects the discounted rate paid as of July 1.

#### *Pension Liabilities*

At June 30, 2019, the Town reported a liability of \$37,507,527 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019. 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, 2018, the Town's proportion was 5.101%, which increased by 0.118% from its proportion measured at December 31, 2017 of 4.983%.

*Pension Expense*

For the year ended June 30, 2019, the Town recognized a net pension expense of \$5,112,749. At June 30, 2019, the Town reported deferred outflows of resources related to pensions of \$8,891,242 and deferred inflows of resources related to pensions of \$926,697.

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.....	\$ 2,696,238	\$ -	\$ 2,696,238
Difference between projected and actual earnings, net.....	4,732,844	-	4,732,844
Changes in assumptions.....	774,636	(382,919)	391,717
Changes in proportion and proportionate share of contributions.....	687,524	(543,778)	143,746
Total deferred outflows/(inflows) of resources.....	\$ 8,891,242	\$ (926,697)	\$ 7,964,545

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

Year ended June 30:

2020.....	\$ 2,553,557
2021.....	1,777,493
2022.....	1,730,301
2023.....	1,903,194
Total.....	\$ 7,964,545

*Actuarial Assumptions*

The total pension liability in the January 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date.....	January 1, 2019
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Amortization method.....	Payments increase at 7.0% for the unfunded actuarial accrued liability, and level amortization of the 2003, and 2013 Early Retirement Incentives.
Remaining amortization period.....	Amortization of the unfunded actuarial accrued liability over 10 years, the 2003 ERI over one year, and the 2013 ERI over 9 years; all as of January 1, 2019.

Asset valuation method.....	Market value for GASB 68 and for the actuarial report 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 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-2016.
Investment rate of return/Discount rate.....	7.875% 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Domestic equity.....	22.00%	13.20%
International developed equity.....	14.00%	6.30%
Emerging markets equity.....	9.00%	8.00%
Global equity.....	10.00%	9.50%
Domestic fixed income.....	8.00%	3.40%
Value-added fixed income.....	11.00%	6.00%
Hedge funds.....	4.00%	3.10%
Real estate.....	11.00%	4.20%
Private equity.....	5.00%	9.20%
Real assets.....	5.00%	4.60%
Cash.....	1.00%	0.00%
Total.....	<u>100.00%</u>	

*Rate of Return*

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -7.10%. 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 7.875%. 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 7.875%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.875%) or 1-percentage-point higher (8.875%) than the current rate:

	<u>1% Decrease (6.875%)</u>	<u>Current Discount (7.875%)</u>	<u>1% Increase (8.875%)</u>
The Town's proportionate share of the net pension liability.....	\$ <u>46,250,152</u>	\$ <u>37,507,527</u>	\$ <u>29,866,658</u>

*Changes in Assumptions and Plan Provisions*

The following changes in assumptions was included in the January 1, 2019, actuarial valuation:

- The discount rate was reduced to 7.875%; it was previously 8.00%.



There were no changes in plan provisions in the January 1, 2019, 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 2019, the Town contributed approximately \$1.9 million to the plan. For the year ended June 30, 2019, the Town’s average contribution rate was 4.24% 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 2019, 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, 2019, the balance of this fund totaled \$2,776,977.

The annual money-weighted rate of return on OPEB plan investments was 8.89%. 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, 2019:

Total OPEB liability.....	\$ 35,481,007
Less: OPEB plan’s fiduciary net position.....	<u>(2,776,977)</u>
Net OPEB liability.....	<u><u>\$ 32,704,030</u></u>

The OPEB plan’s fiduciary net position  
as a percentage of the total OPEB liability..... 7.83%

*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 non-teachers over age 50 with at least 10 years of service are expected to elect medical coverage starting at age 65.
Medical plan costs.....	The estimated gross per capita incurred claim costs for all retirees and beneficiaries for 2018-19 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. 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.

Mortality..... 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.

Mortality - Teachers..... 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.

*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 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, 2019, are summarized in the table on the following page.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
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 7.50%.

*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.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net OPEB liability.....	\$ 38,868,638	\$ 32,704,030	\$ 28,912,061

*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.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 29,879,812	\$ 32,704,030	\$ 38,274,721

*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, 2018.....	\$ 33,801,101	\$ 2,268,765	\$ 31,532,336
Changes for the year:			
Service cost.....	767,015	-	767,015
Interest.....	2,555,588	-	2,555,588
Changes of benefit terms.....	-	-	-
Differences between expected and actual experience.....	-	-	-
Changes in assumptions and other inputs.....	-	-	-
Benefit payments.....	(1,642,697)	(1,642,697)	-
Employer contributions.....	-	1,942,697	(1,942,697)
Investment income.....	-	208,212	(208,212)
Net change.....	<u>1,679,906</u>	<u>508,212</u>	<u>1,171,694</u>
Balances at June 30, 2019.....	<u>\$ 35,481,007</u>	<u>\$ 2,776,977</u>	<u>\$ 32,704,030</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2019, the GASB Statement #75 measurement date, the Town recognized a negative OPEB expense of \$10,482. At June 30, 2019, the Town reported deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Category</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience.....	\$ (1,284,502)
Difference between projected and actual earnings.....	(34,328)
Changes in assumptions.....	<u>(11,786,282)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ (13,105,112)</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>	
2020.....	\$ (3,129,248)
2021.....	(3,129,248)
2022.....	(3,124,740)
2023.....	(3,117,492)
2024.....	<u>(604,384)</u>
Total.....	\$ <u>(13,105,112)</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, 2019, 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, 2019, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2019.

**NOTE 14 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 18, 2019, which is the date the financial statements were available to be issued.

**NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS**

During 2019, the following GASB pronouncements were implemented:

- GASB Statement #83, *Certain Asset Retirement Obligations*. This pronouncement did not impact the basic financial statements.
- GASB Statement #88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This pronouncement did not impact the basic financial statements.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2020.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2021.

- 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.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2022.

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, 2019

	Amounts Carried Forward From Prior Year	Budgeted Amounts		Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
		Current Year Initial Budget	Original Budget				
<b>REVENUES:</b>							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 62,321,054	\$ 62,321,054	\$ 62,321,054	\$ 62,430,855	\$ -	\$ 109,801
Tax liens.....	-	-	-	-	259,906	-	259,906
Motor vehicle and other excise taxes.....	-	2,623,289	2,623,289	2,623,289	2,974,303	-	351,014
Meals tax.....	-	76,950	76,950	76,950	140,039	-	63,089
Regional dispatch member revenue.....	-	325,000	325,000	325,000	325,000	-	-
Sewer charges.....	-	235,000	235,000	235,000	229,907	-	(5,093)
Penalties and interest on taxes.....	-	200,000	200,000	200,000	251,105	-	51,105
Trash disposal.....	-	586,000	586,000	586,000	709,365	-	123,365
Payments in lieu of taxes.....	-	8,250	8,250	8,250	14,440	-	6,190
Intergovernmental - state aid.....	-	6,405,104	6,405,104	6,405,104	6,427,451	-	22,347
Intergovernmental - other.....	-	1,886	1,886	1,886	226,288	-	224,402
Departmental and other.....	-	4,193,990	4,193,990	4,193,990	5,052,286	-	858,296
Investment income.....	-	185,645	185,645	185,645	594,326	-	408,681
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>77,162,168</b>	<b>77,162,168</b>	<b>77,162,168</b>	<b>79,635,271</b>	<b>-</b>	<b>2,473,103</b>
<b>EXPENDITURES:</b>							
Current:							
General government							
Town Meeting							
Expenditures.....	-	4,300	4,300	5,280	5,280	-	-
Town Moderator							
Salaries.....	-	40	40	40	-	-	40
Selectmen							
Salaries.....	-	268,006	268,006	277,699	277,548	-	151
Expenditures.....	-	13,792	13,792	13,792	12,131	-	1,661
Articles.....	89,596	75,000	164,596	149,596	58,111	91,485	-
Total.....	89,596	356,798	446,394	441,087	347,790	91,485	1,812
Finance Committee							
Expenditures.....	-	450	450	450	210	-	240
Information Systems							
Salaries.....	-	162,920	162,920	167,595	167,595	-	-
Expenditures.....	14,142	407,774	421,916	415,882	382,015	27,828	6,039
Articles.....	127,849	53,700	181,549	187,583	35,411	124,569	27,603
Total.....	141,991	624,394	766,385	771,060	585,021	152,397	33,642
Public Television Access Services							
Expenditures.....	-	280,000	280,000	280,000	280,000	-	-
Accounting							
Salaries.....	-	376,270	376,270	376,270	360,012	-	16,258
Expenditures.....	2,300	12,100	14,400	14,400	7,678	847	5,875
Total.....	2,300	388,370	390,670	390,670	367,690	847	22,133
Audit							
Expenditures.....	-	48,000	48,000	48,000	48,000	-	-
Assessor							
Salaries.....	-	229,426	229,426	244,091	237,562	-	6,529
Expenditures.....	1,180	21,500	22,680	22,680	19,352	2,910	418
Articles.....	95	40,000	40,095	60,096	17,800	42,296	-
Total.....	1,275	290,926	292,201	326,867	274,714	45,206	6,947
Treasurer/Collector							
Salaries.....	-	265,698	265,698	277,698	262,402	-	15,296
Expenditures.....	246	60,124	60,370	60,370	38,872	-	21,498
Total.....	246	325,822	326,068	338,068	301,274	-	36,794
Legal							
Expenditures.....	-	225,000	225,000	225,000	183,259	-	41,741
Human Resources							
Salaries.....	-	121,970	121,970	135,240	135,240	-	-
Expenditures.....	665	39,980	40,645	51,796	50,715	738	343
Articles.....	40,898	187,000	227,898	66,115	1,573	64,542	-
Total.....	41,563	348,950	390,513	253,151	187,528	65,280	343
Town Clerk							
Salaries.....	-	164,043	164,043	164,043	163,738	-	305
Expenditures.....	8,757	29,455	38,212	38,212	34,792	-	3,420
Articles.....	10,952	35,000	45,952	45,952	25,877	20,075	-
Total.....	19,709	228,498	248,207	248,207	224,407	20,075	3,725

(Continued)

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

YEAR ENDED JUNE 30, 2019

	Amounts Carried Forward From Prior Year	Budgeted Amounts		Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
		Current Year Initial Budget	Original Budget				
<b>Conservation</b>							
Salaries.....	-	145,512	145,512	148,327	147,638	-	689
Expenditures.....	58	13,435	13,493	13,493	13,364	-	129
Articles.....	-	17,500	17,500	59,500	16,110	43,390	-
Total.....	58	176,447	176,505	221,320	177,112	43,390	818
<b>Planning Board</b>							
Salaries.....	-	119,291	119,291	131,291	129,949	-	1,342
Expenditures.....	148	12,505	12,653	12,653	11,181	100	1,372
Articles.....	112,928	75,000	187,928	187,928	25,984	161,944	-
Total.....	113,076	206,796	319,872	331,872	167,114	162,044	2,714
<b>Tax Title</b>							
Expenditures.....	551	8,000	8,551	8,551	6,287	-	2,264
<b>Historical Commission</b>							
Expenditures.....	-	1,050	1,050	1,050	-	90	960
<b>Facilities Management</b>							
Salaries.....	-	228,795	228,795	233,705	227,558	-	6,147
Expenses.....	-	154,050	154,050	193,950	192,528	91	1,331
Articles.....	266,596	490,000	756,596	756,596	747,342	9,254	-
Total.....	266,596	872,845	1,139,441	1,184,251	1,167,428	9,345	7,478
<b>Total General Government.....</b>	<b>676,961</b>	<b>4,386,686</b>	<b>5,063,647</b>	<b>5,074,924</b>	<b>4,323,114</b>	<b>590,159</b>	<b>161,651</b>
<b>Public safety</b>							
<b>Police</b>							
Salaries.....	2,611	3,190,549	3,193,160	3,403,736	3,241,168	-	162,568
Expenditures.....	27,505	394,320	421,825	421,825	377,988	41,913	1,924
Articles.....	1,555	85,000	86,555	266,613	186,848	79,765	-
Total.....	31,671	3,669,869	3,701,540	4,092,174	3,806,004	121,678	164,492
<b>Fire</b>							
Salaries.....	-	2,850,443	2,850,443	2,918,110	2,913,253	-	4,857
Expenditures.....	120	309,880	310,000	330,698	316,248	11,843	2,607
Articles.....	20,150	103,228	123,378	123,378	107,737	14,494	1,147
Total.....	20,270	3,263,551	3,283,821	3,372,186	3,337,238	26,337	8,611
<b>Regional Dispatch</b>							
Salaries.....	-	596,600	596,600	596,600	596,600	-	-
Expenditures.....	-	19,200	19,200	19,200	12,624	52	6,524
Total.....	-	615,800	615,800	615,800	609,224	52	6,524
<b>Municipal Services</b>							
Salaries.....	-	513,259	513,259	536,137	524,219	-	11,918
Expenditures.....	104,396	104,650	209,046	209,046	152,001	172	56,873
Total.....	104,396	617,909	722,305	745,183	676,220	172	68,791
<b>Harbormaster/Beach Management</b>							
Salaries.....	-	277,273	277,273	322,744	318,546	-	4,198
Expenditures.....	589	53,300	53,889	134,709	120,455	1,148	13,106
Articles.....	53,243	51,088	104,331	104,331	64,132	40,132	67
Total.....	53,832	381,661	435,493	561,784	503,133	41,280	17,371
<b>Total Public Safety.....</b>	<b>210,169</b>	<b>8,548,790</b>	<b>8,758,959</b>	<b>9,387,127</b>	<b>8,931,819</b>	<b>189,519</b>	<b>265,789</b>
<b>Education</b>							
<b>Duxbury Schools - Operating Budget</b>							
Salaries and Expenditures.....	254,869	35,695,644	35,950,513	35,950,515	35,633,812	176,161	140,542
Articles.....	80,756	194,010	274,766	274,766	176,644	97,000	1,122
<b>Total Education.....</b>	<b>335,625</b>	<b>35,889,654</b>	<b>36,225,279</b>	<b>36,225,281</b>	<b>35,810,456</b>	<b>273,161</b>	<b>141,664</b>
<b>Public Works</b>							
<b>DPW Management</b>							
Salaries.....	-	310,368	310,368	310,368	299,692	-	10,676
Expenditures.....	17,717	77,950	95,667	95,667	66,084	19,805	9,778
Articles.....	109,316	-	109,316	109,316	41,507	67,809	-
Total.....	127,033	388,318	515,351	515,351	407,283	87,614	20,454
<b>Vehicle Maintenance</b>							
Salaries.....	-	170,611	170,611	173,704	128,363	-	45,341
Expenditures.....	348	149,000	149,348	174,348	166,771	1,666	5,911
Articles.....	-	16,180	16,180	16,180	16,180	-	-
Total.....	348	335,791	336,139	364,232	311,314	1,666	51,252
<b>Highway Department</b>							
Salaries.....	-	501,777	501,777	501,777	479,396	-	22,381
Expenditures.....	60,906	74,700	135,606	137,099	123,874	12,032	1,193
Articles.....	-	159,381	159,381	224,381	206,374	17,787	220
Total.....	60,906	735,858	796,764	863,257	809,644	29,819	23,794

(Continued)

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

YEAR ENDED JUNE 30, 2019

	Amounts Carried Forward From Prior Year	Budgeted Amounts		Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
		Current Year Initial Budget	Original Budget				
<b>Snow &amp; Ice</b>							
Salaries.....	-	63,750	63,750	85,428	85,428	-	-
Expenditures.....	-	122,100	122,100	195,538	195,538	-	-
Total.....	-	185,850	185,850	280,966	280,966	-	-
<b>Fuel Depot</b>							
Expenditures.....	-	262,500	262,500	236,100	193,496	-	42,604
<b>Land &amp; Natural Resources</b>							
Salaries.....	-	490,967	490,967	493,402	456,212	-	37,190
Expenditures.....	-	52,000	52,000	52,000	51,545	207	248
Articles.....	40,000	68,000	108,000	108,000	51,061	56,000	939
Total.....	40,000	610,967	650,967	653,402	558,818	56,207	38,377
<b>Street Lights</b>							
Expenditures.....	3,242	42,000	45,242	51,642	44,245	6,546	851
<b>Engineering</b>							
Articles.....	-	-	-	85,000	-	85,000	-
<b>Transfer Station</b>							
Salaries.....	-	239,341	239,341	239,341	220,466	-	18,875
Expenditures.....	51,428	654,400	705,828	705,828	594,047	59,631	52,150
Articles.....	-	88,200	88,200	88,200	88,200	-	-
Total.....	51,428	981,941	1,033,369	1,033,369	902,713	59,631	71,025
<b>Sewer Department</b>							
Salaries.....	-	16,419	16,419	16,611	16,611	-	-
Expenditures.....	144	244,200	244,344	244,344	235,631	135	8,578
Total.....	144	260,619	260,763	260,955	252,242	135	8,578
<b>Cemetery</b>							
Salaries.....	234	432,264	432,498	432,264	396,072	-	36,192
Expenditures.....	4,280	213,100	217,380	212,613	155,867	1,750	54,996
Articles.....	4,264	55,517	59,781	59,781	33,321	26,300	160
Total.....	8,778	700,881	709,659	704,658	585,260	28,050	91,348
<b>Central Building</b>							
Salaries.....	-	65,603	65,603	65,603	64,065	-	1,538
Expenditures.....	4,944	165,525	170,469	170,469	164,386	5,666	417
Total.....	4,944	231,128	236,072	236,072	228,451	5,666	1,955
<b>Animal Control</b>							
Salaries.....	-	81,784	81,784	83,894	81,906	-	1,988
Expenditures.....	926	7,450	8,376	8,376	7,609	-	767
Total.....	926	89,234	90,160	92,270	89,515	-	2,755
<b>Tarklin Building</b>							
Expenditures.....	-	8,150	8,150	8,150	5,033	-	3,117
<b>Total Public Works.....</b>	<b>297,749</b>	<b>4,833,237</b>	<b>5,130,986</b>	<b>5,385,424</b>	<b>4,668,980</b>	<b>360,334</b>	<b>356,110</b>
<b>Human services</b>							
<b>Council on Aging</b>							
Salaries.....	-	442,322	442,322	456,294	452,384	-	3,910
Expenditures.....	19,812	159,225	179,037	179,037	156,935	13,777	8,325
Total.....	19,812	601,547	621,359	635,331	609,319	13,777	12,235
<b>Veterans</b>							
Salaries.....	-	41,935	41,935	43,190	43,190	-	-
Expenditures.....	21	99,525	99,546	99,546	89,586	228	9,732
Total.....	21	141,460	141,481	142,736	132,776	228	9,732
<b>Plymouth County Cooperative</b>							
Expenditures.....	-	500	500	500	500	-	-
<b>Total Human Services.....</b>	<b>19,833</b>	<b>743,507</b>	<b>763,340</b>	<b>778,567</b>	<b>742,595</b>	<b>14,005</b>	<b>21,967</b>
<b>Culture and Recreation</b>							
<b>Library</b>							
Salaries.....	-	1,043,025	1,043,025	1,043,025	1,011,682	-	31,343
Expenditures.....	3,725	357,285	361,010	361,009	345,662	6,223	9,124
Articles.....	8,143	6,370	14,513	14,513	3,818	9,750	945
Total.....	11,868	1,406,680	1,418,548	1,418,547	1,361,162	15,973	41,412
<b>Recreation</b>							
Salaries.....	-	230,155	230,155	237,042	237,027	-	15
Expenditures.....	-	11,900	11,900	11,900	1,165	-	10,735
Articles - Duxbury Beach Lease.....	-	767,000	767,000	767,000	766,985	-	15
Total.....	-	1,009,055	1,009,055	1,015,942	1,005,177	-	10,765

(Continued)

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

YEAR ENDED JUNE 30, 2019

	Amounts Carried Forward From Prior Year	Budgeted Amounts		Final Budget	Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
		Current Year Initial Budget	Original Budget				
<b>Pool</b>							
Salaries.....	-	181,404	181,404	184,344	184,317	-	27
Expenditures.....	5,828	142,981	148,809	148,809	127,583	14,912	6,314
<b>Total.....</b>	<b>5,828</b>	<b>324,385</b>	<b>330,213</b>	<b>333,153</b>	<b>311,900</b>	<b>14,912</b>	<b>6,341</b>
<b>North Hill</b>							
Expenditures.....	-	1,500	1,500	1,500	1,158	-	342
Articles.....	589	-	589	589	-	-	589
<b>Total.....</b>	<b>589</b>	<b>1,500</b>	<b>2,089</b>	<b>2,089</b>	<b>1,158</b>	<b>-</b>	<b>931</b>
<b>Lifeguards</b>							
Salaries.....	-	25,056	25,056	25,056	21,399	-	3,657
Expenditures.....	-	2,650	2,650	2,650	2,027	-	623
<b>Total.....</b>	<b>-</b>	<b>27,706</b>	<b>27,706</b>	<b>27,706</b>	<b>23,426</b>	<b>-</b>	<b>4,280</b>
<b>Public Celebrations</b>							
Articles.....	-	15,000	15,000	30,000	15,000	15,000	-
<b>Total Culture and Recreation.....</b>	<b>18,285</b>	<b>2,784,326</b>	<b>2,802,611</b>	<b>2,827,437</b>	<b>2,717,823</b>	<b>45,885</b>	<b>63,729</b>
<b>Pension Benefits</b>							
Contributory Retirement.....	125,000	3,448,800	3,573,800	3,573,800	3,573,800	-	-
Non-Contributory Retirement.....	-	20,000	20,000	20,000	19,946	-	54
<b>Total.....</b>	<b>125,000</b>	<b>3,468,800</b>	<b>3,593,800</b>	<b>3,593,800</b>	<b>3,593,746</b>	<b>-</b>	<b>54</b>
Property and Liability Insurance.....	-	500,010	500,010	500,010	478,617	-	21,393
Employee Benefits.....	-	9,098,300	9,098,300	9,019,898	8,711,242	-	308,656
Reserve fund.....	-	120,000	120,000	28,950	-	-	28,950
State and County Charges.....	-	600,955	600,955	600,955	501,914	-	99,041
<b>Debt Service</b>							
Debt Service Principal.....	-	5,796,558	5,796,558	5,656,558	5,656,558	-	-
Debt Service Interest.....	-	2,674,442	2,674,442	2,728,729	2,718,729	-	10,000
<b>Total.....</b>	<b>-</b>	<b>8,471,000</b>	<b>8,471,000</b>	<b>8,385,287</b>	<b>8,375,287</b>	<b>-</b>	<b>10,000</b>
<b>TOTAL EXPENDITURES.....</b>	<b>1,683,622</b>	<b>79,445,265</b>	<b>81,128,887</b>	<b>81,807,660</b>	<b>78,855,593</b>	<b>1,473,063</b>	<b>1,479,004</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(1,683,622)</b>	<b>(2,283,097)</b>	<b>(3,966,719)</b>	<b>(4,645,492)</b>	<b>779,678</b>	<b>(1,473,063)</b>	<b>3,952,107</b>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in.....	-	807,118	807,118	1,438,538	1,472,170	-	33,632
Transfers out.....	-	-	-	(1,390,012)	(1,390,012)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>807,118</b>	<b>807,118</b>	<b>48,526</b>	<b>82,158</b>	<b>-</b>	<b>33,632</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>(1,683,622)</b>	<b>(1,475,979)</b>	<b>(3,159,601)</b>	<b>(4,596,966)</b>	<b>861,836</b>	<b>(1,473,063)</b>	<b>3,985,739</b>
<b>BUDGETARY FUND BALANCE, Beginning of year.....</b>	<b>-</b>	<b>10,543,929</b>	<b>10,543,929</b>	<b>10,543,929</b>	<b>10,543,929</b>	<b>-</b>	<b>-</b>
<b>BUDGETARY FUND BALANCE, End of year.....</b>	<b>\$ (1,683,622)</b>	<b>\$ 9,067,950</b>	<b>\$ 7,384,328</b>	<b>\$ 5,946,963</b>	<b>\$ 11,405,765</b>	<b>\$ (1,473,063)</b>	<b>\$ 3,985,739</b>

(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, 2018.....	5.101%	\$ 37,507,527	\$ 17,792,029	210.81%	56.11%
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**

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Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2019.....	\$ 3,708,285	\$ (3,708,285)	-	\$ 18,147,870	20.43%
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**

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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
2019.....	\$ 78,913,771	\$ 7,996,768	54.84%
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 Returns 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	June 30, 2019
<b>Total OPEB Liability</b>			
Service Cost.....	\$ 1,574,616	\$ 733,986	\$ 767,015
Interest.....	2,145,961	2,197,954	2,555,588
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>	<u>(1,642,697)</u>
Net change in total OPEB liability.....	2,028,222	(17,983,089)	1,679,906
Total OPEB liability - beginning.....	<u>49,755,968</u>	<u>51,784,190</u>	<u>33,801,101</u>
Total OPEB liability - ending (a).....	<u>\$ 51,784,190</u>	<u>\$ 33,801,101</u>	<u>\$ 35,481,007</u>
<b>Plan fiduciary net position</b>			
Employer contributions.....	\$ 300,000	\$ 300,000	\$ 300,000
Employer contributions for OPEB payments.....	1,692,355	1,620,064	1,642,697
Net investment income.....	90,773	121,067	208,212
Benefit payments.....	<u>(1,692,355)</u>	<u>(1,620,064)</u>	<u>(1,642,697)</u>
Net change in plan fiduciary net position.....	390,773	421,067	508,212
Plan fiduciary net position - beginning of year.....	<u>1,456,925</u>	<u>1,847,698</u>	<u>2,268,765</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 1,847,698</u>	<u>\$ 2,268,765</u>	<u>\$ 2,776,977</u>
<b>Net OPEB liability - ending (a)-(b).....</b>	<u>\$ 49,936,492</u>	<u>\$ 31,532,336</u>	<u>\$ 32,704,030</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	3.57%	6.71%	7.83%
Covered-employee payroll.....	\$ 44,107,553	\$ 43,798,076	\$ 45,331,009
Net OPEB liability as a percentage of covered-employee payroll.....	113.22%	71.99%	72.14%

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**

<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- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2019.....	\$ 2,220,064	\$ (1,942,697)	\$ 277,367	\$ 45,331,009	4.29%
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**

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<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2019.....	8.89%
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 ACCOUNTING**A. Budgetary Information

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

Supplementary appropriations are voted at special town meetings.

The majority of appropriations are non-continuing which lapse at the end of each 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 2019 approved budget for the General Fund includes \$79.4 million in current year appropriations and other amounts to be raised and \$1.7 million in encumbrances and appropriations carried over from previous years. During 2019, the Town approved various transfers within appropriation lines in the General Fund along with supplemental appropriations totaling \$2.1 million used primarily to fund the Other Postemployment Benefit Trust Fund (\$300,000), the Stabilization Trust Funds (\$605,000), the Compensated Absence Trust Fund (\$35,000), the Pension Reserve Trust Fund (\$91,000), and various other expenditure increases (\$1.1 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, 2019, is presented on the following page.

Net change in fund balance - budgetary basis.....	\$	861,836
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....		598,435
Activity of the pension, unemployment, and compensated absence trust funds recorded in the general fund for GAAP.....		74,556
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....		(165,261)
Net change in recording 60 day receipts.....		(74,212)
Recognition of revenue for on-behalf payments.....		7,996,768
Recognition of expenditures for on-behalf payments.....		<u>(7,996,768)</u>
Net change in fund balance - GAAP basis.....	\$	<u>1,295,354</u>

## 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 Liability

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 discount rate was reduced to 7.875%; it was previously 8.00%.

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.....	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 non-teachers 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 2018-19 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>

**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 and 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 and 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 Projects** – accounts for nonmajor capital projects.
- **Powder Point Bridge** – accounts for the renovation of the Powder Point Bridge.
- **Capital Equipment** – accounts for capital equipment.
- **Senior Center Expansion** - accounts for the construction of the senior center building addition.

**NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET**

JUNE 30, 2019

	Special Revenue Funds				
	School Lunch	School Gifts and Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 961,543	\$ 1,027,358	\$ 2,532,564	\$ 55,324	\$ 1,250,432
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Intergovernmental.....	-	283,805	-	-	-
<b>TOTAL ASSETS.....</b>	<b>\$ 961,543</b>	<b>\$ 1,311,163</b>	<b>\$ 2,532,564</b>	<b>\$ 55,324</b>	<b>\$ 1,250,432</b>
<b>LIABILITIES</b>					
Warrants payable.....	\$ 93,339	\$ 10,384	\$ 32,072	\$ 3,738	\$ -
Accrued payroll.....	-	584	24,798	-	-
Due to other funds.....	-	-	-	-	-
Other liabilities.....	-	-	188,982	38,942	-
<b>TOTAL LIABILITIES.....</b>	<b>93,339</b>	<b>10,968</b>	<b>245,852</b>	<b>42,680</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue.....	-	-	-	-	-
<b>FUND BALANCES</b>					
Restricted.....	868,204	1,300,195	2,286,712	12,644	1,250,432
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 961,543</b>	<b>\$ 1,311,163</b>	<b>\$ 2,532,564</b>	<b>\$ 55,324</b>	<b>\$ 1,250,432</b>

(Continued)

Special Revenue Funds					Capital Project Funds		
Town Gifts and Grants	Town Revolving	Highway Improvements	Special Revenue Trust Funds	Subtotal	Miscellaneous Projects	Powder Point Bridge	Capital Equipment
\$ -	\$ 85,019	\$ -	\$ 163,914	\$ 6,076,154	\$ 156,523	\$ 1,943	\$ 38,146
-	-	-	77,141	77,141	-	-	-
<u>237,077</u>	<u>-</u>	<u>367,117</u>	<u>-</u>	<u>887,999</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>237,077</u>	\$ <u>85,019</u>	\$ <u>367,117</u>	\$ <u>241,055</u>	\$ <u>7,041,294</u>	\$ <u>156,523</u>	\$ <u>1,943</u>	\$ <u>38,146</u>
\$ 82,385	\$ 2,562	\$ -	\$ -	\$ 224,480	\$ -	\$ -	\$ 584
-	-	-	-	25,382	-	-	-
10,864	-	-	-	10,864	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>227,924</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>93,249</u>	<u>2,562</u>	<u>-</u>	<u>-</u>	<u>488,650</u>	<u>-</u>	<u>-</u>	<u>584</u>
<u>-</u>	<u>-</u>	<u>367,117</u>	<u>-</u>	<u>367,117</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>143,828</u>	<u>82,457</u>	<u>-</u>	<u>241,055</u>	<u>6,185,527</u>	<u>156,523</u>	<u>1,943</u>	<u>37,562</u>
\$ <u>237,077</u>	\$ <u>85,019</u>	\$ <u>367,117</u>	\$ <u>241,055</u>	\$ <u>7,041,294</u>	\$ <u>156,523</u>	\$ <u>1,943</u>	\$ <u>38,146</u>

(Continued)

**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**

JUNE 30, 2019

	<u>Capital Project Funds</u>		Total Nonmajor Governmental Funds
	Senior Center Expansion	Subtotal	
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 369,842	\$ 566,454	\$ 6,642,608
Investments.....	-	-	77,141
Receivables, net of uncollectibles:			
Intergovernmental.....	-	-	887,999
<b>TOTAL ASSETS.....</b>	<b>\$ 369,842</b>	<b>\$ 566,454</b>	<b>\$ 7,607,748</b>
<b>LIABILITIES</b>			
Warrants payable.....	\$ 298,101	\$ 298,685	\$ 523,165
Accrued payroll.....	-	-	25,382
Due to other funds.....	-	-	10,864
Other liabilities.....	-	-	227,924
<b>TOTAL LIABILITIES.....</b>	<b>298,101</b>	<b>298,685</b>	<b>787,335</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue.....	-	-	367,117
<b>FUND BALANCES</b>			
Restricted.....	71,741	267,769	6,453,296
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....</b>	<b>\$ 369,842</b>	<b>\$ 566,454</b>	<b>\$ 7,607,748</b>

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

YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				
	School Lunch	School Gifts and Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations
<b>REVENUES:</b>					
Intergovernmental.....	\$ 213,445	\$ 1,796,864	\$ -	\$ -	\$ -
Departmental and other.....	713,671	80,403	4,262,403	180,832	620,781
Contributions and donations.....	-	-	-	-	-
Investment income.....	-	-	-	-	-
<b>TOTAL REVENUES.....</b>	<b>927,116</b>	<b>1,877,267</b>	<b>4,262,403</b>	<b>180,832</b>	<b>620,781</b>
<b>EXPENDITURES:</b>					
Current:					
General government.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Education.....	771,044	1,456,259	4,049,503	-	-
Public works.....	-	-	-	-	-
Health and human services.....	-	-	-	-	-
Culture and recreation.....	-	-	-	149,038	-
Pension benefits.....	-	-	-	-	-
Employee benefits.....	-	-	-	-	-
<b>TOTAL EXPENDITURES.....</b>	<b>771,044</b>	<b>1,456,259</b>	<b>4,049,503</b>	<b>149,038</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>156,072</b>	<b>421,008</b>	<b>212,900</b>	<b>31,794</b>	<b>620,781</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of bonds.....	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	-	-
Transfers in.....	-	-	-	-	92,056
Transfers out.....	-	-	-	(31,794)	(642,316)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(31,794)</b>	<b>(550,260)</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>156,072</b>	<b>421,008</b>	<b>212,900</b>	<b>-</b>	<b>70,521</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>712,132</b>	<b>879,187</b>	<b>2,073,812</b>	<b>12,644</b>	<b>1,179,911</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 868,204</b>	<b>\$ 1,300,195</b>	<b>\$ 2,286,712</b>	<b>\$ 12,644</b>	<b>\$ 1,250,432</b>

(Continued)

Special Revenue Funds					Capital Project Funds		
Town Gifts and Grants	Town Revolving	Highway Improvements	Special Revenue Trust Funds	Subtotal	Miscellaneous Projects	Powder Point Bridge	Capital Equipment
\$ 2,804,915	\$ -	\$ 828,471	\$ -	\$ 5,643,695	\$ -	\$ -	\$ -
402,415	692,390	-	-	6,952,895	-	-	-
431,491	-	-	21,670	453,161	-	-	-
40	-	-	10,358	10,398	-	-	-
<u>3,638,861</u>	<u>692,390</u>	<u>828,471</u>	<u>32,028</u>	<u>13,060,149</u>	<u>-</u>	<u>-</u>	<u>-</u>
441,658	30,724	-	7,981	480,363	-	-	-
2,226,953	434,092	-	-	2,661,045	-	-	6,724
-	6,266	-	-	6,283,072	-	-	-
139,705	-	832,778	-	972,483	-	2,670	-
381,473	168,094	-	-	549,567	-	-	-
30,062	19,346	-	28,679	227,125	-	-	-
6,847	-	-	-	6,847	-	-	-
-	26,937	-	-	26,937	-	-	-
<u>3,226,698</u>	<u>685,459</u>	<u>832,778</u>	<u>36,660</u>	<u>11,207,439</u>	<u>-</u>	<u>2,670</u>	<u>6,724</u>
<u>412,163</u>	<u>6,931</u>	<u>(4,307)</u>	<u>(4,632)</u>	<u>1,852,710</u>	<u>-</u>	<u>(2,670)</u>	<u>(6,724)</u>
-	-	-	-	-	-	-	660,000
-	-	-	-	-	-	-	69,755
-	-	4,307	-	96,363	-	185,600	-
-	(1,838)	-	-	(675,948)	-	-	-
-	(1,838)	4,307	-	(579,585)	-	185,600	729,755
412,163	5,093	-	(4,632)	1,273,125	-	182,930	723,031
<u>(268,335)</u>	<u>77,364</u>	<u>-</u>	<u>245,687</u>	<u>4,912,402</u>	<u>156,523</u>	<u>(180,987)</u>	<u>(685,469)</u>
\$ <u>143,828</u>	\$ <u>82,457</u>	\$ <u>-</u>	\$ <u>241,055</u>	\$ <u>6,185,527</u>	\$ <u>156,523</u>	\$ <u>1,943</u>	\$ <u>37,562</u>

(Continued)

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

YEAR ENDED JUNE 30, 2019

	Capital Project Funds		Total Nonmajor Governmental Funds
	Senior Center Expansion	Subtotal	
<b>REVENUES:</b>			
Intergovernmental.....	\$ -	\$ -	\$ 5,643,695
Departmental and other.....	-	-	6,952,895
Contributions and donations.....	-	-	453,161
Investment income.....	-	-	10,398
<b>TOTAL REVENUES.....</b>	<b>-</b>	<b>-</b>	<b>13,060,149</b>
<b>EXPENDITURES:</b>			
Current:			
General government.....	-	-	480,363
Public safety.....	-	6,724	2,667,769
Education.....	-	-	6,283,072
Public works.....	-	2,670	975,153
Health and human services.....	2,284,438	2,284,438	2,834,005
Culture and recreation.....	-	-	227,125
Pension benefits.....	-	-	6,847
Employee benefits.....	-	-	26,937
<b>TOTAL EXPENDITURES.....</b>	<b>2,284,438</b>	<b>2,293,832</b>	<b>13,501,271</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....</b>	<b>(2,284,438)</b>	<b>(2,293,832)</b>	<b>(441,122)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of bonds.....	2,325,000	2,985,000	2,985,000
Premium from issuance of bonds.....	243,687	313,442	313,442
Transfers in.....	-	185,600	281,963
Transfers out.....	-	-	(675,948)
<b>TOTAL OTHER FINANCING SOURCES (USES).....</b>	<b>2,568,687</b>	<b>3,484,042</b>	<b>2,904,457</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>284,249</b>	<b>1,190,210</b>	<b>2,463,335</b>
<b>FUND BALANCES AT BEGINNING OF YEAR.....</b>	<b>(212,508)</b>	<b>(922,441)</b>	<b>3,989,961</b>
<b>FUND BALANCES AT END OF YEAR.....</b>	<b>\$ 71,741</b>	<b>\$ 267,769</b>	<b>\$ 6,453,296</b>

(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, 2019

	June 30, 2018	Additions	Deletions	June 30, 2019
<b>ASSETS</b>				
CURRENT:				
Cash and cash equivalents.....	\$ 284,526	\$ 527,793	\$ (408,636)	\$ 403,683
<b>TOTAL ASSETS.....</b>	<b>\$ 284,526</b>	<b>\$ 527,793</b>	<b>\$ (408,636)</b>	<b>\$ 403,683</b>
<b>LIABILITIES</b>				
Warrants payable.....	\$ 113	\$ 38,199	\$ (9,705)	\$ 28,607
Liabilities due depositors.....	284,413	489,594	(398,931)	375,076
<b>TOTAL LIABILITIES.....</b>	<b>\$ 284,526</b>	<b>\$ 527,793</b>	<b>\$ (408,636)</b>	<b>\$ 403,683</b>

# ***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 Harbor

# 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**

	2010	2011	2012	2013	2014 (1)	2015	2016	2017 (2)	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets.....	\$ 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	\$ 143,984,565
Restricted.....	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	8,274,740
Unrestricted.....	10,146,293	8,172,334	1,690,298	3,581,453	(23,663,282)	(27,512,740)	(31,563,516)	(50,998,032)	(48,802,753)	(44,856,340)
<b>Total governmental activities net position.....</b>	<b>\$ 88,736,979</b>	<b>\$ 87,899,779</b>	<b>\$ 86,845,445</b>	<b>\$ 99,966,103</b>	<b>\$ 99,036,892</b>	<b>\$ 109,671,421</b>	<b>\$ 111,236,524</b>	<b>\$ 94,276,052</b>	<b>\$ 98,590,184</b>	<b>\$ 107,402,965</b>
<b>Business-type activities</b>										
Net investment in capital assets.....	\$ 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	\$ 10,796,637
Unrestricted.....	3,010,096	2,769,929	2,741,409	2,705,180	2,291,772	2,930,734	3,743,344	4,074,288	4,065,784	4,131,052
<b>Total business-type activities net position.....</b>	<b>\$ 12,545,125</b>	<b>\$ 13,070,311</b>	<b>\$ 13,413,838</b>	<b>\$ 13,677,441</b>	<b>\$ 13,226,777</b>	<b>\$ 13,974,034</b>	<b>\$ 14,779,980</b>	<b>\$ 14,592,838</b>	<b>\$ 14,857,151</b>	<b>\$ 14,927,689</b>
<b>Primary government</b>										
Net investment in capital assets.....	\$ 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	\$ 154,781,202
Restricted.....	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	8,274,740
Unrestricted.....	13,156,389	10,942,263	4,431,707	6,286,633	(21,371,510)	(24,582,006)	(27,820,172)	(46,923,744)	(44,736,969)	(40,725,288)
<b>Total primary government net position.....</b>	<b>\$ 101,282,104</b>	<b>\$ 100,970,090</b>	<b>\$ 100,259,283</b>	<b>\$ 113,643,544</b>	<b>\$ 112,263,669</b>	<b>\$ 123,645,455</b>	<b>\$ 126,016,504</b>	<b>\$ 108,868,890</b>	<b>\$ 113,447,335</b>	<b>\$ 122,330,654</b>

(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.



**Changes in Net Position**

**Last Ten Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government.....	\$ 3,808,174	\$ 4,203,414	\$ 5,045,670	\$ 5,008,734	\$ 4,679,409	\$ 4,994,880	\$ 4,864,691	\$ 4,805,518	\$ 5,037,679	\$ 5,738,689
Public safety.....	9,710,965	10,039,369	10,964,082	11,307,480	11,087,856	11,467,443	11,612,777	13,087,396	12,779,966	13,199,149
Education.....	50,300,591	52,156,368	53,522,811	56,017,363	54,816,225	53,150,719	58,761,241	65,375,555	59,733,009	60,300,331
Public works.....	5,147,288	5,393,703	5,669,389	6,017,986	6,075,685	6,009,023	7,600,792	6,549,649	6,543,889	6,314,029
Human services.....	891,585	945,904	1,054,046	1,220,090	1,262,417	1,222,376	1,359,923	1,333,179	1,344,386	1,613,604
Culture and recreation.....	2,731,672	2,692,071	2,642,103	2,752,739	2,593,462	2,563,386	3,146,025	3,394,809	3,472,387	3,729,255
Community preservation.....	189,761	349,793	376,498	255,580	452,800	243,827	334,472	259,022	426,851	447,830
Claims and judgments.....	-	-	-	-	-	-	435,000	-	-	-
Interest.....	592,335	477,255	489,622	2,351,280	2,682,114	2,360,916	2,385,421	2,302,634	2,253,758	2,072,318
Total government activities expenses.....	73,372,371	76,257,877	79,764,221	84,931,252	83,649,988	82,012,570	90,500,342	97,107,762	91,591,925	93,415,205
Business-type activities:										
Water.....	2,474,620	2,500,455	2,766,078	2,880,706	2,646,381	2,741,724	2,617,935	3,068,247	2,821,355	3,120,039
Percy Walker Pool (1).....	33,774	380,020	459,274	503,243	467,604	534,863	469,798	534,305	-	-
Total business-type activities expenses.....	2,508,394	2,880,475	3,225,352	3,383,949	3,113,985	3,276,587	3,087,733	3,602,552	2,821,355	3,120,039
Total primary government expenses.....	\$ 75,880,765	\$ 79,138,352	\$ 82,989,573	\$ 88,315,201	\$ 86,763,953	\$ 85,289,157	\$ 93,588,075	\$ 100,710,314	\$ 94,413,280	\$ 96,535,244
<b>Program Revenues</b>										
Governmental activities:										
Education charges for services.....	\$ 6,099,245	\$ 6,046,720	\$ 5,942,281	\$ 6,548,587	\$ 6,468,917	\$ 6,628,568	\$ 6,844,498	\$ 7,865,831	\$ 5,023,406	\$ 5,062,793
Public works charges for services.....	1,755,578	1,818,978	1,801,734	1,928,235	1,913,976	1,801,517	1,705,098	2,008,238	1,816,716	1,703,465
Culture and recreation charges for services.....	2,174,635	2,082,263	2,306,106	2,143,397	2,191,537	2,188,621	2,165,686	2,387,673	2,649,368	2,669,616
Other charges for services.....	2,557,845	2,527,548	3,414,885	3,170,531	3,284,393	4,171,799	4,490,079	3,544,447	3,252,036	3,638,410
Operating grants and contributions.....	13,460,616	14,269,178	13,958,828	13,969,717	15,014,771	11,256,335	13,869,319	16,276,654	16,617,277	17,114,661
Capital grant and contributions.....	799,351	1,128,082	2,371,488	19,383,562	22,173,296	7,112,572	953,518	1,161,840	1,165,769	2,097,394
Total government activities program revenues.....	26,847,270	27,872,769	29,795,322	47,144,029	51,046,890	33,159,412	30,028,198	33,244,683	30,524,572	32,286,339
Business-type activities:										
Charges for services - water.....	2,990,133	3,101,148	3,008,160	3,009,145	3,274,399	3,401,453	3,324,676	3,490,670	3,085,668	3,190,577
Charges for services - Percy Walker Pool (1).....	46,497	304,513	313,563	372,637	315,811	283,813	253,582	255,901	-	-
Total business-type activities program revenues.....	3,036,630	3,405,661	3,321,723	3,381,782	3,590,210	3,685,266	3,578,258	3,746,571	3,085,668	3,190,577
Total primary government program revenues.....	\$ 29,883,900	\$ 31,278,430	\$ 33,117,045	\$ 50,525,811	\$ 54,637,100	\$ 36,844,678	\$ 33,606,456	\$ 36,991,254	\$ 33,610,240	\$ 35,476,916
<b>Net (Expense)/Revenue</b>										
Governmental activities.....	\$ (46,525,101)	\$ (48,385,108)	\$ (49,968,899)	\$ (37,787,223)	\$ (32,603,078)	\$ (48,853,158)	\$ (60,472,144)	\$ (63,863,079)	\$ (61,067,353)	\$ (61,128,866)
Business-type activities.....	528,236	525,186	96,371	(2,167)	476,225	408,679	490,525	144,019	264,313	70,538
Total primary government net expense.....	\$ (45,996,865)	\$ (47,859,922)	\$ (49,872,528)	\$ (37,789,390)	\$ (32,126,853)	\$ (48,444,479)	\$ (59,981,619)	\$ (63,719,060)	\$ (60,803,040)	\$ (61,058,328)
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										
Real estate and personal property taxes,										
net of tax refunds payable.....	\$ 40,995,795	\$ 41,964,019	\$ 43,943,583	\$ 45,330,505	\$ 52,613,168	\$ 54,467,814	\$ 56,346,529	\$ 57,825,786	\$ 58,864,933	\$ 62,076,801
Tax liens.....	220,392	133,744	20,397	74,317	128,258	17,656	2,570	65,223	1,125,344	202,042
Motor vehicle and other excise taxes.....	2,114,070	2,236,742	2,227,654	2,433,608	2,552,550	2,695,218	2,870,355	3,043,470	3,149,833	3,077,911
Meals tax.....	-	-	-	-	-	-	-	87,525	131,361	140,039
Community preservation taxes.....	1,187,673	1,204,247	1,285,151	1,322,525	444,959	452,436	462,949	482,247	508,105	532,098
Penalties and interest on taxes.....	177,297	157,119	239,386	208,925	241,339	240,792	263,221	285,929	260,524	251,105
Payments in lieu of taxes.....	9,321	4,250	10,950	12,956	12,934	15,965	13,476	11,725	8,250	14,440
Grants and contributions not restricted to										
specific programs.....	872,532	994,936	904,812	982,014	995,264	1,062,816	982,675	1,030,560	1,066,637	1,182,592
Unrestricted investment income.....	877,505	852,850	529,788	808,801	1,247,143	656,988	1,404,393	864,313	265,517	2,210,872
Miscellaneous.....	-	-	-	-	-	-	6,500	50,000	981	-
Gain on sale of assets.....	-	-	-	-	-	212,580	-	4,440	-	253,747
Special Item - Conversion to governmental activities..	-	-	-	-	-	-	-	(214,215)	-	-
Transfers.....	-	-	(247,156)	(265,770)	(251,111)	(335,351)	(315,421)	-	-	-
Total governmental activities.....	46,454,585	47,547,907	48,914,565	50,907,881	57,984,504	59,486,914	62,037,247	63,537,003	65,381,485	69,941,647
Business-type activities:										
Special Item - Conversion to governmental activities..	-	-	-	-	-	-	-	214,215	-	-
Transfers.....	-	-	247,156	265,770	251,111	335,351	315,421	-	-	-
Total business-type activities.....	-	-	247,156	265,770	251,111	335,351	315,421	214,215	-	-
Total primary government.....	\$ 46,454,585	\$ 47,547,907	\$ 49,161,721	\$ 51,173,651	\$ 58,235,615	\$ 59,822,265	\$ 62,352,668	\$ 63,751,218	\$ 65,381,485	\$ 69,941,647
<b>Changes in Net Position</b>										
Governmental activities.....	\$ (70,516)	\$ (837,201)	\$ (1,054,334)	\$ 13,120,658	\$ 25,381,426	\$ 10,633,756	\$ 1,565,103	\$ (326,076)	\$ 4,314,132	\$ 8,812,781
Business-type activities.....	528,236	525,186	343,527	263,603	727,336	744,030	805,946	358,234	264,313	70,538
Total primary government.....	\$ 457,720	\$ (312,015)	\$ (710,807)	\$ 13,384,261	\$ 26,108,762	\$ 11,377,786	\$ 2,371,049	\$ 32,158	\$ 4,578,445	\$ 8,883,319

(1) - The Percy Walker pool ceased operations as an enterprise fund on June 30, 2017.

**Fund Balances, Governmental Funds**

**Last Ten Years**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved.....	\$ 771,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved.....	5,882,157	-	-	-	-	-	-	-	-	-
Restricted.....	-	-	-	7,013,483	6,612,344	6,071,276	5,127,521	4,629,803	4,156,628	3,711,483
Committed.....	-	-	324,382	751,029	941,580	1,068,002	606,430	817,362	966,930	1,066,592
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	1,464,471
Unassigned.....	-	7,607,382	8,876,350	7,786,136	9,139,920	8,313,675	9,263,339	9,247,751	9,370,383	11,289,565
<b>Total general fund.....</b>	<b>\$ 6,653,698</b>	<b>\$ 9,661,833</b>	<b>\$ 10,898,962</b>	<b>\$ 17,785,020</b>	<b>\$ 18,168,533</b>	<b>\$ 17,238,192</b>	<b>\$ 16,618,768</b>	<b>\$ 17,163,095</b>	<b>\$ 16,236,757</b>	<b>\$ 17,532,111</b>
<b>All Other Governmental Funds</b>										
Reserved.....	\$ 1,926,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds.....	7,438,997	-	-	-	-	-	-	-	-	-
Capital projects funds.....	102,903	-	-	-	-	-	-	-	-	-
Permanent funds.....	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	2,378,098
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	12,579,675
Unassigned.....	-	(961,306)	(255,726)	(498,150)	-	-	(3,614,106)	(321,546)	(1,078,964)	-
<b>Total all other governmental funds.....</b>	<b>\$ 9,898,370</b>	<b>\$ 8,142,391</b>	<b>\$ 13,443,281</b>	<b>\$ 49,423,062</b>	<b>\$ 16,734,096</b>	<b>\$ 14,020,673</b>	<b>\$ 10,163,122</b>	<b>\$ 14,160,310</b>	<b>\$ 13,287,907</b>	<b>\$ 14,957,773</b>

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**

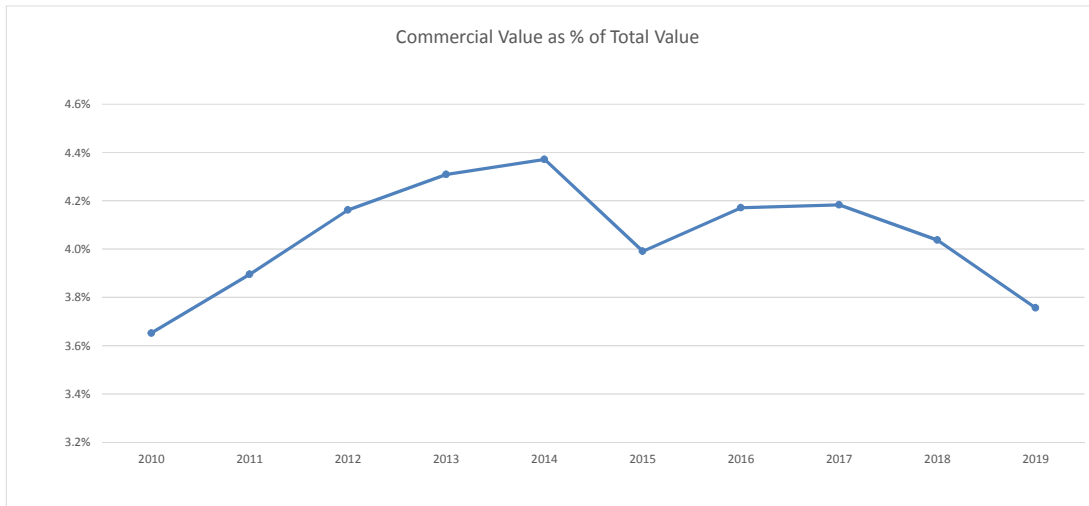
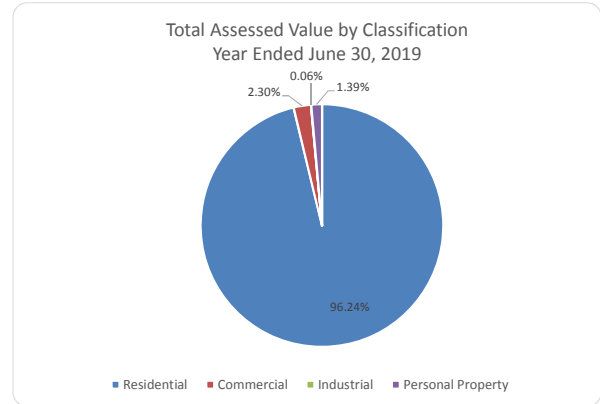
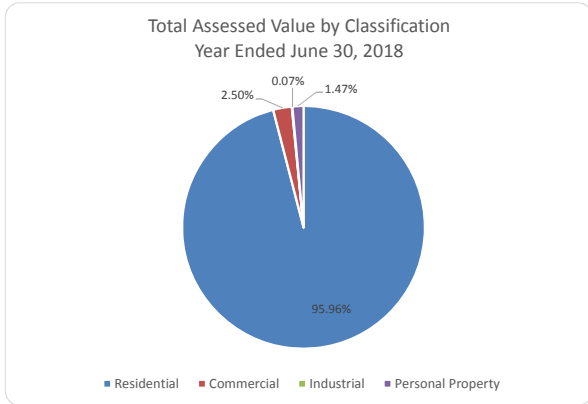
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Real estate and personal property taxes, net of tax refunds.....	\$ 40,657,890	\$ 41,496,750	\$ 43,683,102	\$ 45,066,583	\$ 52,259,619	\$ 53,947,565	\$ 56,018,861	\$ 57,743,886	\$ 59,151,188	\$ 62,191,382
Tax and other liens.....	216,803	84,186	91,948	69,547	34,594	17,656	67,508	60,471	166,146	261,747
Motor vehicle and other excise taxes.....	2,099,164	2,107,443	2,304,289	2,264,283	2,630,758	2,492,965	3,035,431	3,088,548	3,197,745	2,992,354
Meals tax.....	-	-	-	-	-	-	-	87,525	131,361	140,039
Sewer charges.....	295,819	319,396	304,243	287,269	296,186	212,226	312,228	281,530	239,319	229,907
Regional dispatch member revenue.....	-	-	-	-	-	-	-	-	-	325,000
Penalties and interest on taxes.....	177,297	157,119	239,386	208,925	241,339	240,792	263,221	285,929	260,524	251,105
Trash disposal.....	568,964	633,692	604,833	591,499	599,680	605,573	616,259	624,436	686,391	709,365
Payments in lieu of taxes.....	9,321	4,250	10,950	12,956	12,934	15,965	13,476	11,725	8,250	14,440
Intergovernmental.....	9,153,862	8,884,448	10,338,321	26,047,418	31,147,984	14,632,903	10,300,697	9,557,593	10,426,778	12,394,183
Intergovernmental - Teachers Retirement.....	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	7,996,768
Departmental and other.....	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	12,105,181
Community preservation taxes.....	1,187,673	1,204,247	1,285,151	1,322,525	444,959	452,436	462,949	482,247	506,899	533,774
Contributions and donations.....	275,223	341,316	348,240	302,255	290,207	319,020	351,013	555,113	248,737	481,561
Investment income.....	812,935	753,198	464,529	728,342	1,072,436	554,845	1,156,690	764,562	280,502	1,921,649
<b>Total Revenues.....</b>	<b>70,569,702</b>	<b>71,524,154</b>	<b>76,448,550</b>	<b>94,385,226</b>	<b>107,061,365</b>	<b>88,754,229</b>	<b>89,990,730</b>	<b>93,315,523</b>	<b>95,634,609</b>	<b>102,548,455</b>
<b>Expenditures:</b>										
General government.....	2,486,251	2,833,329	3,154,077	3,592,551	3,339,008	3,544,306	3,313,885	3,114,929	3,929,899	4,256,200
Public safety.....	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	9,473,981
Education.....	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	41,904,413
Public works.....	3,333,032	3,611,622	3,676,827	3,833,425	4,107,734	4,205,659	4,717,870	4,340,266	5,201,009	4,402,913
Human services.....	652,303	694,772	765,164	928,925	935,898	887,962	980,453	932,530	1,063,421	1,292,163
Culture and recreation.....	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	2,927,963
Community preservation.....	100,102	635,483	718,536	163,408	260,986	52,013	136,400	62,700	230,150	239,920
Pension benefits - Town.....	1,937,647	2,199,485	2,159,162	2,422,765	2,525,382	2,840,847	3,075,063	3,168,990	3,311,028	3,590,644
Pension benefits - Teachers Retirement.....	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	7,996,768
Property and liability insurance.....	223,935	239,620	186,966	253,465	280,147	380,564	387,272	410,395	424,773	478,618
Employee benefits.....	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	9,038,179
Claims and judgments.....	-	-	-	-	-	-	435,000	-	-	-
State and county charges.....	251,333	273,473	327,762	296,362	448,529	485,681	459,520	500,571	526,890	501,914
Capital outlay.....	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	8,656,462
Debt service:										
Principal.....	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	5,656,558
Principal - current refunding.....	-	-	-	-	-	-	4,325,000	-	-	-
Interest.....	590,079	520,706	502,267	505,484	4,576,710	3,112,964	3,026,758	2,900,403	2,880,687	2,718,729
<b>Total Expenditures.....</b>	<b>67,988,467</b>	<b>70,290,833</b>	<b>85,790,981</b>	<b>125,616,100</b>	<b>141,859,756</b>	<b>97,236,392</b>	<b>98,488,960</b>	<b>91,690,514</b>	<b>97,462,185</b>	<b>103,135,424</b>
Excess (deficiency) of revenues over (under) expenditures.....	2,581,235	1,233,321	(9,342,431)	(31,230,874)	(34,798,391)	(8,482,163)	(8,498,230)	1,625,009	(1,827,576)	(586,969)
<b>Other Financing Sources (Uses):</b>										
Issuance of bonds and notes.....	787,000	-	16,098,000	67,349,000	2,200,000	4,500,000	-	3,185,000	-	2,985,000
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	313,442
Proceeds from sale of capital assets.....	-	-	-	-	-	241,000	-	4,440	-	253,747
Transfers in.....	1,141,576	615,334	266,917	400,500	116,019	250,605	720,915	267,543	1,267,591	957,911
Transfers out.....	(1,141,576)	(615,334)	(514,073)	(666,270)	(367,130)	(585,956)	(1,036,336)	(785,876)	(1,267,591)	(957,911)
Special item - Reclassification Percy Walker Pool.....	-	-	-	-	-	-	-	(100,519)	-	-
<b>Total other financing sources (uses).....</b>	<b>819,767</b>	<b>18,834</b>	<b>15,880,450</b>	<b>74,096,713</b>	<b>2,492,938</b>	<b>4,838,399</b>	<b>4,021,255</b>	<b>2,916,506</b>	<b>28,835</b>	<b>3,552,189</b>
<b>Net change in fund balance.....</b>	<b>\$ 3,401,002</b>	<b>\$ 1,252,155</b>	<b>\$ 6,538,019</b>	<b>\$ 42,865,839</b>	<b>\$ (32,305,453)</b>	<b>\$ (3,643,764)</b>	<b>\$ (4,476,975)</b>	<b>\$ 4,541,515</b>	<b>\$ (1,798,741)</b>	<b>\$ 2,965,220</b>
Debt service as a percentage of noncapital expenditures....	3.63%	3.11%	2.87%	2.58%	10.99%	11.66%	9.71%	9.46%	9.12%	8.86%

(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
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
2019	\$4,103,920,658	\$14.68	\$97,997,347	\$2,729,500	\$59,437,570	\$160,164,417	\$14.68	\$14.68	\$4,264,085,075



(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**

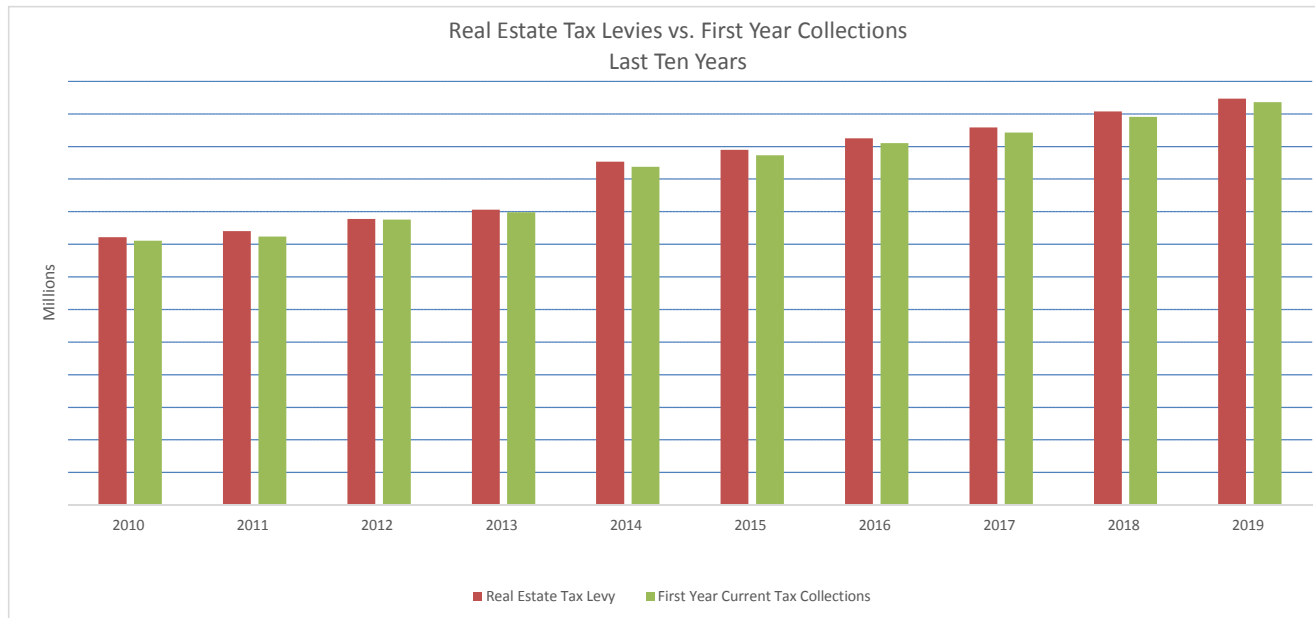
Name	Nature of Business	2019			2010		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
The Village at Duxbury - Assisted Living	Retirement Community	\$48,845,600	1	1.15%	\$20,212,810	1	0.58%
Island Creek Properties LLC	Subsidized Housing	\$40,539,800	2	0.95%	\$6,760,100	7	0.19%
Eversource	Public Utility	\$22,745,220	3	0.53%			
Cynthia Reed Revocable Trust	Eight Residential Parcels	\$13,903,900	4	0.33%			
Verizon	Utility	\$11,050,200	5	0.26%	\$9,803,300	3	0.28%
Bay State Gas	Public Utility	\$9,983,770	6	0.23%	\$6,051,120	9	0.17%
Ditch Digger LLC	Oyster Company	\$8,866,900	7	0.21%			
Individual	Residence	\$8,084,100	8	0.19%	\$6,047,600	10	0.17%
Standish LLC	Medical Office Building	\$7,070,200	9	0.17%	\$7,321,700	6	0.21%
Duxbury Yacht Club, Golf Course	Yacht Club, Golf Course	\$6,534,900	10	0.15%			
Nstar Service	Utility				\$12,661,010	2	0.36%
Individual	Residence				\$9,706,200	4	0.28%
Individual	Residence				\$8,900,300	5	0.25%
Thomas Walsh	Nursing Home				\$6,619,600	8	0.19%
	Totals	<u>\$177,624,590</u>		<u>4.17%</u>	<u>\$94,083,740</u>		<u>2.69%</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)
2010	\$41,362,073	\$252,238	\$41,109,835	99.39%	\$40,569,284	98.69%	\$532,417	\$41,101,701	99.98%
2011	\$42,246,328	\$248,028	\$41,998,300	99.41%	\$41,174,757	98.04%	\$769,500	\$41,944,257	99.87%
2012	\$44,136,761	\$268,633	\$43,868,128	99.39%	\$43,785,222	99.81%	\$558,377	\$44,343,599	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%	\$669,862	\$54,337,957	99.73%
2016	\$56,476,430	\$222,947	\$56,253,483	99.61%	\$55,536,843	98.73%	\$943,871	\$56,480,714	100.40%
2017	\$58,126,948	\$202,417	\$57,924,531	99.65%	\$57,151,655	98.67%	\$581,960	\$57,733,615	99.67%
2018	\$60,609,952	\$239,693	\$60,370,259	99.60%	\$59,561,527	98.66%	\$628,247	\$60,189,774	99.70%
2019	\$62,596,769	\$275,715	\$62,321,054	99.56%	\$61,780,462	99.13%	\$0	\$61,780,462	99.13%



(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	<u>Governmental Activities</u>	<u>Business-type Activities</u>	Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	General Obligation Bonds (1)				
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
2019	78,683,567	3,497,460	82,181,027	8.26%	15,638	5,255

(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**

<b>Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Estimated Actual Taxable Value of Property (1)</b>	<b>Per Capita (2)</b>
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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
2019	82,181,027	1.93%	5,255

(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, 2019**

<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.....	\$ 1,375,000	4.94%	\$ 67,925
Town direct debt.....			<u>78,683,567</u>
Total direct and overlapping debt.....			<u>\$ 78,751,492</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>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>	<u>2019</u>
Equalized Valuation.....	\$ <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>	\$ <u>4,265,308</u>
Debt Limit -5% of Equalized Valuation.....	\$ 201,330	\$ 192,684	\$ 192,684	\$ 173,309	\$ 173,309	\$ 173,770	\$ 173,770	\$ 192,775	\$ 192,775	\$ 213,265
Less:										
Outstanding debt applicable to limit.....	14,936	13,315	11,758	29,227	29,061	26,477	23,716	21,195	18,991	19,794
Authorized and unissued debt applicable to limit.....	-	-	3,325	1,900	200	200	-	-	-	-
Legal debt margin.....	\$ <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>	\$ <u>193,471</u>
Total debt applicable to the limit as a percentage of debt limit.....	7.42%	6.91%	7.83%	17.96%	16.88%	15.35%	13.65%	10.99%	9.85%	9.28%

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
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%
2019	15,638	994,386,177	63,589	53.0	3,006	2.4%

Source: U. S. Census, Division of Local Services

**Principal Employers (excluding Town)**

**Current Year and Nine Years Ago**

Employer	Nature of Business	2019			2010		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Bay Path Nursing Home	Nursing Home	176	1	2.19%	176	1	2.47%
The Villages at Duxbury	Retirement Condos	160	2	1.99%	160	2	2.24%
Batelle Labs	Science and Technology Research	70	3	0.87%	70	3	0.98%
Duxbury Yacht Club	Yacht Club, Golf Course, Tennis	70	4	0.87%	70	4	0.98%
Foodies	Grocery Store	60	5	0.75%	60	5	0.84%
South Shore Conservatory	Music and Art Institution	54	6	0.67%	50	7	0.70%
Plymouth Bay Orthopedic Associates	Physician Services	50	7	0.62%	54	6	0.76%
Millbrook Motors	Automotive	39	8	0.49%	39	8	0.55%
U.S. Post Office	Mail Services	28	9	0.35%	28	9	0.39%
Verc Enterprises	Convenience Stores, Gasoline Sales	7	10	0.09%			
	Totals	<u>714</u>		<u>8.89%</u>	<u>707</u>		<u>9.92%</u>

For 2010 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>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>	<u>2019</u>
Function										
General government.....	29	29	29	30	32	32	32	32	32	32
Public safety.....	68	69	68	70	72	72	72	78	78	84
Education.....	398	382	392	392	387	385	385	409 *	409	409
Public works.....	44	46	46	45	48	48	48	50	50	50
Human services.....	4	5	5	5	6	5	5	6	6	6
Culture and recreation.....	24	25	20	20	21	20	20	20	20	20
Total .....	<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>	<u>601</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**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Fire Department</b>										
Fire related calls.....	606	817	1,035	1,131	847	1,066	992	973	1,438	1,019
Rescue/EMS.....	1,328	1,281	1,245	1,323	1,291	1,345	1,479	1,441	1,603	1,616
<b>Inspectional Services Department</b>										
Number of building permits (quick and zoning).....	522	491	794	573	593	699	769	741	770	830
Number of electrical permits.....	362	368	429	477	606	536	600	543	570	557
Number of plumbing/gas permits.....	531	543	618	739	871	796	869	739	742	850
<b>Water/Sewer</b>										
Number of gallons pumped (millions).....	410,896	500,002	499,754	469,000	502,942	552,891	563,756	587,577	545,404	556,010
Number of new services added.....	15	8	11	6	6	4	25	8	35	18
Number of additional mains installed.....	-	-	-	1	1	-	-	-	1	-
Number of main improvements.....	-	2	1	2	2	1	-	2	3	1
<b>Highway</b>										
Number of miles completed-road rehab.....	4	2	2	3	3	4	2	7	4	3
Number of snow operations.....	39	31	2	30	36	48	21	22	32	20
<b>Cemetery</b>										
Cremations.....	3,014	3,008	3,184	3,248	3,382	2,956	2,583	2,780	2,843	2,620
<b>Recreation</b>										
Number of programs offered.....	60	56	65	68	64	70	68	69	70	71
Number of participants-winter.....	588	555	504	522	595	739	664	702	701	725
Number of participants-spring.....	320	272	397	325	302	469	371	358	316	320
Number of participants-summer.....	822	762	955	798	702	848	766	528	542	612
Number of participants-fall.....	658	558	507	439	440	442	484	489	529	498
<b>Parking Sticker Sales</b>										
Non resident over sand.....	3,512	3,653	3,771	3,281	2,981	3,122	2,862	3,043	3,124	2,662
Over sand.....	3,051	3,127	3,203	2,730	3,267	3,873	3,088	3,195	3,273	2,894
Parking lot.....	3,511	3,423	3,276	2,799	2,204	2,631	2,968	3,011	3,015	2,662
Transfer station.....	6,122	5,822	5,617	5,088	5,207	6,129	5,652	5,886	5,860	5,366
<b>Senior Center</b>										
Number of visitors.....	31,940	32,500	27,902	28,000	32,381	34,083	41,081	41,633	43,841	39,787
Number of activities.....	2,364	2,256	2,308	2,602	10,339	3,492	3,560	3,780	3,674	3,410
Number of congregate meals.....	5,356	4,867	5,367	5,384	5,949	5,050	8,124	4,833	4,303	3,267
Number of delivered meals.....	4,218	5,301	4,025	4,515	4,440	3,996	4,996	6,261	6,011	7,104
Number of meals served from the café.....	-	-	-	-	-	5,537	7,558	9,424	17,686	18,324
Number of paying rentals.....	135	322	376	118	27	25	13	17	17	4
Number of committee meetings.....	340	59	43	180	294	300	423	254	379	158
<b>Duxbury Free Library</b>										
Holdings.....	116,948	115,006	117,461	109,437	112,783	253,933	243,665	154,234	113,945	120,348
Reference questions answered.....	8,537	8,159	7,829	6,862	6,788	6,368	6,485	6,764	6,800	6,733
Print materials loaned.....	174,542	168,838	202,980	157,088	151,582	139,986	137,287	131,840	127,828	127,535
Videos loaned.....	82,615	48,883	47,071	44,584	41,254	37,444	32,319	28,987	23,743	21,367
All loans.....	257,457	247,909	250,059	236,207	229,079	213,943	212,020	201,278	193,613	191,859
Loans provided to other towns.....	39,594	39,282	41,306	38,109	22,163	20,419	21,461	19,991	20,293	22,710
Materials borrowed from other towns.....	32,107	30,564	29,639	25,625	14,768	13,327	14,857	14,587	13,907	13,460
Children's programs held.....	234	259	238	228	338	334	383	427	481	435
Children's program attendance.....	6,646	6,413	6,316	5,558	6,856	6,057	7,062	8,523	9,360	8,524
Adult & Teen programs held.....	241	228	262	332	445	467	395	411	409	344
Adult & Teen program attendance.....	3,690	3,901	4,234	4,618	4,300	4,402	4,064	4,098	3,636	3,599
Public computers.....	30	30	30	30	37	31	35	39	39	39
Public meeting room use.....	998	975	941	842	964	918	913	1,160	1,239	1,135

Source: Various Town Departments

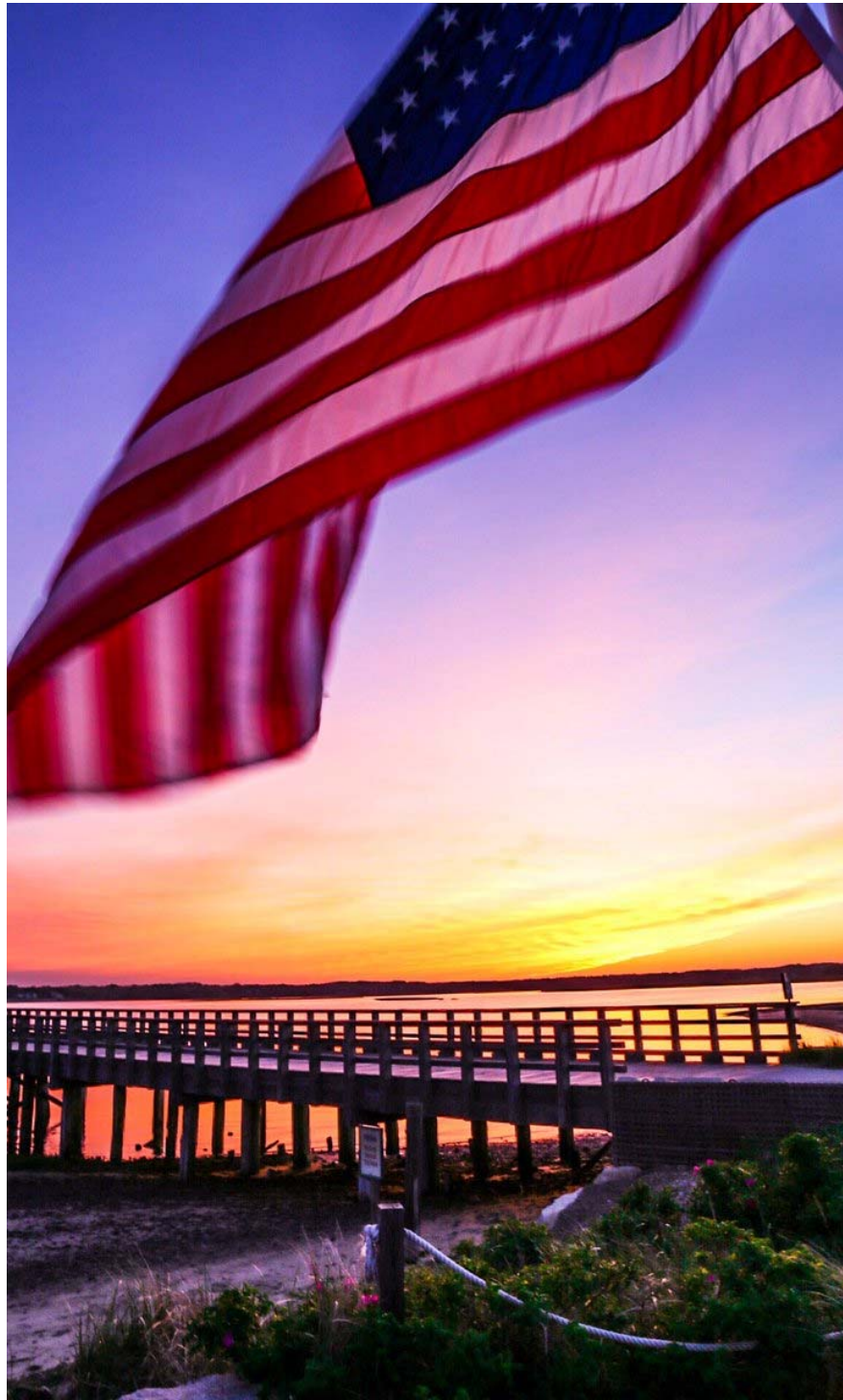
## Capital Asset Statistics by Function/Program

### Last Ten Years

<u>Function/Program</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>	<u>2019</u>
General Government										
Number of buildings.....	5	5	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	1	2	2	2	1	1	1	1
Animal control facilities.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Antique apparatus storage.....	1	1	1	1	1	1	1	1	1	1
Harbormaster										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	3	3	3	3	3	3	3	3	3	3
Public landings.....	16	16	16	16	16	16	16	16	16	16
Education										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Performing arts center.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water pumping stations.....	13	13	13	13	13	13	13	13	13	13
Water towers.....	2	3	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	182.5	187.5	190.5	190.5	190.5	455.5	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	3	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.



Powder Point Bridge