

TOWN OF DUXBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



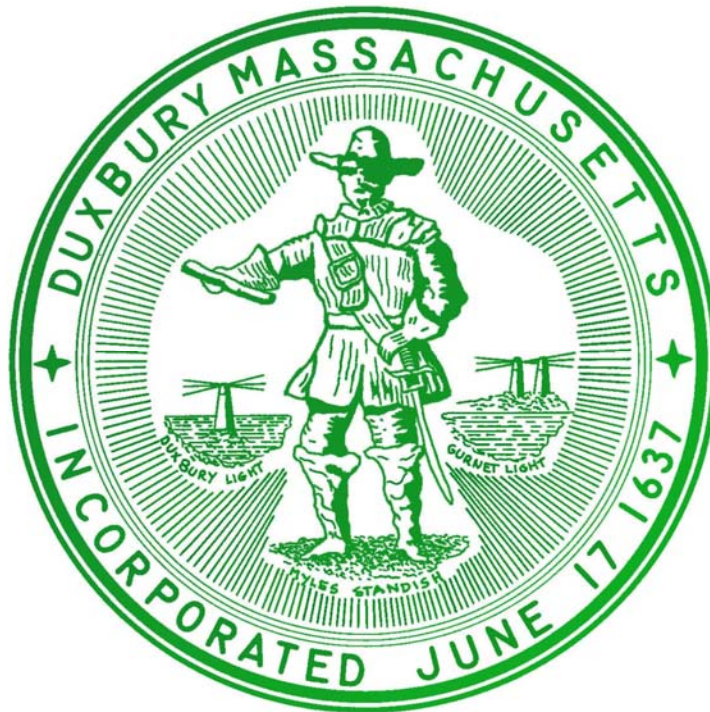
**For the year ended
June 30, 2020**

On the cover: *Duxbury Town Hall.*



Newly Renovated Dispatch Center

*The Town of
Duxbury, Massachusetts*



**Comprehensive
Annual Financial Report**

**For the Year
July 1, 2019 through June 30, 2020**

Prepared by the Finance Department

Town of Duxbury, Massachusetts

**Comprehensive Annual Financial Report
For the Year Ended June 30, 2020**

Table of Contents

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

Schedule of the Special Funding Amounts of the Net Pension Liability	84
Other Postemployment Benefit Plan Schedules	85
Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios... ..	86
Schedule of the Town's Contributions	87
Schedule of Investment Returns	88
Notes to Required Supplementary Information.....	89
Other Supplementary Information.....	93
Combining and Individual Fund Statements	94
Nonmajor Governmental Funds.....	95
Agency Fund.....	103
STATISTICAL SECTION.....	105
Net Position by Component	106
Changes in Net Position	107
Fund Balances, Governmental Funds	108
Changes in Fund Balances, Governmental Funds.....	109
Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates	110
Principal Taxpayers	111
Property Tax Levies and Collections	112
Ratios of Outstanding Debt by Type.....	113
Ratios of General Bonded Debt Outstanding	114
Direct and Overlapping Governmental Activities Debt	115
Computation of Legal Debt Margin	116
Demographic and Economic Statistics	117
Principal Employers (excluding Town).....	118
Full-time Equivalent Town Employees by Function.....	119
Operating Indicators by Function/Program.....	120
Capital Assets Statistics by Function/Program.....	121

Introductory Section



Sea Wall Construction

Introductory Section

This page intentionally left blank.



Town of Duxbury, Massachusetts

ACCOUNTING DEPARTMENT

Finance Director
John Q. Adams

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

December 21, 2020

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, 2020, 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, 2020, 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, 2020, 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, 2020, 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 FY 2020, the average price of a home in Duxbury was \$746,400 (based upon calendar 2019 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 FY 2019 brought us some economic challenges to our revenue streams 2020 brought us even more. During the first 3 quarters we were trending up by 2% above our previous year actuals. When the COVID-19 pandemic came to us in March, revenues tanked in the fourth quarter ending the year with a less than 1% increase from FY 2019. The biggest loss to revenues was the result of having to close Duxbury Beach in April putting a halt to beach sticker sales. While we were able to open the beach back up before the end of the fiscal year, we had already lost \$902,000 in beach sticker sales, nearly 50%.

While we did finish with a revenue surplus, the portion attributed to local receipts was down 8.5%. The three-year average for local receipts is now down 1.6%.

State aid revenues increased 3.25% again in FY 2020 as they did in FY 2019. State and county assessments decreased by 10.5% and increased 18.47% in FY 2020 and FY 2019; respectively. The three-year average for Net State Aid is a modest 1.34%.

While COVID-19 has wreaked havoc on our revenues, the same can't be said about our medical claims. Our Health Insurance Trust fund continued to show positive trends during the first 3 quarters. During the pandemic all elective procedures were effectively on hold leading to a 4th quarter drop in claims of 17% from the average of

the first 3 quarters. The Health Insurance Trust finished with a fund balance of \$6.6 million up nearly 48% from a year ago.

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. During the 2020 budget cycle, departments continued to work together to create a budget that did not rely at all on long-term reserves. However, that will not be the case in FY 2021, while our State Aid and Local Receipts face uncertainty.

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 2020, the Town has begun its construction on the roughly 800 linear feet of sea wall that was destroyed by the winter storms in March of 2018. Evaluation of the Powder Point bridge showed that with modest maintenance the Town could continue without a significant capital impact, however, we will have to put aside funds for regular maintenance over the next 5 to 10 years. Lastly, since Town Meeting did not approve a Proposition 2½ debt exclusion for engineering and design last year for its Public Works facility, it still remains an issue to be resolved. Photos of the sea wall construction and the Public Works facility have been included on the Introductory Section page and on the Financial Section page, respectively.

During 2020, the Town dedicated just over \$1.2 million 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 \$1.35 million in "cash" funding on an annual basis for capital needs.

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 has placed 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.

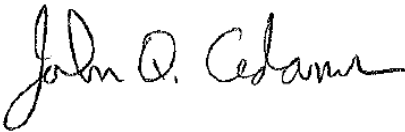
Awards and Acknowledgements

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, 2019. This was the fifteenth year that the Town submitted a CAFR to the GFOA. Based on information available on the GFOA website, only forty-six municipalities in Massachusetts received this distinction for fiscal year 2018. Of the forty-six, 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,



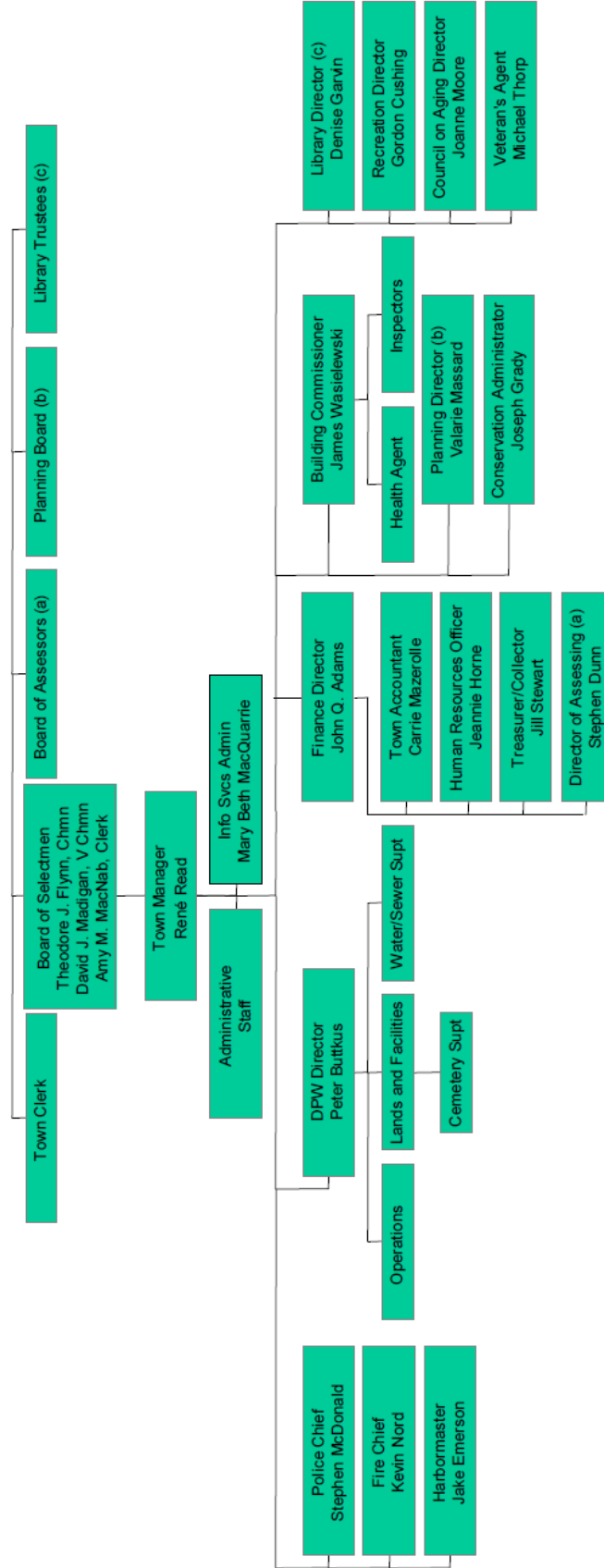
John Q. Adams
Finance Director

Town of Duxbury, Massachusetts

Principal Executive Officers as of June 30, 2020

Title	Name	Manner of Selection	Length of Term	Expiration of Term
Chairman-Board of Selectmen	Theodore J. Flynn	Elected	3 Years	2023
Vice Chairman-Board of Selectmen	David J. Madigan	Elected	3 Years	2021
Clerk-Board of Selectmen	Amy M. MacNab	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	2022
Assessor-Chairman	Linda M. Collari	Elected	3 Years	2021
Assessor-Vice Chairman	James G. MacNab	Elected	3 Years	2022
Assessor-Clerk	Nancy D. Reed	Elected	3 Years	2023
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	3 Years	2022
Town Counsel	KP Law, PC	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, 2019

Christopher P. Morrill

Executive Director/CEO

Financial Section



Department of Public Works Barn

Financial Section

This page intentionally left blank.



100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
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, 2020, 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, 2020, 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 21, 2020, 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 21, 2020

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, 2020. 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, COVID-19, 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 \$130.7 million at the end of 2020. The Town's total net position increased by \$8.3 million during 2020. This increase is the net effect of an \$8.5 million increase in the governmental activities and a \$179,000 decrease in the business-type activities.

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 \$150.2 million reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the governmental activities' net position, \$8.7 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 \$43.0 million. The deficit is primarily the result of the recognition of net pension liability of \$34.2 million along with the net other postemployment benefits liability of \$39.8 million. These are long-term unfunded liabilities that will not require significant short-term resources.

The governmental activities net position increased by \$8.5 million during the current year. Net position invested in capital assets increased by \$6.2 million. Key reasons for this increase were capital grants of \$5.1 million for the Regional Old Colony Communications Center (ROCCC), roadway improvements, seawall repairs, and community preservation projects, and from \$1.8 million of general fund and community preservation funds used for capital acquisitions. The \$453,000 increase 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 \$1.8 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.

	2020		2019
Assets:			
Current assets.....	\$ 50,298,815	\$	45,736,608
Noncurrent assets (excluding capital).....	80,047		103,431
Capital assets, nondepreciable.....	46,358,487		44,522,315
Capital assets, net of accumulated depreciation.....	176,581,263		177,878,048
Total assets.....	273,318,612		268,240,402
Deferred outflows of resources.....	10,938,374		8,601,731
Liabilities:			
Current liabilities (excluding debt).....	9,426,775		8,004,045
Noncurrent liabilities (excluding debt).....	74,487,010		68,922,027
Current debt.....	7,055,065		6,490,055
Noncurrent debt.....	65,756,548		72,193,512
Total liabilities.....	156,725,398		155,609,639
Deferred inflows of resources.....	11,610,328		13,829,529
Net position:			
Net investment in capital assets.....	150,205,087		143,984,565
Restricted.....	8,728,118		8,274,740
Unrestricted.....	(43,011,945)		(44,856,340)
Total net position.....	\$ 115,921,260	\$	107,402,965

The Regional Old Colony Communications Center is a regional 911 center servicing emergency calls for the Towns of Duxbury, Plympton, Halifax, and Rochester. The center is located within the Duxbury Fire Department building and was awarded a \$3.7 million state grant for renovations.

	2020	2019
Program Revenues:		
Charges for services.....	\$ 10,485,302	\$ 13,074,284
Operating grants and contributions.....	19,697,786	17,114,661
Capital grants and contributions.....	5,140,483	2,097,394
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	63,607,214	62,076,801
Tax and other liens.....	257,522	202,042
Motor vehicle and other excise taxes.....	3,004,758	3,077,911
Meals tax.....	151,465	140,039
Community preservation tax.....	539,675	532,098
Penalties and interest on taxes.....	327,729	251,105
Payments in lieu of taxes.....	13,384	14,440
Grants and contributions not restricted to specific programs.....	1,551,635	1,182,592
Unrestricted investment income.....	1,405,872	2,210,872
Gain on sale of assets.....	-	253,747
Total revenues.....	106,182,825	102,227,986
Expenses:		
General government.....	6,984,885	5,878,394
Public safety.....	13,550,663	13,199,149
Education.....	62,848,092	60,300,331
Public works.....	6,234,824	6,174,324
Human services.....	1,646,830	1,613,604
Culture and recreation.....	3,633,917	3,729,255
Community preservation.....	451,079	447,830
COVID-19.....	340,931	-
Interest.....	1,973,309	2,072,318
Total expenses.....	97,664,530	93,415,205
Change in net position.....	8,518,295	8,812,781
Net position, beginning of year.....	107,402,965	98,590,184
Net position, end of year.....	\$ 115,921,260	\$ 107,402,965

Charges for services came in lower than the previous year due to the COVID-19 shutdowns that took place statewide starting in March 2020. The Town saw a \$902,000 decrease in beach sticker revenue as compared to prior year. There were also decreases in the Town's revolving fund revenue for programs that were completely shut down for COVID including preschool, after school, and kindergarten programs.

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 and the Duxbury Beach seawall repairs. The Town also received increases 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, which increased revenue and the corresponding expense by \$2.1 million.

The general government functional expense increased due to a seaport council project that was fully state grant funded.

During FY2020, the Commonwealth received federal funding that they allotted to each community based on population. The communities could use these funds to offset the costs associated with the novel Coronavirus (COVID-19). The Town had expenditures of \$341,000 of which the full amount will be reimbursed with federal and state grants.

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 \$14.7 million at the close of 2020. Of this amount \$11.1 million (75.1%) is net investment in capital assets, and \$3.7 million (24.9%) is unrestricted and may be used to meet the water enterprise’s ongoing obligations.

There was a decrease of \$179,000 in net position related to the Water Department’s operations during the year. The water enterprise fund recognized a \$418,000 increase in the net other postemployment benefit liability, net of deferred outflows/inflows related to OPEB, a \$78,000 increase in the net pension liability, net of deferred outflows/inflows related to pensions; offset by a slight increase in charges for services.

	2020	2019
Assets:		
Current assets..... \$	8,036,419	\$ 6,579,564
Capital assets, nondepreciable.....	5,877,075	5,149,078
Capital assets, net of accumulated depreciation.....	8,266,211	8,623,776
Total assets.....	22,179,705	20,352,418
Deferred outflows of resources.....	320,354	289,511
Liabilities:		
Current liabilities (excluding debt).....	902,705	188,875
Noncurrent liabilities (excluding debt).....	2,244,774	1,779,670
Current debt.....	1,689,907	439,237
Noncurrent debt.....	2,618,316	3,058,223
Total liabilities.....	7,455,702	5,466,005
Deferred inflows of resources.....	296,102	248,235
Net position:		
Net investment in capital assets.....	11,076,733	10,796,637
Unrestricted.....	3,671,522	4,131,052
Total net position..... \$	14,748,255	\$ 14,927,689

	2020	2019
Program Revenues:		
Charges for services.....	\$ 3,264,317	\$ 3,190,577
Expenses:		
Water.....	3,443,751	3,120,039
Change in net position.....	(179,434)	70,538
Net position, beginning of year.....	14,927,689	14,857,151
Net position, end of year.....	\$ 14,748,255	\$ 14,927,689

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 \$32.8 million, an increase of \$329,000 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 \$13.8 million, while total fund balance is \$18.6 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 15.2% of total general fund expenditures, while total fund balance represents 20.6% of that same amount.

The general fund increased by \$1.1 million in 2020. This was mainly due to an increase in the Town's stabilization funds and better than anticipated budgetary results.

The Community Preservation Act fund had a fund balance at June 30, 2020, of \$2.9 million. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose a surcharge on property taxes and to receive matching state funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing. The Community Preservation Act's fund balance increased by \$362,000 in 2020. This was the net result of \$674,000 in interest, taxes and state matching funds collected offset by \$313,000 in expenditures on community preservation projects.

The affordable housing fund had a balance of \$920,000 at year end. The fund had \$753,000 of expenditures.

Town Meeting voted in March of 2019, \$4.9 million for repairs and improvements to the Duxbury Beach seawall. The seawall repair fund had a deficit balance of \$46,000. The Town received \$1 million in state grant funds, offset by \$1.046 million in expenditures.

The Town services fund is made up of the Town's permanent funds. The fund had an ending balance of \$4.5 million. Activity during the year consisted of \$302,000 in investment earnings and donations offset by \$45,000 in expenditures mainly for cemetery perpetual care.

General Fund Budgetary Highlights

There was no change from the original budget to the final amended budget due to the Annual Town Meeting and the Spring Special Town Meeting being postponed until after year end due to COVID-19.

General Fund revenues came in approximately \$689,000 more than budgeted. The largest area of the surplus was in tax liens totaling \$347,000, other intergovernmental totaling \$275,000, trash disposal totaling \$244,000, and motor vehicle and other excise totaling \$241,000. This was mainly due to the Town budgeting conservatively in these areas.

General fund expenditures and encumbrances were approximately \$1.9 million less than budgeted. Key components of this surplus include \$110,000 in finance committee expenditures, \$261,000 in education salaries and expenditures, \$182,000 in public works salaries, \$114,000 in library expenditures, and \$311,000 in employee benefits.

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 2020 includes \$3.3 million for the Regional Old Colony Communications Center, \$1.0 million for the Duxbury Beach seawall repair, and \$733,000 in roadway projects.

Capital Assets

	<u>Capital Assets at end of year</u>	<u>Depreciation at end of year</u>	<u>Capital Assets, net</u>
Governmental activities			
<i>Function:</i>			
General government.....	\$ 22,521,577	\$ (676,656)	\$ 21,844,921
Public safety.....	21,193,173	(8,602,787)	12,590,386
Education.....	186,180,793	(45,890,708)	140,290,085
Public works.....	33,797,612	(14,427,367)	19,370,245
Culture and recreation.....	4,987,261	(1,231,869)	3,755,392
Community preservation.....	12,149,956	(5,676,210)	6,473,746
Human services.....	<u>20,786,796</u>	<u>(2,171,821)</u>	<u>18,614,975</u>
Total governmental.....	<u>\$ 301,617,168</u>	<u>\$ (78,677,418)</u>	<u>\$ 222,939,750</u>
Business-type activities			
Water.....	<u>\$ 30,540,117</u>	<u>\$ (16,396,831)</u>	<u>\$ 14,143,286</u>

Debt

The Town of Duxbury's governmental funds had total bonded debt outstanding of \$68.5 million at the end of the current year. Of this amount, \$56.5 million is related to school construction and equipment, \$1.4 million is related to the crematory, \$4.1 million is related to the police station construction, \$2.0 million is related to the fire station renovations, \$880,000 is related to the Powder Point bridge, \$775,000 for the Percy Walker Pool, and \$2.2 million is related to the senior center renovations. The remaining \$816,000 relates to other capital related projects.

The water enterprise fund has \$3.0 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, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 17,426,385	\$ 6,212,225	\$ 23,638,610
Investments.....	22,116,304	-	22,116,304
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,263,939	-	1,263,939
Tax liens.....	546,854	-	546,854
Community preservation fund surtax.....	7,035	-	7,035
Motor vehicle and other excise taxes.....	179,130	-	179,130
User charges.....	32,548	1,824,194	1,856,742
Departmental and other.....	264,254	-	264,254
Intergovernmental.....	2,511,788	-	2,511,788
Community preservation state share.....	123,500	-	123,500
Tax foreclosures.....	698,273	-	698,273
Prepaid expenses.....	5,128,805	-	5,128,805
Total current assets.....	<u>50,298,815</u>	<u>8,036,419</u>	<u>58,335,234</u>
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	80,047	-	80,047
Capital assets, nondepreciable.....	46,358,487	5,877,075	52,235,562
Capital assets, net of accumulated depreciation.....	<u>176,581,263</u>	<u>8,266,211</u>	<u>184,847,474</u>
Total noncurrent assets.....	<u>223,019,797</u>	<u>14,143,286</u>	<u>237,163,083</u>
TOTAL ASSETS.....	<u>273,318,612</u>	<u>22,179,705</u>	<u>295,498,317</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	4,988,574	170,947	5,159,521
Deferred outflows related to other postemployment benefits.....	<u>5,949,800</u>	<u>149,407</u>	<u>6,099,207</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>10,938,374</u>	<u>320,354</u>	<u>11,258,728</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	2,488,489	835,311	3,323,800
Accrued payroll.....	2,314,908	-	2,314,908
Health claims payable.....	997,608	-	997,608
Tax refunds payable.....	934,299	-	934,299
Accrued interest.....	750,772	28,694	779,466
Other liabilities.....	278,971	-	278,971
Compensated absences.....	1,528,300	38,700	1,567,000
Workers' compensation.....	133,428	-	133,428
Notes payable.....	618,101	1,250,000	1,868,101
Bonds payable.....	<u>6,436,964</u>	<u>439,907</u>	<u>6,876,871</u>
Total current liabilities.....	<u>16,481,840</u>	<u>2,592,612</u>	<u>19,074,452</u>
NONCURRENT:			
Compensated absences.....	312,700	-	312,700
Workers' compensation.....	120,769	-	120,769
Net pension liability.....	34,212,268	1,172,377	35,384,645
Net other postemployment benefits liability.....	39,841,273	1,072,397	40,913,670
Bonds payable.....	<u>65,756,548</u>	<u>2,618,316</u>	<u>68,374,864</u>
Total noncurrent liabilities.....	<u>140,243,558</u>	<u>4,863,090</u>	<u>145,106,648</u>
TOTAL LIABILITIES.....	<u>156,725,398</u>	<u>7,455,702</u>	<u>164,181,100</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes paid in advance.....	227,573	-	227,573
Deferred inflows related to pensions.....	1,121,104	38,418	1,159,522
Deferred inflows related to other postemployment benefits.....	<u>10,261,651</u>	<u>257,684</u>	<u>10,519,335</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>11,610,328</u>	<u>296,102</u>	<u>11,906,430</u>
NET POSITION			
Net investment in capital assets.....	150,205,087	11,076,733	161,281,820
Restricted for:			
Perpetual care and other permanent funds:			
Expendable.....	2,145,752	-	2,145,752
Nonexpendable.....	2,395,173	-	2,395,173
Gifts and grants.....	1,279,088	-	1,279,088
Community preservation.....	2,908,105	-	2,908,105
Unrestricted.....	<u>(43,011,945)</u>	<u>3,671,522</u>	<u>(39,340,423)</u>
TOTAL NET POSITION.....	<u>\$ 115,921,260</u>	<u>\$ 14,748,255</u>	<u>\$ 130,669,515</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 6,984,885	\$ 653,576	\$ 1,441,853	\$ 1,000,000	\$ (3,889,456)
Public safety.....	13,550,663	2,551,971	580,050	3,354,976	(7,063,666)
Education.....	62,848,092	3,765,169	17,008,624	-	(42,074,299)
Public works.....	6,234,824	1,967,754	13,200	592,204	(3,661,666)
Human services.....	1,646,830	165,966	266,312	-	(1,214,552)
Culture and recreation.....	3,633,917	1,380,866	42,800	-	(2,210,251)
Community preservation.....	451,079	-	-	193,303	(257,776)
COVID-19.....	340,931	-	340,931	-	-
Interest.....	1,973,309	-	4,016	-	(1,969,293)
Total Governmental Activities.....	<u>97,664,530</u>	<u>10,485,302</u>	<u>19,697,786</u>	<u>5,140,483</u>	(62,340,959)
<i>Business-Type Activities:</i>					
Water.....	<u>3,443,751</u>	<u>3,264,317</u>	<u>-</u>	<u>-</u>	(179,434)
Total Primary Government.....	<u>\$ 101,108,281</u>	<u>\$ 13,749,619</u>	<u>\$ 19,697,786</u>	<u>\$ 5,140,483</u>	(62,520,393)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (62,340,959)	\$ (179,434)	\$ (62,520,393)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	63,607,214	-	63,607,214
Tax and other liens.....	257,522	-	257,522
Motor vehicle and other excise taxes.....	3,004,758	-	3,004,758
Meals tax.....	151,465	-	151,465
Community preservation tax.....	539,675	-	539,675
Penalties and interest on taxes.....	327,729	-	327,729
Payments in lieu of taxes.....	13,384	-	13,384
Grants and contributions not restricted to specific programs.....	1,551,635	-	1,551,635
Unrestricted investment income.....	1,405,872	-	1,405,872
Total general revenues.....	70,859,254	-	70,859,254
 Change in net position.....	 8,518,295	 (179,434)	 8,338,861
<i>Net position:</i>			
Beginning of year.....	107,402,965	14,927,689	122,330,654
End of year.....	\$ <u>115,921,260</u>	\$ <u>14,748,255</u>	\$ <u>130,669,515</u>

(Concluded)

See notes to basic financial statements.

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2020

	General	Community Preservation Act	Affordable Housing	Seawall Repairs	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents.....	\$ 5,468,682	\$ 2,912,809	\$ 1,070	\$ -	\$ 84,834	\$ 6,302,422	\$ 14,769,817
Investments.....	12,395,188	-	918,850	-	4,456,966	82,975	17,853,979
Receivables, net of uncollectibles:							
Real estate and personal property taxes.....	1,263,939	-	-	-	-	-	1,263,939
Tax liens.....	542,884	3,970	-	-	-	-	546,854
Community preservation fund surtax.....	-	7,035	-	-	-	-	7,035
Motor vehicle and other excise taxes.....	179,130	-	-	-	-	-	179,130
User charges.....	32,548	-	-	-	-	-	32,548
Departmental and other.....	264,254	-	-	-	-	-	264,254
Intergovernmental - other.....	147,872	-	-	991,393	-	1,372,523	2,511,788
Community preservation state share.....	-	123,500	-	-	-	-	123,500
Special assessments.....	80,047	-	-	-	-	-	80,047
Tax foreclosures.....	698,273	-	-	-	-	-	698,273
Due from other funds.....	839,899	-	-	-	-	-	839,899
Prepaid expenses.....	4,334,944	-	-	-	-	-	4,334,944
TOTAL ASSETS.....	\$ 26,247,660	\$ 3,047,314	\$ 919,920	\$ 991,393	\$ 4,541,800	\$ 7,757,920	\$ 43,506,007
LIABILITIES							
Warrants payable.....	\$ 1,190,486	\$ 22	\$ -	\$ 1,037,381	\$ 875	\$ 183,851	\$ 2,412,615
Accrued payroll.....	2,314,908	-	-	-	-	-	2,314,908
Tax refunds payable.....	934,299	-	-	-	-	-	934,299
Due to other funds.....	-	-	-	214	-	839,685	839,899
Other liabilities.....	214,418	4,682	-	-	-	59,871	278,971
Notes payable.....	-	-	-	-	-	618,101	618,101
TOTAL LIABILITIES.....	4,654,111	4,704	-	1,037,595	875	1,701,508	7,398,793
DEFERRED INFLOWS OF RESOURCES							
Taxes paid in advance.....	227,573	-	-	-	-	-	227,573
Unavailable revenue.....	2,729,948	134,505	-	-	-	195,897	3,060,350
TOTAL DEFERRED INFLOWS OF RESOURCES.....	2,957,521	134,505	-	-	-	195,897	3,287,923
FUND BALANCES							
Nonspendable.....	-	-	-	-	2,395,173	-	2,395,173
Restricted.....	3,294,348	2,908,105	919,920	-	2,145,752	6,441,055	15,709,180
Committed.....	622,523	-	-	-	-	-	622,523
Assigned.....	952,679	-	-	-	-	-	952,679
Unassigned.....	13,766,478	-	-	(46,202)	-	(580,540)	13,139,736
TOTAL FUND BALANCES.....	18,636,028	2,908,105	919,920	(46,202)	4,540,925	5,860,515	32,819,291
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 26,247,660	\$ 3,047,314	\$ 919,920	\$ 991,393	\$ 4,541,800	\$ 7,757,920	\$ 43,506,007

See notes to basic financial statements.

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

JUNE 30, 2020

Total governmental fund balances.....		\$ 32,819,291
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....		222,939,750
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....		3,060,350
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.....		(444,381)
The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.....		6,639,272
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....		(750,772)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable.....	(72,193,512)	
Net pension liability.....	(34,212,268)	
Net other postemployment benefits liability.....	(39,841,273)	
Workers' compensation.....	(254,197)	
Compensated absences.....	<u>(1,841,000)</u>	
Net effect of reporting long-term liabilities.....		<u>(148,342,250)</u>
Net position of governmental activities.....		<u>\$ 115,921,260</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	General	Community Preservation Act	Affordable Housing	Seawall Repairs	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ 63,481,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,481,813
Tax liens.....	347,376	1,782	-	-	-	-	349,158
Motor vehicle and other excise taxes.....	3,066,528	-	-	-	-	-	3,066,528
Meals tax.....	151,465	-	-	-	-	-	151,465
Sewer charges.....	195,341	-	-	-	-	-	195,341
Regional dispatch member revenue.....	325,000	-	-	-	-	-	325,000
Penalties and interest on taxes.....	327,729	-	-	-	-	-	327,729
Trash disposal.....	881,836	-	-	-	-	-	881,836
Payments in lieu of taxes.....	13,384	-	-	-	-	-	13,384
Intergovernmental - state aid.....	6,636,948	-	-	-	-	-	6,636,948
Intergovernmental - Teachers Retirement.....	10,108,851	-	-	-	-	-	10,108,851
Intergovernmental.....	275,397	-	-	1,000,000	-	7,517,245	8,792,642
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	340,931	340,931
Departmental and other.....	4,308,549	-	-	-	-	5,088,947	9,397,496
Community preservation taxes.....	-	539,888	-	-	-	-	539,888
Community preservation state match.....	-	126,931	-	-	-	-	126,931
Contributions and donations.....	-	-	-	-	17,075	217,197	234,272
Investment income (loss).....	833,332	5,659	(943)	-	284,722	6,525	1,129,295
TOTAL REVENUES.....	90,953,549	674,260	(943)	1,000,000	301,797	13,170,845	106,099,508
EXPENDITURES:							
Current:							
General government.....	3,996,845	-	752,897	1,046,202	20,480	1,252,285	7,068,709
Public safety.....	9,330,103	-	-	-	-	4,333,148	13,663,251
Education.....	36,955,365	-	-	-	23,710	5,469,167	42,448,242
Public works.....	4,602,593	-	-	-	970	945,687	5,549,250
Health and human services.....	716,346	-	-	-	-	423,441	1,139,787
Culture and recreation.....	2,649,574	-	-	-	-	166,683	2,816,257
Community preservation.....	-	312,684	-	-	-	-	312,684
COVID-19.....	-	-	-	-	-	340,931	340,931
Pension benefits.....	3,698,622	-	-	-	-	2,282	3,700,904
Pension benefits - Teachers Retirement.....	10,108,851	-	-	-	-	-	10,108,851
Property and liability insurance.....	499,078	-	-	-	-	-	499,078
Employee benefits.....	9,106,176	-	-	-	-	-	9,106,176
State and county charges.....	514,808	-	-	-	-	-	514,808
Debt service:							
Principal.....	5,950,690	-	-	-	-	-	5,950,690
Interest.....	2,550,483	-	-	-	-	-	2,550,483
TOTAL EXPENDITURES.....	90,679,534	312,684	752,897	1,046,202	45,160	12,933,624	105,770,101
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	274,015	361,576	(753,840)	(46,202)	256,637	237,221	329,407
OTHER FINANCING SOURCES (USES):							
Transfers in.....	913,138	-	-	-	100	83,136	996,374
Transfers out.....	(83,236)	-	-	-	-	(913,138)	(996,374)
TOTAL OTHER FINANCING SOURCES (USES)....	829,902	-	-	-	100	(830,002)	-
NET CHANGE IN FUND BALANCES.....	1,103,917	361,576	(753,840)	(46,202)	256,737	(592,781)	329,407
FUND BALANCES AT BEGINNING OF YEAR.....	17,532,111	2,546,529	1,673,760	-	4,284,188	6,453,296	32,489,884
FUND BALANCES AT END OF YEAR.....	\$ 18,636,028	\$ 2,908,105	\$ 919,920	\$ (46,202)	\$ 4,540,925	\$ 5,860,515	\$ 32,819,291

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, 2020

Net change in fund balances - total governmental funds.....		\$ 329,407
<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.....	7,801,707	
Depreciation expense.....	<u>(7,262,320)</u>	
Net effect of reporting capital assets.....		539,387
<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>		
		(193,260)
<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>		
Net amortization of premium from issuance of bonds.....	539,365	
Debt service principal payments.....	<u>5,950,690</u>	
Net effect of reporting long-term debt.....		6,490,055
<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.....	21,200	
Net change in accrued interest on long-term debt.....	37,809	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(3,837,738)	
Net change in net pension liability.....	2,073,964	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits...	8,575,200	
Net change in net other postemployment benefits liability.....	(7,681,418)	
Net change in workers' compensation liability.....	<u>17,428</u>	
Net effect of recording long-term liabilities.....		(793,555)
The net activity of internal service funds is reported with Governmental Activities.....		<u>2,146,261</u>
Change in net position of governmental activities.....		<u>\$ 8,518,295</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2020

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
ASSETS		
CURRENT:		
Cash and cash equivalents.....	\$ 6,212,225	\$ 2,656,568
Investments.....	-	4,262,325
Receivables, net of allowance for uncollectibles:		
User charges.....	1,824,194	-
Prepaid expenses.....	-	793,861
Total current assets.....	<u>8,036,419</u>	<u>7,712,754</u>
NONCURRENT:		
Capital assets, nondepreciable.....	5,877,075	-
Capital assets, net of accumulated depreciation.....	<u>8,266,211</u>	<u>-</u>
Total noncurrent assets.....	<u>14,143,286</u>	<u>-</u>
TOTAL ASSETS.....	<u>22,179,705</u>	<u>7,712,754</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions.....	170,947	-
Deferred outflows related to other postemployment benefits.....	<u>149,407</u>	<u>-</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>320,354</u>	<u>-</u>
LIABILITIES		
CURRENT:		
Warrants payable.....	835,311	75,874
Health claims payable.....	-	997,608
Accrued interest.....	28,694	-
Compensated absences.....	38,700	-
Notes payable.....	1,250,000	-
Bonds payable.....	<u>439,907</u>	<u>-</u>
Total current liabilities.....	<u>2,592,612</u>	<u>1,073,482</u>
NONCURRENT:		
Net pension liability.....	1,172,377	-
Net other postemployment benefits liability.....	1,072,397	-
Bonds payable.....	<u>2,618,316</u>	<u>-</u>
Total noncurrent liabilities.....	<u>4,863,090</u>	<u>-</u>
TOTAL LIABILITIES.....	<u>7,455,702</u>	<u>1,073,482</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions.....	38,418	-
Deferred inflows related to other postemployment benefits.....	<u>257,684</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>296,102</u>	<u>-</u>
NET POSITION		
Net investment in capital assets.....	11,076,733	-
Unrestricted.....	<u>3,671,522</u>	<u>6,639,272</u>
TOTAL NET POSITION.....	<u>\$ 14,748,255</u>	<u>\$ 6,639,272</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
OPERATING REVENUES:		
Employee contributions.....	\$ -	\$ 3,755,819
Employer contributions.....	-	8,446,053
Charges for services.....	3,264,317	-
Other operating revenues.....	-	79,948
TOTAL OPERATING REVENUES	3,264,317	12,281,820
OPERATING EXPENSES:		
Cost of services and administration.....	1,689,971	-
Salaries and wages.....	741,707	-
Depreciation.....	925,842	-
Employee benefits.....	-	10,412,136
TOTAL OPERATING EXPENSES.....	3,357,520	10,412,136
OPERATING INCOME (LOSS).....	(93,203)	1,869,684
NONOPERATING REVENUES (EXPENSES):		
Investment income (loss).....	-	276,577
Interest expense.....	(86,231)	-
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	(86,231)	276,577
CHANGE IN NET POSITION.....	(179,434)	2,146,261
NET POSITION AT BEGINNING OF YEAR.....	14,927,689	4,493,011
NET POSITION AT END OF YEAR.....	\$ 14,748,255	\$ 6,639,272

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds Water	Governmental Activities - Internal Service Fund
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Receipts from customers and users.....	\$ 2,926,631	\$ 3,755,819
Receipts from interfund services provided.....	-	8,526,001
Payments to vendors.....	(1,106,147)	-
Payments to employees.....	(759,307)	-
Payments for interfund services used.....	-	(10,838,957)
	1,061,177	1,442,863
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of notes.....	1,250,000	-
Premium from the issuance of notes.....	6,081	-
Acquisition and construction of capital assets.....	(678,803)	-
Principal payments on bonds and notes.....	(412,482)	-
Interest expense.....	(106,804)	-
	57,992	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Sale (Purchase) of investments, net.....	-	(308,904)
Investment income (loss).....	-	276,577
	-	(32,327)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	1,119,169	1,410,536
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	5,093,056	1,246,032
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 6,212,225	\$ 2,656,568
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>		
<u>FROM OPERATING ACTIVITIES:</u>		
Operating income (loss).....	\$ (93,203)	\$ 1,869,684
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation.....	925,842	-
Deferred (outflows)/inflows related to pensions.....	126,808	-
Deferred (outflows)/inflows related to other postemployment benefits.....	(109,784)	-
Changes in assets and liabilities:		
User charges.....	(337,686)	-
Prepaid expenses.....	-	(373,533)
Warrants payable.....	87,496	(53,549)
Health claims payable.....	-	261
Compensated absences.....	(17,600)	-
Net pension liability.....	(48,918)	-
Net other postemployment benefits.....	528,222	-
Total adjustments.....	1,154,380	(426,821)
NET CASH FROM OPERATING ACTIVITIES.....	\$ 1,061,177	\$ 1,442,863

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 40,154	\$ 23,474	\$ 384,656
Investments:			
U.S. treasury notes.....	110,821	458,041	-
Government sponsored enterprises.....	132,262	639,096	-
Corporate bonds.....	131,471	351,237	-
Equity securities.....	2,225,603	1,865,444	-
Fixed income mutual funds.....	224,148	278,865	-
Municipal bonds.....	-	47,177	-
TOTAL ASSETS.....	2,864,459	3,663,334	384,656
LIABILITIES			
Warrants payable.....	-	-	22,925
Liabilities due depositors.....	-	-	361,731
TOTAL LIABILITIES.....	-	-	384,656
NET POSITION			
Restricted for other postemployment benefits.....	2,864,459	-	-
Held in trust for other purposes.....	-	3,663,334	-
TOTAL NET POSITION.....	2,864,459	3,663,334	-

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2020

	<u>Other Postemployment Benefit Trust Fund</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS:		
Contributions:		
Employer contributions for other postemployment benefit payments....	\$ 2,060,313	\$ -
Net investment income:		
Investment income (loss).....	87,482	255,206
TOTAL ADDITIONS.....	2,147,795	255,206
DEDUCTIONS:		
Other postemployment benefit payments.....	2,060,313	-
Educational scholarships and other.....	-	14,517
TOTAL DEDUCTIONS.....	2,060,313	14,517
NET INCREASE (DECREASE) IN NET POSITION.....	87,482	240,689
NET POSITION AT BEGINNING OF YEAR.....	2,776,977	3,422,645
NET POSITION AT END OF YEAR.....	\$ 2,864,459	\$ 3,663,334

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 *seawall repair fund* is a capital project fund used to account for the repairs and improvements to the Duxbury Beach seawall.

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

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

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

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

Motor Vehicle and Other Excise Taxes

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

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

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

User 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 and deferred outflows of resources related to other postemployment benefits 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 Retirement Association 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.

T. Fund Deficits

An individual deficit exists at June 30, 2020, within the capital equipment capital project fund. This deficit will be funded with bond proceeds in subsequent years.

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 \$20,752,387 and the bank balance totaled \$22,407,355. Of the bank balance, \$2,750,000 was covered by Federal Depository Insurance, \$10,839,919 was covered by Depositors Insurance Fund, \$60,470 was collateralized, and \$8,756,966 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 \$14,076,675 in debt securities and \$12,712,032 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, 2020, the Town of Duxbury had the following investments:

Investment Type	Fair value	Maturities			
		Under 1 Year	1-5 Years	6-10 Years	Over 10 Years
Debt securities:					
U.S. treasury securities.....	\$ 7,657,879	\$ 1,422,564	\$ 4,351,393	\$ 1,468,915	\$ 415,007
Government sponsored enterprises.....	3,835,377	378,375	2,977,897	403,620	75,485
Corporate bonds.....	2,318,217	416,673	1,357,239	544,305	-
Municipal bonds.....	265,202	-	-	-	265,202
Total debt securities.....	14,076,675	\$ 2,217,612	\$ 8,686,529	\$ 2,416,840	\$ 755,694
Other investments:					
Equity securities.....	12,712,032				
Fixed income mutual funds.....	1,791,762				
Money market mutual funds.....	2,160,100				
MMDT - Cash portfolio.....	1,174,407				
Total investments.....	\$ 31,914,976				

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, 2020, the Town’s investments were rated as follows:

Quality Rating	Government Sponsored Enterprises	Corporate Bonds	Municipal Bonds
AA+.....	\$ 3,835,377	\$ 27,585	\$ 265,202
AA.....	-	25,152	-
A+.....	-	214,029	-
A.....	-	157,519	-
A-.....	-	964,706	-
BBB.....	-	377,873	-
BBB+.....	-	551,353	-
Total.....	\$ 3,835,377	\$ 2,318,217	\$ 265,202

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:

Issuer	Percentage of Total Investments
Federal Home Loan Mortgage Corporation.....	11%

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, 2020:

Investment Type	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury securities.....	\$ 7,657,879	\$ 7,657,879	\$ -	\$ -
Government sponsored enterprises.....	3,835,377	3,835,377	-	-
Corporate bonds.....	2,318,217	-	2,318,217	-
Municipal bonds.....	265,202	265,202	-	-
Total debt securities.....	14,076,675	11,758,458	2,318,217	-
<u>Other investments:</u>				
Equity securities.....	12,712,032	12,712,032	-	-
Fixed income mutual funds.....	1,791,762	1,791,762	-	-
Money market mutual funds.....	2,160,100	2,160,100	-	-
Total other investments.....	16,663,894	16,663,894	-	-
Total investments measured at fair value.....	30,740,569	\$ 28,422,352	\$ 2,318,217	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	1,174,407			
Total investments.....	\$ 31,914,976			

U.S. treasury securities, government sponsored enterprises, municipal bonds, equity securities, 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, 2020, 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.....	\$ 1,272,332	\$ (8,393)	\$ 1,263,939
Tax liens.....	546,854	-	546,854
Community preservation fund surtax.....	7,035	-	7,035
Motor vehicle and other excise taxes.....	264,792	(85,662)	179,130
User charges.....	32,548	-	32,548
Departmental and other.....	264,254	-	264,254
Intergovernmental.....	2,511,788	-	2,511,788
Community preservation state share.....	123,500	-	123,500
Special assessments.....	80,047	-	80,047
Total.....	<u>\$ 5,103,150</u>	<u>\$ (94,055)</u>	<u>\$ 5,009,095</u>

At June 30, 2020, receivables for the water enterprise fund consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Water user charges.....	<u>\$ 1,824,194</u>	<u>\$ -</u>	<u>\$ 1,824,194</u>

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.....	\$ 932,812	\$ -	\$ 932,812
Tax liens.....	542,884	3,970	546,854
Community preservation fund surtax.....	-	7,035	7,035
Motor vehicle and other excise taxes.....	179,130	-	179,130
User charges.....	32,548	-	32,548
Departmental and other.....	264,254	-	264,254
Intergovernmental - highway improvements.....	-	195,897	195,897
Community preservation state share.....	-	123,500	123,500
Special assessments.....	80,047	-	80,047
Tax foreclosures.....	698,273	-	698,273
Total.....	<u>\$ 2,729,948</u>	<u>\$ 330,402</u>	<u>\$ 3,060,350</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 40,273,732	\$ 20,000	\$ -	\$ 40,293,732
Construction in progress.....	<u>4,248,583</u>	<u>4,525,009</u>	<u>(2,708,837)</u>	<u>6,064,755</u>
Total capital assets not being depreciated.....	<u>44,522,315</u>	<u>4,545,009</u>	<u>(2,708,837)</u>	<u>46,358,487</u>
<u>Capital assets being depreciated:</u>				
Buildings and building improvements.....	198,907,001	2,614,750	-	201,521,751
Infrastructure.....	24,004,599	1,106,986	(399,183)	24,712,402
Vehicles.....	8,676,380	821,738	(146,524)	9,351,594
Furniture, fixtures and equipment.....	5,794,265	1,315,444	-	7,109,709
Improvements.....	<u>12,456,608</u>	<u>106,617</u>	<u>-</u>	<u>12,563,225</u>
Total capital assets being depreciated.....	<u>249,838,853</u>	<u>5,965,535</u>	<u>(545,707)</u>	<u>255,258,681</u>
<u>Less accumulated depreciation for:</u>				
Buildings and building improvements.....	(37,402,944)	(4,927,471)	-	(42,330,415)
Infrastructure.....	(15,218,687)	(902,987)	399,183	(15,722,491)
Vehicles.....	(5,363,983)	(684,751)	146,524	(5,902,210)
Furniture, fixtures and equipment.....	(4,097,962)	(471,111)	-	(4,569,073)
Improvements.....	<u>(9,877,229)</u>	<u>(276,000)</u>	<u>-</u>	<u>(10,153,229)</u>
Total accumulated depreciation.....	<u>(71,960,805)</u>	<u>(7,262,320)</u>	<u>545,707</u>	<u>(78,677,418)</u>
Total capital assets being depreciated, net.....	<u>177,878,048</u>	<u>(1,296,785)</u>	<u>-</u>	<u>176,581,263</u>
Total governmental activities capital assets, net.....	<u>\$ 222,400,363</u>	<u>\$ 3,248,224</u>	<u>\$ (2,708,837)</u>	<u>\$ 222,939,750</u>

Business-Type Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Water:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 3,299,437	\$ -	\$ -	\$ 3,299,437
Construction in progress.....	<u>1,849,641</u>	<u>1,387,679</u>	<u>(659,682)</u>	<u>2,577,638</u>
Total capital assets not being depreciated.....	<u>5,149,078</u>	<u>1,387,679</u>	<u>(659,682)</u>	<u>5,877,075</u>
<u>Capital assets being depreciated:</u>				
Plant, facilities and infrastructure.....	23,862,618	545,793	(402,527)	24,005,884
Equipment and motor vehicles.....	<u>634,674</u>	<u>22,484</u>	<u>-</u>	<u>657,158</u>
Total capital assets being depreciated.....	<u>24,497,292</u>	<u>568,277</u>	<u>(402,527)</u>	<u>24,663,042</u>
<u>Less accumulated depreciation for:</u>				
Plant, facilities and infrastructure.....	(15,466,317)	(867,089)	402,527	(15,930,879)
Equipment and motor vehicles.....	<u>(407,199)</u>	<u>(58,753)</u>	<u>-</u>	<u>(465,952)</u>
Total accumulated depreciation.....	<u>(15,873,516)</u>	<u>(925,842)</u>	<u>402,527</u>	<u>(16,396,831)</u>
Total capital assets being depreciated, net.....	<u>8,623,776</u>	<u>(357,565)</u>	<u>-</u>	<u>8,266,211</u>
Total water activities capital assets, net.....	<u>\$ 13,772,854</u>	<u>\$ 1,030,114</u>	<u>\$ (659,682)</u>	<u>\$ 14,143,286</u>

D

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

Governmental Activities:	
General government.....	\$ 87,936
Public safety.....	825,324
Education.....	4,609,508
Public works.....	1,145,533
Human services.....	102,654
Culture and recreation.....	280,353
Community preservation.....	<u>211,012</u>
Total depreciation expense - governmental activities.....	<u>\$ 7,262,320</u>
Business-Type Activities:	
Water.....	<u>\$ 925,842</u>

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At June 30, 2020, the Town had an interfund receivable/payable totaling \$839,899 of which \$214 exists between the general fund and the seawall repairs major fund and \$839,685 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, 2020, are summarized as follows:

Transfers Out:	Transfers In:			Total
	General fund	Town services fund	Nonmajor governmental funds	
General fund.....	\$ -	\$ 100	\$ 83,136	\$ 83,236 (1)
Nonmajor governmental funds.....	913,138	-	-	913,138 (2)
Total.....	<u>\$ 913,138</u>	<u>\$ 100</u>	<u>\$ 83,136</u>	<u>\$ 996,374</u>

- (1) Represents budgeted transfers totaling \$11,628 from general fund reserves to nonmajor governmental funds for beach preservation. Represents budgeted transfers from the general fund to the water improvements fund totaling \$18,733 for 50% of boat excise and \$44,764 for PEG access. Also represents budgeted transfers from the general fund to fund deficits in the nonmajor governmental fund totaling \$100 to the Town services, \$2,343 in Town gifts and grants, and \$5,668 to miscellaneous capital projects.
- (2) Represents budgeted transfers to the general fund from PEG access, receipts reserved for appropriation, and miscellaneous capital projects fund to establish the capital stabilization fund. Also represents transfers to the general fund from recreation revolving and school gifts and grants.

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, 2020, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
Governmental Funds:							
BAN	Municipal Purpose.....	1.21%	04/14/21	\$ -	\$ 618,101	\$ -	\$ 618,101
Water Enterprise Fund:							
BAN	Municipal Purpose.....	1.21%	04/14/21	\$ -	\$ 1,250,000	\$ -	\$ 1,250,000

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, 2020, 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, 2020
General Obligation Bonds Payable:				
Municipal Purpose Loans of 2010.....	2023	\$ 2,950,000	2.00-5.00	\$ 960,000
Municipal Purpose Loans of 2013.....	2038	82,575,000	3.00-4.00	58,540,000
Municipal Purpose Loans of 2014.....	2024	2,200,000	2.00-3.00	880,000
Municipal Purpose Refunding Loans of 2014.....	2023	425,000	2.00-3.00	125,000
Municipal Purpose Loans of 2015.....	2025	4,500,000	2.00-3.00	2,250,000
Municipal Purpose Refunding Loans of 2016.....	2021	4,120,000	2.00-4.00	810,000
Municipal Purpose Loans of 2017.....	2027	3,185,000	4.00	2,215,000
Municipal Purpose Loans of 2019.....	2034	2,985,000	5.00	2,665,000
Subtotal General Obligation Bonds Payable.....				68,445,000
Direct Borrowings Payable:				
MCWT 2004 Title V.....	2021	192,582	3.30-5.25	10,905
Add: Unamortized premium on bonds.....				3,737,607
Total Bonds Payable, net.....				\$ 72,193,512

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2021.....	\$ 5,940,000	\$ 2,321,330	\$ 8,261,330
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
Total.....	\$ <u>68,445,000</u>	\$ <u>18,169,112</u>	\$ <u>86,614,112</u>

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2021.....	\$ <u>10,905</u>	\$ <u>-</u>	\$ <u>10,905</u>

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) for governmental fund debt on a periodic basis. Thus, net MCWT loan repayments, including interest, are scheduled to be \$10,905 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. There were no interest subsidies in 2020.

General Obligation Bonds Payable Schedule – Water Enterprise Fund

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
Water Projects				
General Obligation Bonds Payable:				
Municipal Purpose Loans of 2008.....	2023	\$ 1,700,000	3.00-3.85	\$ 275,000
Municipal Purpose Loans of 2019.....	2028	1,260,000	5.00	1,110,000
Subtotal General Obligation Bonds Payable.....				1,385,000
Direct Borrowings Payable:				
MCWT 2009.....	2029	3,150,000	2.00	1,568,498
Add: Unamortized premium on bonds.....				104,725
Total Bonds Payable, net.....				\$ 3,058,223

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

Year	General Obligation Bonds Payable		
	Principal	Interest	Total
2021.....	\$ 255,000	\$ 64,068	\$ 319,068
2022.....	245,000	52,622	297,622
2023.....	215,000	42,099	257,099
2024.....	145,000	33,500	178,500
2025.....	145,000	26,250	171,250
2026.....	145,000	19,000	164,000
2027.....	135,000	11,750	146,750
2028.....	100,000	5,000	105,000
Total.....	\$ 1,385,000	\$ 254,289	\$ 1,639,289

Year	Direct Borrowings Payable		
	Principal	Interest	Total
2021.....	\$ 160,664	\$ 29,763	\$ 190,427
2022.....	163,909	26,518	190,427
2023.....	167,221	23,206	190,427
2024.....	170,599	19,828	190,427
2025.....	174,045	16,382	190,427
2026.....	177,561	12,866	190,427
2027.....	181,149	9,278	190,427
2028.....	184,808	5,619	190,427
2029.....	188,542	1,885	190,427
Total.....	\$ <u>1,568,498</u>	\$ <u>145,345</u>	\$ <u>1,713,843</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, 2020, the Town had the following authorized and unissued debt:

Purpose	Amount
School construction.....	\$ 46,008,899
Water mains.....	47,000
Senior Center expansion.....	25,750
Crematory.....	150,000
Chromebooks.....	44,897
Pipe replacement.....	1,000,000
Seawall repairs.....	4,909,770
Total.....	\$ <u>52,186,316</u>

Changes in Long-term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term general obligation bonds payable.. \$	74,385,000	\$ -	\$ (5,940,000)	\$ -	\$ -	\$ 68,445,000	\$ 5,940,000
Long-term direct borrowings payable.....	21,595	-	(10,690)	-	-	10,905	10,905
Add: Unamortized premium on bonds.....	4,276,972	-	(539,365)	-	-	3,737,607	486,059
Total bonds payable.....	78,683,567	-	(6,490,055)	-	-	72,193,512	6,436,964
Compensated absences.....	1,862,200	-	-	1,490,300	(1,511,500)	1,841,000	1,528,300
Workers' compensation.....	271,625	-	-	13,159	(30,587)	254,197	133,428
Net pension liability.....	36,286,232	-	-	2,764,803	(4,838,767)	34,212,268	-
Net other postemployment benefits.....	32,159,855	-	-	9,999,059	(2,317,641)	39,841,273	-
Total governmental activity long-term liabilities.....	\$ 149,263,479	\$ -	\$ (6,490,055)	\$ 14,267,321	\$ (8,698,495)	\$ 148,342,250	\$ 8,098,692
Business-Type Activities:							
Long-term general obligation bonds payable.. \$	1,640,000	\$ -	\$ (255,000)	\$ -	\$ -	\$ 1,385,000	\$ 255,000
Long-term direct borrowings payable.....	1,725,980	-	(157,482)	-	-	1,568,498	160,664
Add: Unamortized premium on bonds.....	131,480	6,081	(32,836)	-	-	104,725	24,243
Total bonds payable.....	3,497,460	6,081	(445,318)	-	-	3,058,223	439,907
Compensated absences.....	56,300	-	-	24,500	(42,100)	38,700	38,700
Net pension liability.....	1,221,295	-	-	116,318	(165,236)	1,172,377	-
Net other postemployment benefits.....	544,175	-	-	6,489,482	(5,961,260)	1,072,397	-
Total business-type activity long-term liabilities.....	\$ 5,319,230	\$ 6,081	\$ (445,318)	\$ 6,630,300	\$ (6,168,596)	\$ 5,341,697	\$ 478,607

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, 2020, the governmental fund balances consisted of the following:

	General	Community Preservation Act	Affordable Housing	Seawall Repairs	Town Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ -	\$ 2,395,173	\$ -	\$ 2,395,173
Restricted for:							
Debt service - interest.....	3,294,348	-	-	-	-	-	3,294,348
Community Preservation Act.....	-	2,908,105	-	-	-	-	2,908,105
Affordable Housing.....	-	-	919,920	-	-	-	919,920
Town Services Fund.....	-	-	-	-	2,145,752	-	2,145,752
School Lunch.....	-	-	-	-	-	775,548	775,548
School Gifts and Grants.....	-	-	-	-	-	973,284	973,284
School Revolving.....	-	-	-	-	-	2,816,121	2,816,121
Recreation Revolving.....	-	-	-	-	-	10,306	10,306
Receipts Reserved for Appropriations.....	-	-	-	-	-	1,235,066	1,235,066
Town Gifts and Grants.....	-	-	-	-	-	305,804	305,804
Town Revolving.....	-	-	-	-	-	94,634	94,634
Special Revenue Trust Funds.....	-	-	-	-	-	190,903	190,903
Miscellaneous Projects.....	-	-	-	-	-	17,618	17,618
Powder Point Bridge.....	-	-	-	-	-	1,943	1,943
Senior Center Expansion.....	-	-	-	-	-	19,828	19,828
Committed to:							
Articles and continuing appropriations:							
Selectmen.....	40,460	-	-	-	-	-	40,460
Information systems.....	81,392	-	-	-	-	-	81,392
Assessor.....	18,395	-	-	-	-	-	18,395
Human resources.....	53,192	-	-	-	-	-	53,192
Town clerk.....	54,860	-	-	-	-	-	54,860
Conservation.....	10,029	-	-	-	-	-	10,029
Planning board.....	80,329	-	-	-	-	-	80,329
Facilities management.....	91,505	-	-	-	-	-	91,505
Fire.....	13,748	-	-	-	-	-	13,748
Harbormaster/beach management.....	36,345	-	-	-	-	-	36,345
Department of public works management.....	48,692	-	-	-	-	-	48,692
Highway department.....	2,768	-	-	-	-	-	2,768
Land and natural resources.....	40,301	-	-	-	-	-	40,301
Engineering.....	16,501	-	-	-	-	-	16,501
Cemetery.....	17,106	-	-	-	-	-	17,106
Library.....	1,900	-	-	-	-	-	1,900
Public celebrations.....	15,000	-	-	-	-	-	15,000
Assigned to:							
Encumbrances:							
Information systems.....	550	-	-	-	-	-	550
Treasurer/Collector.....	3,767	-	-	-	-	-	3,767
Legal.....	360	-	-	-	-	-	360
Human resources.....	1,292	-	-	-	-	-	1,292
Planning board.....	50	-	-	-	-	-	50
Police.....	14,595	-	-	-	-	-	14,595
Fire.....	86	-	-	-	-	-	86
Harbormaster/beach management.....	2,135	-	-	-	-	-	2,135
Education.....	252,484	-	-	-	-	-	252,484
Vehicles maintenance.....	387	-	-	-	-	-	387
Street lights.....	112	-	-	-	-	-	112
Transfer station.....	35	-	-	-	-	-	35
Sewer department.....	724	-	-	-	-	-	724
Council on aging.....	690	-	-	-	-	-	690
Pool.....	4,480	-	-	-	-	-	4,480
Free cash used for subsequent year budget.....	670,932	-	-	-	-	-	670,932
Unassigned.....	13,766,478	-	-	(46,202)	-	(580,540)	13,139,736
Total Fund Balances.....	\$ 18,636,028	\$ 2,908,105	\$ 919,920	\$ (46,202)	\$ 4,540,925	\$ 5,860,515	\$ 32,819,291

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, a special education stabilization fund, and a capital stabilization fund.

At year end, the balance of the general stabilization fund, pension reserve fund, unemployment trust fund, compensated absences stabilization fund, special education stabilization fund, and the capital stabilization fund totaled \$5,158,661, \$1,405,453, \$118,872, \$64,790, \$318,900, and \$169,571, 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 2021 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, 2020, the CPA fund has a balance of \$2,908,105 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, 2020, the amount of the liability for health insurance claims totaled \$997,608. 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, 2018, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End
2019.....	\$ 2,309,285	\$	10,813,696	\$	(12,125,634)	\$	997,347
2020.....	997,347		10,839,218		(10,838,957)		997,608

(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, 2018, are as follows:

	Balance at Beginning of Year		Current Year Claims and Changes in Estimate		Claims Payments		Balance at Year-End	Current Portion
2019.....	\$ 643,065	\$	116,158	\$	(487,598)	\$	271,625	\$ 146,385
2020.....	271,625		262,501		(279,929)		254,197	133,428

NOTE 11 – PENSION PLAN

Plan Descriptions

The Town is a member of the Plymouth County Retirement Association (PCRA), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the 54 member units. The PCRA 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, 2019. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$10,108,851 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 \$83,360,030 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 which equaled its actual contribution for the year ended June 30, 2020, was \$3,827,610, 25.12% 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 \$3,827,610 reflects the discounted rate paid as of July 1.

Pension Liabilities

At June 30, 2020, the Town reported a liability of \$35,384,645 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. 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, 2019, the Town's proportion was 5.1865%, which increased by .0856% from its proportion measured at December 31, 2018 of 5.1009%.

Pension Expense

For the year ended June 30, 2020, the Town recognized a net pension expense of \$5,669,274. At June 30, 2020, the Town reported deferred outflows of resources related to pensions of \$5,159,521 and deferred inflows of resources related to pensions of \$1,159,522.

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.....	\$ 4,008,026	\$ -	\$ 4,008,026
Difference between projected and actual earnings, net.....	-	(742,823)	(742,823)
Changes in assumptions.....	551,903	(115,025)	436,878
Changes in proportion and proportionate share of contributions.....	<u>599,592</u>	<u>(301,674)</u>	<u>297,918</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 5,159,521</u>	<u>\$ (1,159,522)</u>	<u>\$ 3,999,999</u>

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

<u>Year ended June 30:</u>	
2021.....	\$ 1,549,495
2022.....	1,501,060
2023.....	1,676,409
2024.....	<u>(726,965)</u>
Total.....	<u>\$ 3,999,999</u>

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset valuation method.....	Assets held by the fund are valued at market value as reported by the Public Employees' Retirement Administration Commission (PERAC). The actuarial value of assets is determined using 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 \$16,000 of retirement income. Previously \$14,000.

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, 2020 are summarized in the table on the following page.

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Nominal Rate of Return</u>
Domestic equity.....	26.00%	7.40%
International developed equity.....	6.00%	7.90%
Emerging markets equity.....	10.00%	9.10%
Global equity.....	10.00%	7.80%
Core bonds.....	9.00%	3.00%
Value-added fixed income.....	6.00%	4.90%
Hedge funds.....	4.00%	4.00%
Real estate.....	10.00%	7.50%
Private equity.....	13.00%	9.40%
Real assets.....	6.00%	7.50%
Total.....	<u>100.00%</u>	

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.88%. 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% as of December 31, 2019 and December 31, 2018. 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.....	\$ 44,816,431	\$ 35,384,645	\$ 27,169,343

Changes in Assumptions – None.

Changes in Plan Provisions

- The cost of living adjustment assumption was updated from 3.0% of the first \$14,000 of retirement income to 3.0% of the first \$16,000 of retirement income.

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.

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.

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 2020, the Town recorded a contribution equal to the actuarially determined benefit payment of approximately \$2.1 million. For the year ended June 30, 2020, the Town’s average contribution rate was 4.33% 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.

The Town has pre-funded future OPEB liabilities 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, 2020, the balance of this fund totaled \$2,864,459.

The annual money-weighted rate of return on OPEB plan investments was 3.15%. 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, 2019:

Active members.....	606
Inactive members currently receiving benefits.....	<u>544</u>
Total.....	<u><u>1,150</u></u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2020:

Total OPEB liability.....	\$ 43,778,129
Less: OPEB plan’s fiduciary net position.....	<u>(2,864,459)</u>
Net OPEB liability.....	<u><u>\$ 40,913,670</u></u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability.....	6.54%

Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2019, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement date that was updated to June 30, 2020, to be in accordance with GASB Statement #74 and GASB Statement #75:

Valuation date.....	July 1, 2019
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset-valuation method.....	Market value of assets as of the measurement date, June 30, 2020.
Investment rate of return.....	6.70%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.66% as of June 30, 2020 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Discount rate.....	6.25%, net of OPEB plan investment expense, including inflation.
Inflation.....	2.50% as of June 30, 2020, and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020, and for future periods.
Medical care inflation rate.....	4.5%
Pre-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.
Post-retirement mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.
Disabled mortality.....	General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year. Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

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, 2020, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity - Large cap.....	50.00%	4.80%
Domestic equity - Small/mid cap.....	6.00%	5.29%
International equity - Developed market...	6.00%	5.45%
International equity - Emerging market....	3.00%	6.42%
Domestic fixed income.....	20.00%	2.05%
International fixed income.....	2.00%	3.00%
Alternatives.....	8.50%	6.50%
Real estate.....	3.00%	6.25%
Cash and cash equivalents.....	1.50%	0.00%
 Total.....	 <u>100.00%</u>	

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 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate.

	<u>1% Decrease (5.25%)</u>	<u>Current Discount Rate (6.25%)</u>	<u>1% Increase (7.25%)</u>
Net OPEB liability..... \$	<u>\$ 46,737,926</u>	<u>\$ 40,913,670</u>	<u>\$ 35,954,903</u>

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

	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB liability..... \$	<u>\$ 35,553,834</u>	<u>\$ 40,913,670</u>	<u>\$ 47,530,286</u>

Discount Rate – The discount rate used to measure the Total OPEB liability was 6.25% as of June 30, 2020 and 7.50% as of June 30, 2019. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Town’s funding policy. Based on these assumptions, the OPEB Plan’s Fiduciary Net Position is projected to be insufficient to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on the OPEB Plan assets is applied to the projected benefits payments which the Fiduciary Net Position is expected to be sufficient to cover and the Municipal Bond Rate is applied thereafter. The Municipal Bond Rate is based on the S&P Municipal Bond 20 – Year High Grade Index ("SAPIHG"), which was 2.66% as of June 30, 2020. The S&P Municipal Bond 20 - Year High Grade Index is the index rate for 20-year, tax exempt general obligation municipal bonds with an average rate of AA/Aa or higher.

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 6.25%.

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, 2019.....	\$ 35,481,007	\$ 2,776,977	\$ 32,704,030
Changes for the year:			
Service cost.....	1,026,856	-	1,026,856
Interest.....	2,662,225	-	2,662,225
Changes of benefit terms.....	-	-	-
Differences between expected and actual experience....	(681,729)	-	(681,729)
Changes in assumptions and other inputs.....	7,350,083	-	7,350,083
Benefit payments.....	(2,060,313)	(2,060,313)	-
Employer contributions.....	-	2,060,313	(2,060,313)
Investment income.....	-	87,482	(87,482)
Net change.....	<u>8,297,122</u>	<u>87,482</u>	<u>8,209,640</u>
Balances at June 30, 2020.....	<u>\$ 43,778,129</u>	<u>\$ 2,864,459</u>	<u>\$ 40,913,670</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2020, the Town recognized an OPEB expense of \$1,584,969. At June 30, 2020, the Town reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ -	\$ (1,539,311)	\$ (1,539,311)
Difference between projected and actual earnings, net.....	54,644	-	54,644
Changes in assumptions.....	<u>6,044,563</u>	<u>(8,980,024)</u>	<u>(2,935,461)</u>
Total deferred outflows/(inflows) of resources.....	<u>\$ 6,099,207</u>	<u>\$ (10,519,335)</u>	<u>\$ (4,420,128)</u>

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

Year ended June 30:

2021.....	\$	(1,918,055)
2022.....		(1,918,055)
2023.....		(1,911,935)
2024.....		581,723
2025.....		<u>746,194</u>
Total.....	\$	<u>(4,420,128)</u>

Changes in Assumptions and Plan Provisions – The following changes in assumptions were included in the July 1, 2019, actuarial valuation:

- Due to the GASB 75 standards the discount rate has been changed from 7.50% to 6.25%.
- Based on the recommendations by PERAC, the mortality table has been updated from the RP-2014 Blue Collar Mortality with Scale MP-2015 to the RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females.
- The percentage of employees assumed to elect coverage in retirement has been updated.

There were no changes in plan provisions in the July 1, 2019, actuarial valuation.

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, 2020, 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, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

The general fund has various commitments for goods and services related to articles and encumbrances totaling \$622,523 and \$281,747, respectively.

NOTE 14 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state’s Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was

closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations decreasing, the Town's portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2020, which is the date the financial statements were available to be issued.

NOTE 16 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncement was implemented:

- GASB Statement #95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.

- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

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

This page intentionally left blank.

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, 2020

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 63,930,966	\$ 63,930,966	\$ 63,930,966	\$ 63,386,695	\$ -	\$ (544,271)
Tax liens.....	-	-	-	-	347,376	-	347,376
Motor vehicle and other excise taxes.....	-	2,806,470	2,806,470	2,806,470	3,047,795	-	241,325
Meals tax.....	-	115,597	115,597	115,597	151,465	-	35,868
Regional dispatch member revenue.....	-	325,000	325,000	325,000	325,000	-	-
Sewer charges.....	-	210,600	210,600	210,600	195,341	-	(15,259)
Penalties and interest on taxes.....	-	229,199	229,199	229,199	327,729	-	98,530
Trash disposal.....	-	637,651	637,651	637,651	881,836	-	244,185
Payments in lieu of taxes.....	-	7,260	7,260	7,260	13,384	-	6,124
Intergovernmental - state aid.....	-	6,529,010	6,529,010	6,529,010	6,636,948	-	107,938
Intergovernmental - other.....	-	-	-	-	275,397	-	275,397
Departmental and other.....	-	4,520,253	4,520,253	4,520,253	4,208,292	-	(311,961)
Investment income.....	-	250,176	250,176	250,176	453,715	-	203,539
TOTAL REVENUES.....	-	79,562,182	79,562,182	79,562,182	80,250,973	-	688,791
EXPENDITURES:							
Current:							
General government							
Town Meeting							
Expenditures.....	-	4,300	4,300	4,300	3,887	-	413
Town Moderator							
Salaries.....	-	40	40	40	-	-	40
Selectmen							
Salaries.....	-	283,679	283,679	302,123	297,250	-	4,873
Expenditures.....	-	13,792	13,792	13,792	13,191	-	601
Articles.....	91,485	-	91,485	91,485	51,025	40,460	-
Total.....	91,485	297,471	388,956	407,400	361,466	40,460	5,474
Finance Committee							
Expenditures.....	-	149,465	149,465	110,063	210	-	109,853
Information Systems							
Salaries.....	-	167,595	167,595	179,184	179,184	-	-
Expenditures.....	27,828	413,535	441,363	441,360	404,060	550	36,750
Articles.....	147,269	-	147,269	147,273	65,880	81,392	1
Total.....	175,097	581,130	756,227	767,817	649,124	81,942	36,751
Public Television Access Services							
Expenditures.....	-	296,800	296,800	296,800	296,800	-	-
Accounting							
Salaries.....	-	357,789	357,789	364,509	360,746	-	3,763
Expenditures.....	847	12,105	12,952	12,952	7,020	-	5,932
Total.....	847	369,894	370,741	377,461	367,766	-	9,695
Audit							
Expenditures.....	-	48,000	48,000	48,000	48,000	-	-
Assessor							
Salaries.....	-	245,956	245,956	255,285	254,613	-	672
Expenditures.....	2,910	22,000	24,910	24,910	23,914	-	996
Articles.....	42,296	-	42,296	42,296	23,901	18,395	-
Total.....	45,206	267,956	313,162	322,491	302,428	18,395	1,668
Treasurer/Collector							
Salaries.....	-	276,278	276,278	278,537	270,923	-	7,614
Expenditures.....	-	84,672	84,672	84,672	76,530	3,767	4,375
Total.....	-	360,950	360,950	363,209	347,453	3,767	11,989
Legal							
Expenditures.....	-	200,200	200,200	200,200	149,788	360	50,052
Human Resources							
Salaries.....	-	135,800	135,800	145,978	145,978	-	-
Expenditures.....	738	36,560	37,298	37,299	32,190	1,292	3,817
Articles.....	64,542	135,000	199,542	54,192	1,000	53,192	-
Total.....	65,280	307,360	372,640	237,469	179,168	54,484	3,817
Town Clerk							
Salaries.....	-	159,751	159,751	159,751	151,539	-	8,212
Expenditures.....	-	27,755	27,755	27,755	25,478	-	2,277
Articles.....	20,075	65,000	85,075	85,075	30,189	54,860	26
Total.....	20,075	252,506	272,581	272,581	207,206	54,860	10,515

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Conservation							
Salaries.....	-	148,702	148,702	155,218	152,893	-	2,325
Expenditures.....	-	13,615	13,615	12,707	12,707	-	908
Articles.....	43,390	-	43,390	43,390	33,361	10,029	-
Total.....	43,390	162,317	205,707	212,223	198,961	10,029	3,233
Planning Board							
Salaries.....	-	133,990	133,990	136,400	135,330	-	1,070
Expenditures.....	100	11,105	11,205	11,205	6,068	50	5,087
Articles.....	161,944	-	161,944	161,944	66,615	80,329	15,000
Total.....	162,044	145,095	307,139	309,549	208,013	80,379	21,157
Tax Title							
Expenditures.....	-	8,000	8,000	8,000	6,377	-	1,623
Historical Commission							
Expenditures.....	90	1,050	1,140	1,140	101	-	1,039
Facilities Management							
Salaries.....	-	233,681	233,681	247,636	244,599	-	3,037
Expenses.....	91	179,750	179,841	184,841	180,618	-	4,223
Articles.....	9,254	354,000	363,254	363,254	271,749	91,505	-
Total.....	9,345	767,431	776,776	795,731	696,966	91,505	7,260
Total General Government.....	612,859	4,219,965	4,832,824	4,734,474	4,023,714	436,181	274,579
Public safety							
Police							
Salaries.....	-	3,247,430	3,247,430	3,290,643	3,255,944	-	34,699
Expenditures.....	41,913	423,010	464,923	485,638	434,905	14,595	36,138
Articles.....	79,765	141,660	221,425	221,425	209,986	-	11,439
Total.....	121,678	3,812,100	3,933,778	3,997,706	3,900,835	14,595	82,276
Fire							
Salaries.....	-	2,996,924	2,996,924	2,998,119	2,972,387	-	25,732
Expenditures.....	11,843	366,750	378,593	378,594	368,843	86	9,665
Articles.....	14,494	314,500	328,994	328,994	315,080	13,748	166
Total.....	26,337	3,678,174	3,704,511	3,705,707	3,656,310	13,834	35,563
Regional Dispatch							
Salaries.....	-	659,847	659,847	659,847	659,740	-	107
Expenditures.....	52	33,500	33,552	33,552	30,329	-	3,223
Total.....	52	693,347	693,399	693,399	690,069	-	3,330
Municipal Services							
Salaries.....	-	538,825	538,825	547,117	535,371	-	11,746
Expenditures.....	172	34,200	34,372	34,372	32,207	-	2,165
Articles.....	-	28,000	28,000	28,000	27,981	-	19
Total.....	172	601,025	601,197	609,489	595,559	-	13,930
Harbormaster/Beach Management							
Salaries.....	-	331,804	331,804	389,885	377,778	-	12,107
Expenditures.....	1,148	72,850	73,998	73,998	48,588	2,135	23,275
Articles.....	40,132	57,700	97,832	97,832	60,964	36,345	523
Total.....	41,280	462,354	503,634	561,715	487,330	38,480	35,905
Total Public Safety.....	189,519	9,247,000	9,436,519	9,568,016	9,330,103	66,909	171,004
Education							
Duxbury Schools - Operating Budget							
Salaries and Expenditures.....	176,161	36,936,952	37,113,113	37,113,118	36,599,614	252,484	261,020
Articles.....	97,000	273,518	370,518	370,518	355,752	-	14,766
Total Education.....	273,161	37,210,470	37,483,631	37,483,636	36,955,366	252,484	275,786
Public Works							
DPW Management							
Salaries.....	-	332,984	332,984	299,088	272,048	-	27,040
Expenditures.....	19,805	72,200	92,005	121,573	90,484	-	31,089
Articles.....	67,809	-	67,809	67,808	19,116	48,692	-
Total.....	87,614	405,184	492,798	488,469	381,648	48,692	58,129
Vehicle Maintenance							
Salaries.....	-	172,917	172,917	172,917	118,924	-	53,993
Expenditures.....	1,666	172,000	173,666	194,166	188,498	387	5,281
Total.....	1,666	344,917	346,583	367,083	307,422	387	59,274

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Highway Department							
Salaries.....	-	494,884	494,884	532,661	531,811	-	850
Expenditures.....	12,032	87,000	99,032	99,032	89,360	-	9,672
Articles.....	17,787	202,725	220,512	220,512	204,221	2,768	13,523
Total.....	29,819	784,609	814,428	852,205	825,392	2,768	24,045
Snow & Ice							
Salaries.....	-	75,000	75,000	26,345	26,345	-	-
Expenditures.....	-	125,000	125,000	144,088	144,088	-	-
Total.....	-	200,000	200,000	170,433	170,433	-	-
Fuel Depot							
Expenditures.....	-	244,484	244,484	220,984	163,772	-	57,212
Land & Natural Resources							
Salaries.....	-	488,888	488,888	491,914	431,277	-	60,637
Expenditures.....	207	54,200	54,407	54,407	53,971	-	436
Articles.....	56,000	44,295	100,295	100,295	59,994	40,301	-
Total.....	56,207	587,383	643,590	646,616	545,242	40,301	61,073
Street Lights							
Expenditures.....	6,546	45,000	51,546	54,546	54,434	112	-
Engineering							
Articles.....	85,000	-	85,000	85,000	68,499	16,501	-
Transfer Station							
Salaries.....	-	227,809	227,809	234,547	234,547	-	-
Expenditures.....	59,631	701,400	761,031	761,031	711,548	35	49,448
Articles.....	-	96,600	96,600	96,600	85,702	-	10,898
Total.....	59,631	1,025,809	1,085,440	1,092,178	1,031,797	35	60,346
Sewer Department							
Salaries.....	-	16,613	16,613	16,655	17,555	-	(900)
Expenditures.....	135	247,100	247,235	247,235	204,519	724	41,992
Total.....	135	263,713	263,848	263,890	222,074	724	41,092
Cemetery							
Salaries.....	-	416,772	416,772	421,536	391,983	-	29,553
Expenditures.....	1,750	215,144	216,894	216,894	178,527	-	38,367
Articles.....	26,300	-	26,300	26,300	6,571	17,106	2,623
Total.....	28,050	631,916	659,966	664,730	577,081	17,106	70,543
Central Building							
Salaries.....	-	64,603	64,603	64,603	55,704	-	8,899
Expenditures.....	5,666	154,925	160,591	160,591	137,083	-	23,508
Total.....	5,666	219,528	225,194	225,194	192,787	-	32,407
Animal Control							
Salaries.....	-	83,894	83,894	89,173	87,510	-	1,663
Expenditures.....	-	7,450	7,450	7,450	5,976	-	1,474
Total.....	-	91,344	91,344	96,623	93,486	-	3,137
Tarklin Building							
Expenditures.....	-	8,250	8,250	8,250	4,841	-	3,409
Total Public Works.....	360,334	4,852,137	5,212,471	5,236,201	4,638,908	126,626	470,667
Human services							
Council on Aging							
Salaries.....	-	454,893	454,893	462,591	447,334	-	15,257
Expenditures.....	13,777	177,230	191,007	191,006	141,610	690	48,706
Total.....	13,777	632,123	645,900	653,597	588,944	690	63,963
Veterans							
Salaries.....	-	43,190	43,190	46,417	46,417	-	-
Expenditures.....	228	99,375	99,603	99,603	80,485	-	19,118
Total.....	228	142,565	142,793	146,020	126,902	-	19,118
Plymouth County Cooperative							
Expenditures.....	-	493	493	500	500	-	-
Total Human Services.....	14,005	775,181	789,186	800,117	716,346	690	83,081
Culture and Recreation							
Library							
Salaries.....	-	992,710	992,710	1,002,316	968,235	-	34,081
Expenditures.....	6,223	369,887	376,110	394,070	279,922	-	114,148
Articles.....	9,750	14,410	24,160	24,160	15,868	1,900	6,392
Total.....	15,973	1,377,007	1,392,980	1,420,546	1,264,025	1,900	154,621

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Recreation							
Salaries.....	-	237,696	237,696	243,323	243,323	-	-
Expenditures.....	-	12,120	12,120	12,120	4,119	-	8,001
Articles - Duxbury Beach Lease.....	-	821,200	821,200	821,200	818,914	-	2,286
Total.....	-	1,071,016	1,071,016	1,076,643	1,066,356	-	10,287
Pool							
Salaries.....	-	195,428	195,428	196,649	140,770	-	55,879
Expenditures.....	14,912	145,840	160,752	160,752	122,681	4,480	33,591
Articles.....	-	10,000	10,000	10,000	10,000	-	-
Total.....	14,912	351,268	366,180	367,401	273,451	4,480	89,470
North Hill							
Expenditures.....	-	1,500	1,500	1,500	987	-	513
Lifeguards							
Salaries.....	-	33,480	33,480	33,480	27,526	-	5,954
Expenditures.....	-	2,693	2,693	2,693	2,229	-	464
Total.....	-	36,173	36,173	36,173	29,755	-	6,418
Public Celebrations							
Articles.....	15,000	15,000	30,000	30,000	15,000	15,000	-
Total Culture and Recreation.....	45,885	2,851,964	2,897,849	2,932,263	2,649,574	21,380	261,309
Pension Benefits							
Contributory Retirement.....	-	3,688,798	3,688,798	3,688,798	3,688,798	-	-
Non-Contributory Retirement.....	-	20,000	20,000	20,000	19,946	-	54
Total.....	-	3,708,798	3,708,798	3,708,798	3,708,744	-	54
Property and Liability Insurance.....	-	532,218	532,218	532,218	499,078	-	33,140
Employee Benefits.....	-	9,530,931	9,530,931	9,417,091	9,106,176	-	310,915
State and County Charges.....	-	542,569	542,569	542,569	514,808	-	27,761
Debt Service							
Debt Service Principal.....	-	5,940,690	5,940,690	5,950,690	5,950,690	-	-
Debt Service Interest.....	-	2,576,338	2,576,338	2,566,338	2,550,483	-	15,855
Total.....	-	8,517,028	8,517,028	8,517,028	8,501,173	-	15,855
TOTAL EXPENDITURES.....	1,495,763	81,988,261	83,484,024	83,472,411	80,643,990	904,270	1,924,151
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,495,763)	(2,426,079)	(3,921,842)	(3,910,229)	(393,017)	(904,270)	2,612,942
OTHER FINANCING SOURCES (USES):							
Transfers in.....	-	1,127,546	1,127,546	1,127,546	1,179,518	-	51,972
Transfers out.....	-	(177,682)	(177,682)	(189,310)	(189,310)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	-	949,864	949,864	938,236	990,208	-	51,972
NET CHANGE IN FUND BALANCE.....	(1,495,763)	(1,476,215)	(2,971,978)	(2,971,993)	597,191	(904,270)	2,664,914
BUDGETARY FUND BALANCE, Beginning of year.....	-	11,405,765	11,405,765	11,405,765	11,405,765	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ (1,495,763)	\$ 9,929,550	\$ 8,433,787	\$ 8,433,772	\$ 12,002,956	\$ (904,270)	\$ 2,664,914

(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 RETIREMENT ASSOCIATION**

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, 2019.....	5.187%	\$ 35,384,645	\$ 15,238,913	232.20%	61.61%
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 RETIREMENT ASSOCIATION

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, 2020.....	\$ 3,827,610	\$ (3,827,610)	-	\$ 15,543,691	24.62%
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**

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
2020.....	\$ 83,360,030	\$ 10,108,851	53.95%
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	June 30, 2020
Total OPEB Liability				
Service Cost.....	\$ 1,574,616	\$ 733,986	\$ 767,015	\$ 1,026,856
Interest.....	2,145,961	2,197,954	2,555,588	2,662,225
Differences between expected and actual experience....	-	(1,896,167)	-	(681,729)
Changes of assumptions.....	-	(17,398,798)	-	7,350,083
Benefit payments.....	<u>(1,692,355)</u>	<u>(1,620,064)</u>	<u>(1,642,697)</u>	<u>(2,060,313)</u>
Net change in total OPEB liability.....	2,028,222	(17,983,089)	1,679,906	8,297,122
Total OPEB liability - beginning.....	<u>49,755,968</u>	<u>51,784,190</u>	<u>33,801,101</u>	<u>35,481,007</u>
Total OPEB liability - ending (a).....	<u>\$ 51,784,190</u>	<u>\$ 33,801,101</u>	<u>\$ 35,481,007</u>	<u>\$ 43,778,129</u>
Plan fiduciary net position				
Employer contributions.....	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Employer contributions for OPEB payments.....	1,692,355	1,620,064	1,642,697	2,060,313
Net investment income.....	90,773	121,067	208,212	87,482
Benefit payments.....	<u>(1,692,355)</u>	<u>(1,620,064)</u>	<u>(1,642,697)</u>	<u>(2,060,313)</u>
Net change in plan fiduciary net position.....	390,773	421,067	508,212	87,482
Plan fiduciary net position - beginning of year.....	<u>1,456,925</u>	<u>1,847,698</u>	<u>2,268,765</u>	<u>2,776,977</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 1,847,698</u>	<u>\$ 2,268,765</u>	<u>\$ 2,776,977</u>	<u>\$ 2,864,459</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 49,936,492</u>	<u>\$ 31,532,336</u>	<u>\$ 32,704,030</u>	<u>\$ 40,913,670</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	3.57%	6.71%	7.83%	6.54%
Covered-employee payroll.....	\$ 44,107,553	\$ 43,798,076	\$ 45,331,009	\$ 47,569,693
Net OPEB liability as a percentage of covered-employee payroll.....	113.22%	71.99%	72.14%	86.01%

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

See notes to required supplementary information.

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

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2020.....	\$ 3,899,586	\$ (2,060,313)	\$ 1,839,273	\$ 47,569,693	4.33%
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

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2020.....	3.15%
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 2020 approved budget for the General Fund includes \$82.2 million in current year appropriations and other amounts to be raised and \$1.5 million in encumbrances and appropriations carried over from previous years.

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, 2020, is presented on the following page.

Net change in fund balance - budgetary basis.....	\$ 597,191
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	411,607
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(64,863)
Net change in recording 60 day receipts.....	159,982
Recognition of revenue for on-behalf payments.....	10,108,851
Recognition of expenditures for on-behalf payments.....	<u>(10,108,851)</u>
Net change in fund balance - GAAP basis.....	<u>\$ 1,103,917</u>

C. Appropriation Deficit

Expenditures exceeded appropriations for sewer department salaries which will be funded during fiscal year 2021.

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 – None.

E. Changes in Plan Provisions:

- The cost of living adjustment assumption was updated from 3.0% of the first \$14,000 of retirement income to 3.0% of the first \$16,000 of retirement income.

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 PlanA. 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, 2019
Actuarial cost method.....	Individual Entry Age Normal Cost Method.
Asset-valuation method.....	Market value of assets as of the measurement date, June 30, 2020.
Investment rate of return.....	6.70%, net of OPEB plan investment expense, including inflation.
Municipal bond rate.....	2.66% as of June 30, 2020 (source: S&P Municipal Bond 20-Year High Grade Index - SAPIHG).
Discount rate.....	6.25%, net of OPEB plan investment expense, including inflation.
Inflation.....	2.50% as of June 30, 2020, and for future periods.
Salary increases.....	3.00% annually as of June 30, 2020, and for future periods.
Medical care inflation rate.....	4.5%

Pre-retirement mortality.....	<p>General: RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.</p>
Post-retirement mortality.....	<p>General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.</p>
Disabled mortality.....	<p>General: RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year.</p> <p>Teachers: RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.</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:

- Due to the GASB 75 standards the discount rate has been changed from 7.50% to 6.25%.
- Based on the recommendations by PERAC, the mortality table has been updated from the RP-2014 Blue Collar Mortality with Scale MP-2015 to the RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females.
- The percentage of employees assumed to elect coverage in retirement has been 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, 2020

	Special Revenue Funds				
	School Lunch	School Gifts and Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations
ASSETS					
Cash and cash equivalents.....	\$ 800,867	\$ 1,074,470	\$ 2,885,737	\$ 25,865	\$ 1,235,066
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Intergovernmental.....	-	-	-	-	-
TOTAL ASSETS.....	\$ 800,867	\$ 1,074,470	\$ 2,885,737	\$ 25,865	\$ 1,235,066
LIABILITIES					
Warrants payable.....	\$ 25,319	\$ 101,186	\$ 25,045	\$ 259	\$ -
Due to other funds.....	-	-	-	-	-
Other liabilities.....	-	-	44,571	15,300	-
Notes payable.....	-	-	-	-	-
TOTAL LIABILITIES.....	25,319	101,186	69,616	15,559	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	-	-	-	-
FUND BALANCES					
Restricted.....	775,548	973,284	2,816,121	10,306	1,235,066
Unassigned.....	-	-	-	-	-
TOTAL FUND BALANCES.....	775,548	973,284	2,816,121	10,306	1,235,066
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 800,867	\$ 1,074,470	\$ 2,885,737	\$ 25,865	\$ 1,235,066

(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
\$ -	\$ 95,539	\$ -	\$ 107,928	\$ 6,225,472	\$ 17,618	\$ 1,943	\$ 37,561
-	-	-	82,975	82,975	-	-	-
<u>1,176,626</u>	<u>-</u>	<u>195,897</u>	<u>-</u>	<u>1,372,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>1,176,626</u>	\$ <u>95,539</u>	\$ <u>195,897</u>	\$ <u>190,903</u>	\$ <u>7,680,970</u>	\$ <u>17,618</u>	\$ <u>1,943</u>	\$ <u>37,561</u>
\$ 31,137	\$ 905	\$ -	\$ -	\$ 183,851	\$ -	\$ -	\$ -
839,685	-	-	-	839,685	-	-	-
-	-	-	-	59,871	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>618,101</u>
<u>870,822</u>	<u>905</u>	<u>-</u>	<u>-</u>	<u>1,083,407</u>	<u>-</u>	<u>-</u>	<u>618,101</u>
<u>-</u>	<u>-</u>	<u>195,897</u>	<u>-</u>	<u>195,897</u>	<u>-</u>	<u>-</u>	<u>-</u>
305,804	94,634	-	190,903	6,401,666	17,618	1,943	-
-	-	-	-	-	-	-	(580,540)
<u>305,804</u>	<u>94,634</u>	<u>-</u>	<u>190,903</u>	<u>6,401,666</u>	<u>17,618</u>	<u>1,943</u>	<u>(580,540)</u>
\$ <u>1,176,626</u>	\$ <u>95,539</u>	\$ <u>195,897</u>	\$ <u>190,903</u>	\$ <u>7,680,970</u>	\$ <u>17,618</u>	\$ <u>1,943</u>	\$ <u>37,561</u>

(Continued)

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2020

	Capital Project Funds		Total Nonmajor Governmental Funds
	Senior Center Expansion	Subtotal	
ASSETS			
Cash and cash equivalents.....	\$ 19,828	\$ 76,950	\$ 6,302,422
Investments.....	-	-	82,975
Receivables, net of uncollectibles:			
Intergovernmental.....	-	-	1,372,523
TOTAL ASSETS.....	\$ 19,828	\$ 76,950	\$ 7,757,920
LIABILITIES			
Warrants payable.....	\$ -	\$ -	\$ 183,851
Due to other funds.....	-	-	839,685
Other liabilities.....	-	-	59,871
Notes payable.....	-	618,101	618,101
TOTAL LIABILITIES.....	-	618,101	1,701,508
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue.....	-	-	195,897
FUND BALANCES			
Restricted.....	19,828	39,389	6,441,055
Unassigned.....	-	(580,540)	(580,540)
TOTAL FUND BALANCES.....	19,828	(541,151)	5,860,515
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 19,828	\$ 76,950	\$ 7,757,920

(Concluded)

This page intentionally left blank.

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

YEAR ENDED JUNE 30, 2020

	Special Revenue Funds				
	School Lunch	School Gifts and Grants	School Revolving	Recreation Revolving	Receipts Reserved for Appropriations
REVENUES:					
Intergovernmental.....	\$ 107,748	\$ 1,335,536	\$ -	\$ -	\$ -
Intergovernmental - COVID-19 relief.....	-	-	-	-	-
Departmental and other.....	576,098	100,706	3,001,304	116,396	637,989
Contributions and donations.....	-	-	-	-	-
Investment income.....	-	-	-	-	-
TOTAL REVENUES.....	683,846	1,436,242	3,001,304	116,396	637,989
EXPENDITURES:					
Current:					
General government.....	-	-	-	-	-
Public safety.....	-	-	-	-	-
Education.....	776,502	1,726,958	2,471,895	-	-
Public works.....	-	-	-	-	-
Health and human services.....	-	-	-	-	-
Culture and recreation.....	-	-	-	103,216	-
COVID-19.....	-	-	-	-	-
Pension benefits.....	-	-	-	-	-
TOTAL EXPENDITURES.....	776,502	1,726,958	2,471,895	103,216	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(92,656)	(290,716)	529,409	13,180	637,989
OTHER FINANCING SOURCES (USES):					
Transfers in.....	-	-	-	-	63,497
Transfers out.....	-	(36,195)	-	(15,518)	(716,852)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(36,195)	-	(15,518)	(653,355)
NET CHANGE IN FUND BALANCES.....	(92,656)	(326,911)	529,409	(2,338)	(15,366)
FUND BALANCES AT BEGINNING OF YEAR.....	868,204	1,300,195	2,286,712	12,644	1,250,432
FUND BALANCES AT END OF YEAR.....	\$ 775,548	\$ 973,284	\$ 2,816,121	\$ 10,306	\$ 1,235,066

(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
\$ 5,310,537	\$ -	\$ 763,424	\$ -	\$ 7,517,245	\$ -	\$ -	\$ -
340,931	-	-	-	340,931	-	-	-
165,520	490,934	-	-	5,088,947	-	-	-
216,272	-	-	925	217,197	-	-	-
8	-	-	6,517	6,525	-	-	-
<u>6,033,268</u>	<u>490,934</u>	<u>763,424</u>	<u>7,442</u>	<u>13,170,845</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,208,600	7,246	-	36,439	1,252,285	-	-	-
4,049,703	283,445	-	-	4,333,148	-	-	-
-	25,711	-	-	5,001,066	-	-	468,101
27,178	5,084	763,424	-	795,686	-	-	150,001
214,257	157,271	-	-	371,528	-	-	-
42,312	-	-	21,155	166,683	-	-	-
340,931	-	-	-	340,931	-	-	-
2,282	-	-	-	2,282	-	-	-
<u>5,885,263</u>	<u>478,757</u>	<u>763,424</u>	<u>57,594</u>	<u>12,263,609</u>	<u>-</u>	<u>-</u>	<u>618,102</u>
<u>148,005</u>	<u>12,177</u>	<u>-</u>	<u>(50,152)</u>	<u>907,236</u>	<u>-</u>	<u>-</u>	<u>(618,102)</u>
13,971	-	-	-	77,468	5,668	-	-
-	-	-	-	(768,565)	(144,573)	-	-
<u>13,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(691,097)</u>	<u>(138,905)</u>	<u>-</u>	<u>-</u>
161,976	12,177	-	(50,152)	216,139	(138,905)	-	(618,102)
143,828	82,457	-	241,055	6,185,527	156,523	1,943	37,562
<u>\$ 305,804</u>	<u>\$ 94,634</u>	<u>\$ -</u>	<u>\$ 190,903</u>	<u>\$ 6,401,666</u>	<u>\$ 17,618</u>	<u>\$ 1,943</u>	<u>\$ (580,540)</u>

(Continued)

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

YEAR ENDED JUNE 30, 2020

	Capital Project Funds		Total Nonmajor Governmental Funds
	Senior Center Expansion	Subtotal	
REVENUES:			
Intergovernmental.....	\$ -	\$ -	\$ 7,517,245
Intergovernmental - COVID-19 relief.....	-	-	340,931
Departmental and other.....	-	-	5,088,947
Contributions and donations.....	-	-	217,197
Investment income.....	-	-	6,525
TOTAL REVENUES.....	-	-	13,170,845
EXPENDITURES:			
Current:			
General government.....	-	-	1,252,285
Public safety.....	-	-	4,333,148
Education.....	-	468,101	5,469,167
Public works.....	-	150,001	945,687
Health and human services.....	51,913	51,913	423,441
Culture and recreation.....	-	-	166,683
COVID-19.....	-	-	340,931
Pension benefits.....	-	-	2,282
TOTAL EXPENDITURES.....	51,913	670,015	12,933,624
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(51,913)	(670,015)	237,221
OTHER FINANCING SOURCES (USES):			
Transfers in.....	-	5,668	83,136
Transfers out.....	-	(144,573)	(913,138)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(138,905)	(830,002)
NET CHANGE IN FUND BALANCES.....	(51,913)	(808,920)	(592,781)
FUND BALANCES AT BEGINNING OF YEAR.....	71,741	267,769	6,453,296
FUND BALANCES AT END OF YEAR.....	\$ 19,828	\$ (541,151)	\$ 5,860,515

(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, 2020

	June 30, 2019	Additions	Deletions	June 30, 2020
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 403,683	\$ 514,979	\$ (534,006)	\$ 384,656
TOTAL ASSETS.....	\$ 403,683	\$ 514,979	\$ (534,006)	\$ 384,656
LIABILITIES				
Warrants payable.....	\$ 28,607	\$ 22,925	\$ (28,607)	\$ 22,925
Liabilities due depositors.....	375,076	492,054	(505,399)	361,731
TOTAL LIABILITIES.....	\$ 403,683	\$ 514,979	\$ (534,006)	\$ 384,656

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.



Council on Aging building with additions

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

	2011	2012	2013	2014 (1)	2015	2016	2017 (2)	2018	2019	2020
Governmental activities										
Net investment in capital assets.....	\$ 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	\$ 150,205,087
Restricted.....	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	8,728,118
Unrestricted.....	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)	(43,011,945)
Total governmental activities net position.....	\$ 87,899,779	\$ 86,845,445	\$ 99,966,103	\$ 99,036,892	\$ 109,671,421	\$ 111,236,524	\$ 94,276,052	\$ 98,590,184	\$ 107,402,965	\$ 115,921,260
Business-type activities										
Net investment in capital assets.....	\$ 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	\$ 11,076,733
Unrestricted.....	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	3,671,522
Total business-type activities net position.....	\$ 13,070,311	\$ 13,413,838	\$ 13,677,441	\$ 13,226,777	\$ 13,974,034	\$ 14,779,980	\$ 14,592,838	\$ 14,857,151	\$ 14,927,689	\$ 14,748,255
Primary government										
Net investment in capital assets.....	\$ 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	\$ 161,281,820
Restricted.....	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	8,728,118
Unrestricted.....	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)	(39,340,423)
Total primary government net position.....	\$ 100,970,090	\$ 100,259,283	\$ 113,643,544	\$ 112,263,669	\$ 123,645,455	\$ 126,016,504	\$ 108,868,890	\$ 113,447,335	\$ 122,330,654	\$ 130,669,515

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

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

Fund Balances, Governmental Funds

Last Ten Years

	<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>	<u>2020</u>
General Fund										
Restricted.....	\$ -	\$ -	\$ 7,013,483	\$ 6,612,344	\$ 6,071,276	\$ 5,127,521	\$ 4,629,803	\$ 4,156,628	\$ 3,711,483	\$ 3,294,348
Committed.....	-	324,382	751,029	941,580	1,068,002	606,430	817,362	966,930	1,066,592	622,523
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	952,679
Unassigned.....	<u>7,607,382</u>	<u>8,876,350</u>	<u>7,786,136</u>	<u>9,139,920</u>	<u>8,313,675</u>	<u>9,263,339</u>	<u>9,247,751</u>	<u>9,370,383</u>	<u>11,289,565</u>	<u>13,766,478</u>
Total general fund.....	\$ <u>9,661,833</u>	\$ <u>10,898,962</u>	\$ <u>17,785,020</u>	\$ <u>18,168,533</u>	\$ <u>17,238,192</u>	\$ <u>16,618,768</u>	\$ <u>17,163,095</u>	\$ <u>16,236,757</u>	\$ <u>17,532,111</u>	\$ <u>18,636,028</u>
All Other Governmental Funds										
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	\$ 2,395,173
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	12,414,832
Unassigned.....	<u>(961,306)</u>	<u>(255,726)</u>	<u>(498,150)</u>	-	-	<u>(3,614,106)</u>	<u>(321,546)</u>	<u>(1,078,964)</u>	-	<u>(626,742)</u>
Total all other governmental funds....	\$ <u>8,142,391</u>	\$ <u>13,443,281</u>	\$ <u>49,423,062</u>	\$ <u>16,734,096</u>	\$ <u>14,020,673</u>	\$ <u>10,163,122</u>	\$ <u>14,160,310</u>	\$ <u>13,287,907</u>	\$ <u>14,957,773</u>	\$ <u>14,183,263</u>

Changes in Fund Balances, Governmental Funds

Last Ten Years

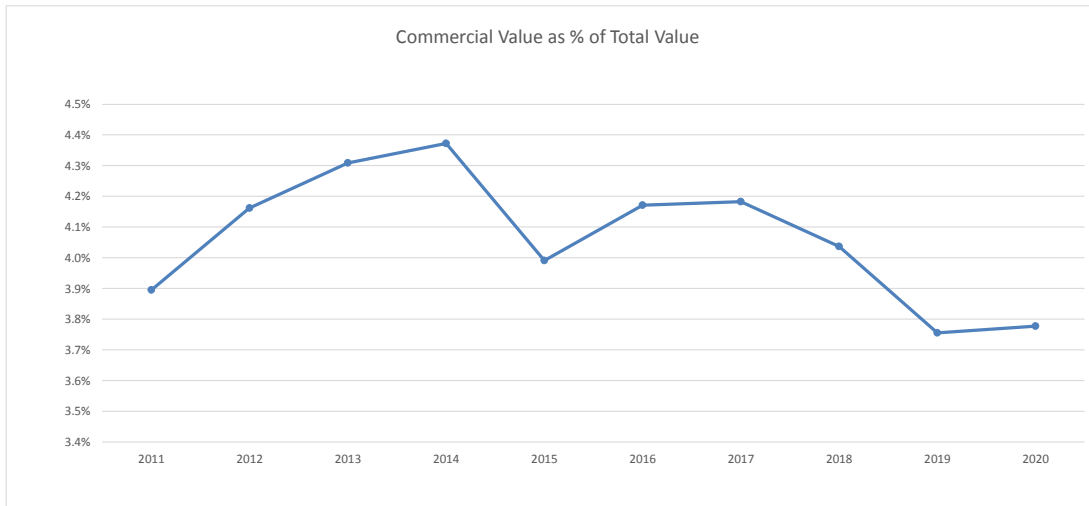
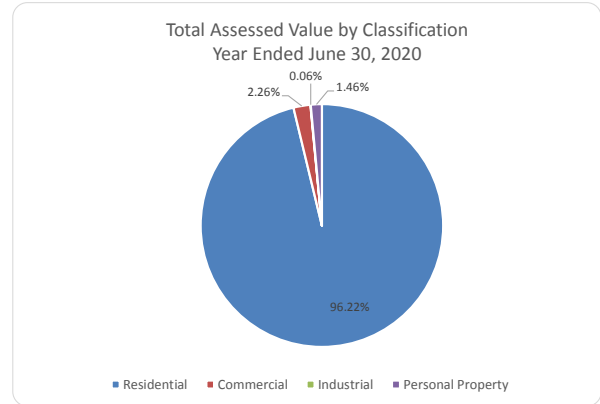
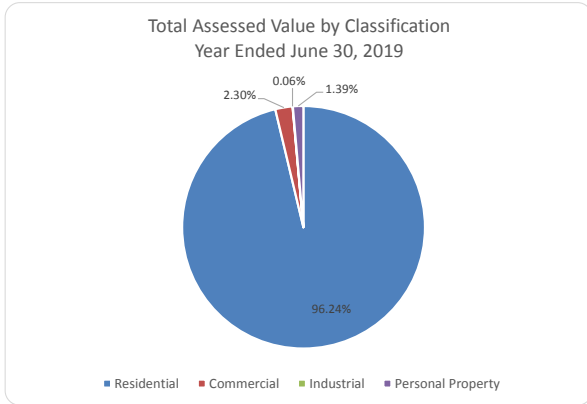
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 41,496,750	\$ 43,683,102	\$ 45,066,583	\$ 52,259,619	\$ 53,947,565	\$ 56,018,861	\$ 57,743,886	\$ 59,151,188	\$ 62,191,382	\$ 63,481,813
Tax and other liens.....	84,186	91,948	69,547	34,594	17,656	67,508	60,471	166,146	261,747	349,158
Motor vehicle and other excise taxes.....	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	3,066,528
Meals tax.....	-	-	-	-	-	-	87,525	131,361	140,039	151,465
Sewer charges.....	319,396	304,243	287,269	296,186	212,226	312,228	281,530	239,319	229,907	195,341
Regional dispatch member revenue.....	-	-	-	-	-	-	-	-	325,000	325,000
Penalties and interest on taxes.....	157,119	239,386	208,925	241,339	240,792	263,221	285,929	260,524	251,105	327,729
Trash disposal.....	633,692	604,833	591,499	599,680	605,573	616,259	624,436	686,391	709,365	881,836
Payments in lieu of taxes.....	4,250	10,950	12,956	12,934	15,965	13,476	11,725	8,250	14,440	13,384
Intergovernmental.....	8,529,251	17,365,641	25,664,153	30,373,394	14,499,263	10,167,499	9,461,586	10,343,811	12,297,434	15,429,590
Intergovernmental - Teachers Retirement.....	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	10,108,851
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-	-	340,931
Departmental and other.....	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	9,397,496
Community preservation taxes.....	1,204,247	1,285,151	1,322,525	444,959	452,436	462,949	482,247	506,899	533,774	539,888
Community preservation state match.....	355,197	361,041	383,265	774,590	133,640	133,198	96,007	82,967	96,749	126,931
Contributions and donations.....	341,316	348,240	302,255	290,207	319,020	351,013	555,113	248,737	481,561	234,272
Investment income.....	753,198	464,529	728,342	1,072,436	554,845	1,156,690	764,562	280,502	1,921,649	1,129,295
Total Revenues.....	71,524,154	83,836,911	94,385,226	107,061,365	88,754,229	89,990,730	93,315,523	95,634,609	102,548,455	106,099,508
Expenditures:										
General government.....	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	5,333,835
Public safety.....	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	9,611,539
Education.....	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	41,701,763
Public works.....	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	4,220,138
Human services.....	694,772	765,164	928,925	935,898	887,962	980,453	932,530	1,063,421	1,292,163	1,272,874
Culture and recreation.....	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	2,816,257
Community preservation.....	635,483	718,536	163,408	260,986	52,013	136,400	62,700	230,150	239,920	240,067
COVID-19.....	-	-	-	-	-	-	-	-	-	340,931
Pension benefits - Town.....	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	3,700,904
Pension benefits - Teachers Retirement.....	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	10,108,851
Property and liability insurance.....	239,620	186,966	253,465	280,147	380,564	387,272	410,395	424,773	387,617	499,078
Employee benefits.....	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	9,106,176
Claims and judgments.....	-	-	-	-	-	435,000	-	-	-	-
State and county charges.....	273,473	327,762	296,362	448,529	485,681	459,520	500,571	526,890	501,914	514,808
Capital outlay.....	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	7,801,707
Debt service:										
Principal.....	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	5,950,690
Principal - current refunding.....	-	-	-	-	-	4,325,000	-	-	-	-
Interest.....	520,706	502,267	505,484	4,576,710	3,112,964	3,026,758	2,900,403	2,880,687	2,718,729	2,550,483
Total Expenditures.....	70,290,833	85,790,981	125,616,100	141,859,756	97,236,392	98,488,960	91,690,514	97,462,185	103,135,424	105,770,101
Excess (deficiency) of revenues over (under) expenditures.....	1,233,321	(1,954,070)	(31,230,874)	(34,798,391)	(8,482,163)	(8,498,230)	1,625,009	(1,827,576)	(586,969)	329,407
Other Financing Sources (Uses):										
Issuance of bonds and notes.....	-	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.....	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.....	615,334	266,917	400,500	116,019	250,605	720,915	267,543	1,267,591	957,911	996,374
Transfers out.....	(615,334)	(514,073)	(666,270)	(367,130)	(585,956)	(1,036,336)	(785,876)	(1,267,591)	(957,911)	(996,374)
Special item - Reclassification Percy Walker Pool.....	-	-	-	-	-	-	(100,519)	-	-	-
Total other financing sources (uses).....	18,834	15,880,450	74,096,713	2,492,938	4,838,399	4,021,255	2,916,506	28,835	3,552,189	-
Net change in fund balance.....	\$ 1,252,155	\$ 13,926,380	\$ 42,865,839	\$ (32,305,453)	\$ (3,643,764)	\$ (4,476,975)	\$ 4,541,515	\$ (1,798,741)	\$ 2,965,220	\$ 329,407
Debt service as a percentage of noncapital expenditures....	3.11%	2.87%	2.58%	10.99%	11.66%	9.71%	9.46%	9.12%	8.86%	8.68%

(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
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
2020	\$4,212,300,181	\$14.66	\$98,849,480	\$2,739,600	\$63,767,560	\$165,356,640	\$14.66	\$14.66	\$4,377,656,821



(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

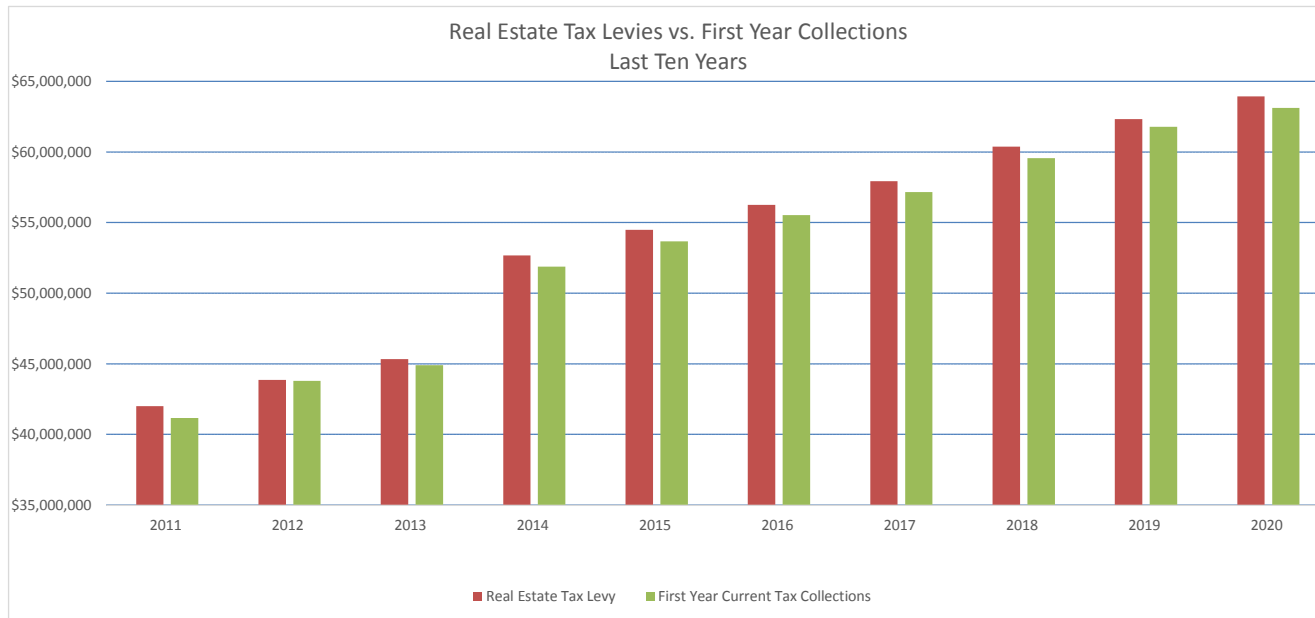
Name	Nature of Business	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
The Village at Duxbury - Assisted Living	Retirement Community	\$ 48,845,600	1	1.12%	\$ 45,833,300	1	1.37%
Island Creek Properties LLC	Subsidized Housing	\$ 40,539,800	2	0.93%	\$ 6,992,600	7	0.21%
Eversource	Public Utility	\$ 22,745,220	3	0.52%	\$ -	-	-
Cynthia Reed Revocable Trust	Eight Residential Parcels	\$ 13,903,900	4	0.32%	\$ -	-	-
Verizon	Utility	\$ 11,050,200	5	0.25%	\$ 12,408,000	3	0.37%
Bay State Gas	Public Utility	\$ 9,983,770	6	0.23%	\$ 6,053,070	9	0.18%
Ditch Digger LLC	Oyster Company	\$ 8,866,900	7	0.20%	\$ -	-	-
Individual	Residence	\$ 8,084,100	8	0.18%	\$ 4,854,500	10	0.14%
Standish LLC	Medical Office Building	\$ 7,070,200	9	0.16%	\$ 7,321,700	6	0.22%
Duxbury Yacht Club, Golf Course	Yacht Club, Golf Course	\$ 6,534,900	10	0.15%	\$ -	-	-
Nstar Service	Utility	\$ -	-	-	\$ 12,661,940	2	0.38%
Individual	Residence	\$ -	-	-	\$ 9,522,700	4	0.28%
Individual	Residence	\$ -	-	-	\$ 8,632,100	5	0.26%
Thomas Walsh	Nursing Home	\$ -	-	-	\$ 6,717,300	8	0.20%
	Totals	<u>\$ 177,624,590</u>		<u>4.06%</u>	<u>\$ 120,997,210</u>		<u>3.61%</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)
2011	\$42,246,328	\$248,028	\$41,998,300	99.41%	\$41,174,757	98.04%	\$770,512	\$41,945,269	99.87%
2012	\$44,136,761	\$268,633	\$43,868,128	99.39%	\$43,785,222	99.81%	\$555,585	\$44,340,807	101.08%
2013	\$45,616,134	\$285,269	\$45,330,865	99.37%	\$44,899,174	99.05%	\$935,535	\$45,834,709	101.11%
2014	\$52,916,083	\$232,932	\$52,683,151	99.56%	\$51,883,927	98.48%	\$590,850	\$52,474,777	99.60%
2015	\$54,700,163	\$214,125	\$54,486,038	99.61%	\$53,668,095	98.50%	\$668,826	\$54,336,921	99.73%
2016	\$56,476,430	\$222,947	\$56,253,483	99.61%	\$55,536,843	98.73%	\$940,557	\$56,477,400	100.40%
2017	\$58,126,948	\$202,417	\$57,924,531	99.65%	\$57,151,655	98.67%	\$529,088	\$57,680,743	99.58%
2018	\$60,609,952	\$239,693	\$60,370,259	99.60%	\$59,561,527	98.66%	\$604,058	\$60,165,585	99.66%
2019	\$62,596,769	\$275,715	\$62,321,054	99.56%	\$61,780,462	99.13%	\$365,622	\$62,146,084	99.72%
2020	\$64,176,449	\$245,483	\$63,930,966	99.62%	\$63,104,441	98.71%	\$0	\$63,104,441	98.71%



(1) Includes tax liens.

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

Source: Official Statements, Town of Duxbury.

Ratios of Outstanding Debt by Type

Last Ten Years

Year	Governmental Activities		Business-type Activities		Total Debt Outstanding	Percentage of Personal Income (2)	U. S. Census Population	Debt Per Capita
	General Obligation Bonds (1)	Direct Borrowing	General Obligation Bonds (1)	Direct Borrowing				
2011	\$ 11,810,000	\$ 427,953	\$ 4,745,000	\$ 2,878,610	\$ 19,861,563	2.78%	15,274	1,300
2012	26,483,000	370,227	3,985,000	2,744,413	33,582,640	4.53%	15,290	2,196
2013	92,527,000	311,435	3,350,000	2,607,505	98,795,940	12.87%	15,582	6,340
2014	90,910,000	251,549	3,634,000	2,467,831	97,263,380	11.40%	15,560	6,251
2015	89,477,000	190,496	3,125,000	2,325,336	95,117,832	10.77%	15,636	6,083
2016	89,052,766	128,229	2,625,000	2,179,962	93,985,957	10.13%	15,937	5,897
2017	87,773,125	64,711	935,000	2,031,651	90,804,487	9.90%	15,297	5,936
2018	81,534,611	43,153	650,000	1,880,344	84,108,108	8.80%	15,483	5,432
2019	78,661,972	21,595	1,771,480	1,725,980	82,181,027	8.26%	15,638	5,255
2020	72,182,607	10,905	1,489,725	1,568,498	75,251,735	7.27%	15,794	4,765

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

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

Source: Audited Financial Statements, U. S. Census

Ratios of General Bonded Debt Outstanding

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
-------------	---	---	---------------------------

2011	\$ 16,555,000	0.49%	1,084
2012	30,468,000	0.95%	1,993
2013	95,877,000	2.98%	6,153
2014	94,544,000	2.89%	6,076
2015	92,602,000	2.64%	5,922
2016	91,677,766	2.52%	5,753
2017	88,708,125	2.37%	5,799
2018	82,184,611	2.06%	5,308
2019	80,433,452	1.89%	5,144
2020	73,672,332	1.68%	4,665

(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, 2020

<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>72,193,512</u>
Total direct and overlapping debt.....			<u>\$ 72,261,437</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>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>	<u>2020</u>
Equalized Valuation.....	\$ <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>	\$ <u>4,265,308</u>
Debt Limit -5% of Equalized Valuation.....	\$ 192,684	\$ 192,684	\$ 173,309	\$ 173,309	\$ 173,770	\$ 173,770	\$ 192,775	\$ 192,775	\$ 213,265	\$ 213,265
Less:										
Outstanding debt applicable to limit.....	13,315	11,758	29,227	29,061	26,477	23,716	21,195	18,991	19,794	17,302
Authorized and unissued debt applicable to limit.....	<u>-</u>	<u>3,325</u>	<u>1,900</u>	<u>200</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin.....	\$ <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>	\$ <u>195,963</u>
Total debt applicable to the limit as a percentage of debt limit.....	6.91%	7.83%	17.96%	16.88%	15.35%	13.65%	10.99%	9.85%	9.28%	8.11%

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
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%
2020	15,794	1,034,459,940	65,496	53.0	3,036	2.4%

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

Principal Employers (excluding Town)

Current Year and Nine Years Ago

Employer	Nature of Business	2020			2011		
		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	2.36%
The Villages at Duxbury	Retirement Condos	160	2	1.99%	160	2	2.15%
Batelle Labs	Science and Technology Research	70	3	0.87%	70	3	0.94%
Duxbury Yacht Club	Yacht Club, Golf Course, Tennis	70	4	0.87%	70	4	0.94%
Foodies	Grocery Store	60	5	0.75%	60	5	0.81%
South Shore Conservatory	Music and Art Institution	54	6	0.67%	50	7	0.67%
Plymouth Bay Orthopedic Associates	Physician Services	50	7	0.62%	54	6	0.73%
Millbrook Motors	Automotive	39	8	0.49%	39	8	0.52%
U.S. Post Office	Mail Services	28	9	0.35%	28	9	0.38%
Verc Enterprises	Convenience Stores, Gasoline Sales	7	10	0.09%	-	-	-
	Totals	<u>714</u>		<u>8.89%</u>	<u>707</u>		<u>9.50%</u>

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

Source: Massachusetts Department of Employment and Training and Official Statements

Full-time Equivalent Town Employees by Function

Last Ten Years

	<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>	<u>2020</u>
Function										
General government.....	29	29	30	32	32	32	32	32	32	32
Public safety.....	69	68	70	72	72	72	78	78	84	84
Education.....	382	392	392	387	385	385	409 *	409	409	409
Public works.....	46	46	45	48	48	48	50	50	50	50
Human services.....	5	5	5	6	5	5	6	6	6	6
Culture and recreation.....	25	20	20	21	20	20	20	20	20	20
Total	<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>	<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

<u>Function/Program</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>	<u>2020</u>
Fire Department										
Fire related calls.....	817	1,035	1,131	847	1,066	992	973	1,438	1,019	1,352
Rescue/EMS.....	1,281	1,245	1,323	1,291	1,345	1,479	1,441	1,603	1,616	1,504
Inspectional Services Department										
Number of building permits (quick and zoning).....	491	794	573	593	699	769	741	770	830	962
Number of electrical permits.....	368	429	477	606	536	600	543	570	557	481
Number of plumbing/gas permits.....	543	618	739	871	796	869	739	742	850	661
Water/Sewer										
Number of gallons pumped (millions).....	500,002	499,754	469,000	502,942	552,891	563,756	587,577	545,404	556,010	534,000
Number of new services added.....	8	11	6	6	4	25	8	35	18	7
Number of additional mains installed.....	-	-	1	1	-	-	-	1	-	-
Number of main improvements.....	2	1	2	2	1	-	2	3	1	5
Highway										
Number of miles completed-road rehab.....	2	2	3	3	4	2	7	4	3	3
Number of snow operations.....	31	2	30	36	48	21	22	32	20	27
Cemetery										
Cremations.....	3,008	3,184	3,248	3,382	2,956	2,583	2,780	2,843	2,620	3,065
Recreation										
Number of programs offered.....	56	65	68	64	70	68	69	70	71	50
Number of participants-winter.....	555	504	522	595	739	664	702	701	725	750
Number of participants-spring.....	272	397	325	302	469	371	358	316	320	-
Number of participants-summer.....	762	955	798	702	848	766	528	542	612	400
Number of participants-fall.....	558	507	439	440	442	484	489	529	498	325
Parking Sticker Sales										
Non resident over sand.....	3,653	3,771	3,281	2,981	3,122	2,862	3,043	3,124	2,662	1,438
Over sand.....	3,127	3,203	2,730	3,267	3,873	3,088	3,195	3,273	2,894	2,164
Parking lot.....	3,423	3,276	2,799	2,204	2,631	2,968	3,011	3,015	2,662	2,397
Transfer station.....	5,822	5,617	5,088	5,207	6,129	5,652	5,886	5,860	5,366	5,007
Senior Center										
Number of visitors.....	32,500	27,902	28,000	32,381	34,083	41,081	41,633	43,841	39,787	32,774
Number of activities.....	2,256	2,308	2,602	10,339	3,492	3,560	3,780	3,674	3,410	2,264
Number of congregate meals.....	4,867	5,367	5,384	5,949	5,050	8,124	4,833	4,303	3,267	4,116
Number of delivered meals.....	5,301	4,025	4,515	4,440	3,996	4,996	6,261	6,011	7,104	8,058
Number of meals served from the café.....	-	-	-	-	5,537	7,558	9,424	17,686	18,324	9,553
Number of paying rentals.....	322	376	118	27	25	13	17	17	4	5
Number of committee meetings.....	59	43	180	294	300	423	254	379	158	347
Duxbury Free Library										
Holdings.....	115,006	117,461	109,437	112,783	253,933	243,665	154,234	113,945	120,348	143,691
Reference questions answered.....	8,159	7,829	6,862	6,788	6,368	6,485	6,764	6,800	6,733	4,660
Print materials loaned.....	168,838	202,980	157,088	151,582	139,986	137,287	131,840	127,828	127,535	103,891
Videos loaned.....	48,883	47,071	44,584	41,254	37,444	32,319	28,987	23,743	21,367	16,740
All loans.....	247,909	250,059	236,207	229,079	213,943	212,020	201,278	193,613	191,859	161,601
Loans provided to other towns.....	39,282	41,306	38,109	22,163	20,419	21,461	19,991	20,293	22,710	33,676
Materials borrowed from other towns.....	30,564	29,639	25,625	14,768	13,327	14,857	14,587	13,907	13,460	12,248
Children's programs held.....	259	238	228	338	334	383	427	481	435	442
Children's program attendance.....	6,413	6,316	5,558	6,856	6,057	7,062	8,523	9,360	8,524	5,529
Adult & Teen programs held.....	228	262	332	445	467	395	411	409	344	296
Adult & Teen program attendance.....	3,901	4,234	4,618	4,300	4,402	4,064	4,098	3,636	3,599	3,393
Public computers.....	30	30	30	37	31	35	39	39	39	39
Public meeting room use.....	975	941	842	964	918	913	1,160	1,239	1,135	985

Source: Various Town Departments

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</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>	<u>2020</u>
General Government										
Number of buildings.....	5	5	5	5	5	5	5	5	5	5
Police										
Number of stations.....	1	1	2	2	2	1	1	1	1	1
Animal control facilities.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of stations.....	2	2	2	2	2	2	2	2	2	2
Antique apparatus storage.....	1	1	1	1	1	1	1	1	1	1
Harbormaster										
Number of buildings.....	2	2	2	2	2	2	2	2	2	2
Public beaches.....	3	3	3	3	3	3	3	3	3	3
Public landings.....	16	16	16	16	16	16	16	16	16	16
Education										
Number of elementary schools.....	2	2	2	2	2	2	2	2	2	2
Number of middle schools.....	1	1	1	1	1	1	1	1	1	1
Number of high schools.....	1	1	1	1	1	1	1	1	1	1
Performing arts center.....	1	1	1	1	1	1	1	1	1	1
Public Works										
Water pumping stations.....	13	13	13	13	13	13	13	13	13	13
Water towers.....	3	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).....	182.5	187.5	190.5	190.5	190.5	455.5	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.....	3	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.



Duxbury Maritime Academy