

# Finance Committee Report

March 2013 Annual Town Meeting

# Financial Policies - Why Do This

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**Good Practice**

**Codify what we have done**

**Bond Rating Agencies**

# S & P Bond Rating

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Crucial to our ability to secure long term financing at the lowest rate

Current rating is AAA

Duxbury management practices - “good”

Financial practices exist, but need to be formalized and regularly monitored

# Financial Policies

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Accounting, Auditing, and Financial Planning

General Fund

Trust Funds

Capital Planning

Debt Management

# Accounting, Auditing, and Financial Planning

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Accounting – GASB 34 and 45

Annual Audit – 5 year agreement

Management Letter – Audit Committee

5 Year Financial Projection annually

# General Fund

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Current operating expenditures from  
current revenues

98% target tax collection rate

Grants have a stringent review

# Trust Funds

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**Stabilization – goal of 5% of operating budget**

**Free Cash – 2% of operating budget**

# Capital Planning

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**Annual update of 5 Year Capital Plan**

**Capital Program 2-5% of tax levy**

**Does not include debt exclusion projects**

**Preventive maintenance**



# Debt Management

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Projects of \$100,000 or more and life of more than 5 years

5% of General Fund, unless debt exclusion

Excluded debt less than 12%

Aggressively pay down long term debt

# Next Steps

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**Reviewed by:**

**School Administration and members of  
the School Committee; Fiscal Advisory  
Committee; Moderator; Finance  
Committee; Town Manager**

**Next Stop:**

**Board of Selectmen**