

**TOWN OF ACTON, MASSACHUSETTS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**



For the Fiscal Year Ended  
June 30, 2019



### Above

Ribbon cutting for the new 19-21 Maple Street Commuter Parking lot purchased in 2018

**Names from Left to Right:** *Jon Benson, Vice-Chair, Acton Board of Selectmen; Gordon Richards; John S. Mangiaratti, Acton Town Manager; Joan Gardner, Chair Acton Board of Selectmen; Jennifer Benson, State Representative; Tami Gouveia, State Representative; Jamie Eldridge, State Senator; and David Martin, Acton Board of Selectmen.*

*Photographer: Kristen Guichard*

### On the Cover

Bridge nearest the Assabet River Rail Trail head in South Acton. The trail runs 3.4 miles from the South Acton Train Station and goes to the Maynard/Stow border.

*Photographer: Kristen Guichard*



## Above

Zagster Bike Share at the South Acton Train Station and the head of the Assabet River Rail Trail.

Town of Acton, Massachusetts



*Comprehensive Annual Financial Report*

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

*Prepared by the Finance Department*

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



Finance Department  
Stephen G. Barrett, CPA, Director  
Brian McMullen, Assistant Director

Town of Acton  
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Acton, MA 01720

(978) 929-6624 Telephone

## Letter of Transmittal

January 20, 2020

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

At the close of each fiscal year, state law requires the Town of Acton to publish a complete set of audited financial statements in conformance with accounting principles generally accepted in the United States of America (GAAP) and 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 this Comprehensive Annual Financial Report (CAFR) of the Town of Acton, Massachusetts, for the fiscal year ending June 30, 2019 for your review.

The report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the assets of the Town from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Giusti, Hingston & Company, PC, a firm of licensed certified public accountants, who have been hired by and report to the Town's Board of Selectmen. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Acton for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Acton's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

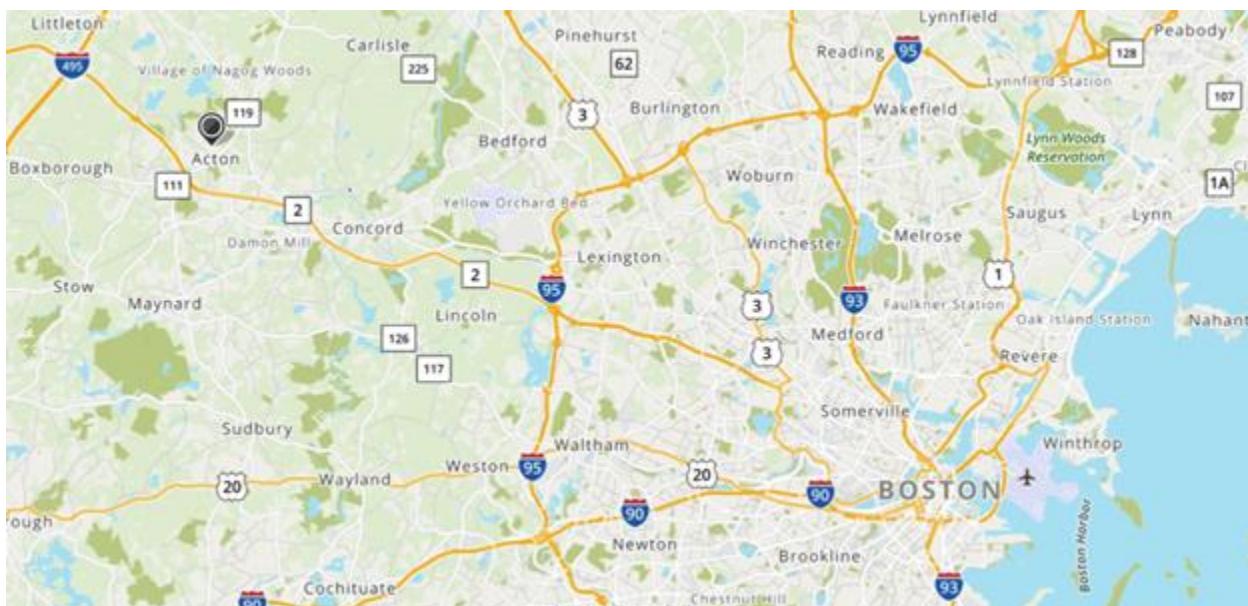
In previous years, the independent audit of the financial statements of the Town of Acton was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report 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. In order to meet the Single Audit Act threshold, an entity must have \$750,000 of federal expenditures. Since the Town's school system fully regionalized in fiscal year 2015, a majority of the federal grants are now awarded to and expended by the Acton Boxborough Regional School District. As a result, the Town did not meet the Single Audit Act threshold. However, the

audit firm issued an Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards in a separate report.

GAAP require 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 MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

### *Profile of the Town*

The Town of Acton, incorporated in 1735, is located in western Middlesex County approximately twenty one miles from Boston. It is situated on Massachusetts Route 2 and in close proximity to U.S. Interstate 495. The Town occupies 20 square miles and serves a population of 21,581. The Town is primarily a residential community. However, the Town's stable industrial base plays a role in the Town's fiscal stability. The Town offers nearby commuter rail service to Boston to the east and Fitchburg to the west, providing valuable transportation options for residents, businesses and commuters.



The Town is governed by an open Town Meeting, an elected five member Board of Selectmen and a Town Manager appointed by the Board. All voters of the town are eligible to attend the town meeting and vote on matters that come before it. The members of the Board of Selectmen are elected for three year terms. In order to provide continuity on the Board of Selectmen, the term of one member expires every third year, and the term of two members expire in each of the intervening years.

The Board of Selectmen serves as the chief goal-setting, planning and policy-making agency of the town. The Board acts through the adoption of policy directives and guidelines which are implemented by officers and employees appointed by or under its authority. The Town Manager is responsible for the management of town departments and the supervision of town employees including coordinating the activities of volunteer members of the town agencies with town departments.

The Town provides a full range of municipal services, including police and fire protection, ambulance, collection and disposal of waste, maintenance of roads, library, health and human services, culture and recreation and sewer. Above and beyond the typical municipal services, the Town provides nursing and transportation services to its residents. All of the Town's educational services are provided by the Acton-Boxborough Regional School District. The regionalization of the Town of Acton's school system provides the Town's school students with the full resources of the Acton-Boxborough Regional School District. The

Acton Water District, a separate entity from the Town, provides water services to 90% of the Town's residents.

### ***Factors Affecting Economic Condition***

Acton's commercial economic base has remained stable over the past ten years, consistently accounting for between 11.10% and 12.93% of the Town's assessed value. The Town has approximately 828 private businesses within its boundaries that employ approximately 8,456 employees. Businesses within the borders of Acton provide an estimated \$538,344,849 in wages. Service industries comprise the vast majority of business in Acton (735) with Professional and Business Services (231) leading the way. Based on data from the U.S Census, the Town of Acton's median household income (\$133,713) is considerably higher than the average in Massachusetts (\$74,167). In addition, the Town of Acton continues to experience unemployment rates well below state, county and national averages.

The Town's residential assessed values have risen in each of the last eight fiscal years to its highest value ever. The Building Department issued 1,357 building permits in fiscal year 2019 worth an estimated construction value of over \$62.5 million.

The Town adopted the Community Preservation Act, in 2002 which allows for a 1.5% surcharge on real estate tax bills and a Commonwealth of Massachusetts match. Since its passage, the Town has collected approximately \$11 million from the 1.5% surcharge. In addition, the Commonwealth of Massachusetts provides an annual percent (varying amounts) match. Appropriations from this program continue to be approved annually at Annual Town Meeting and they have provided funding for many projects in the areas of housing, recreation, open space, historic preservation, and other land acquisition. This continual reaffirmation of a 1.5% surcharge, in an era of economic uncertainty, shows that the citizens remain committed to the viability of the program.

Quarterly tax billings and excellent collection rates have eliminated the need to borrow on a short term basis to maintain cash flow. The Town's investment options are governed by Massachusetts General Laws and focus on the sound principles of safety, liquidity, and yield.

Over the past ten years, property tax and intergovernmental revenues comprised the vast majority of governmental fund's revenues. In fiscal year 2019, property taxes were 85.6% of the revenues. In the previous nine fiscal years, property taxes have represented between 74.2% and 86.8% of the governmental fund revenues. In fiscal year 2019, intergovernmental revenues represented 4.4% of the governmental fund revenues a decrease from the 6.0% in fiscal year 2018. The fiscal year 2019 percentage decrease in intergovernmental revenues is the result of the Town drawing down a substantial amount of its state "Chapter 90 – Highway" grant in the prior fiscal year. Intergovernmental revenues have fluctuated between 4.4% and 16.8% of governmental fund revenues during the past ten years. The change in percentages is the result of the regionalization of the school system, not a higher reliance on property taxes. Beginning in fiscal year 2015, the local general fund education aid from the Commonwealth of Massachusetts and the special revenue fund state/federal education grants (previously received by the Town of Acton) were revenues of the Acton-Boxborough Regional School District. As a result, the total revenues of the Town Acton decreased and the property tax revenues percentage of total revenues increased. The reduction in education grant/local aid revenues caused the change in the intergovernmental percentage.

The Town has continued to aggressively fund the other post-employment benefits (OPEB) liability. In the past three fiscal years, the contributions in excess of the actuarially determined contribution have been \$217,767 (fiscal year 2019), \$617,277 (fiscal year 2018) and \$528,512 (fiscal year 2017). In fiscal year 2019, the Town continued to contribute to the OPEB Trust Fund (\$633,742). The Town's OPEB trust fund has a balance of \$5,221,391 at June 30, 2019. The plan fiduciary net position as a percentage of the total OPEB liability has risen from 16.73% at June 30, 2017 to 21.11% at June 30, 2018 and to 24.47% at June 30, 2019. The aggressive funding and the earnings on investments on the OPEB Trust Fund caused a

small current year decrease in the net OPEB liability (\$6,523) even though the discount rate was lowered from 7.50% to 7.25%.

### ***Long Term Financial Planning and Recent Highlights***

The level of budgetary control is established by Town Meeting. This approval defines the level at which expenditures may not exceed appropriations. Town Meeting authorizes a “bottom-line” fiscal budget for all legally binding appropriations made for municipal expenditures which the Town Manager cannot exceed. Additional appropriations may be approved at subsequent Town Meetings.

The Town continues to manage its financial affairs in a prudent manner, as is demonstrated by its AAA bond rating from Standard and Poor’s and its Aaa bond rating from Moody’s Investors Service. In its most recent rating, Standard and Poor’s affirmed its ‘AAA’ rating, with a stable outlook, on the Town’s existing General Obligation debt. In assigning this bond rating they cited:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);
- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary flexibility, with an available fund balance in fiscal 2018 of 10.6% of operating expenditures;
- Very strong liquidity, with total government available cash at 19.2% of total governmental fund expenditures and 7.6% of governmental debt service, and access to external liquidity that we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 2.5% of expenditures and net direct debt that is 16.9% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of market value and rapid amortization, with 74.9% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

The Town’s overall debt position is favorable and the Town’s debt service carrying charges as a percentage of non-capital governmental expenditures have decreased in each of the past four fiscal years to a ten year low of 2.3%.

The Town has been able to accomplish all this by initiatives such as:

- Ongoing financial modeling and forecasting of revenues and expenses
- Maintaining reserve levels
- Actively managing the costs of benefits
- Establishing and funding an OPEB Trust Fund
- Investing in technology to ensure efficient operations
- Investing in infrastructure
- Investing in staff development

Recent highlights in the Town include:

- Massachusetts Department of Transportation committed to funding the remaining design work for Kelley’s Corner Infrastructure as part a \$15M investment;
- Finalized the acquisition of the 19-21 Maple Street property to increase municipal parking for the MBTA station;
- Memorial Library Circulated over 535,000 items in the last year. And welcomed over 236,000 visitors in the last year;
- Held Acton’s first Restaurant Week, which saw participation from the majority of Acton’s eating establishments;
- Celebrated Nathaniel Allen Recreational Area’s twentieth anniversary;

- Received a grant to install a second electric vehicle (EV) charging station at Town Hall;
- Established a regional Veterans District with Boxborough off-setting costs and improving services;
- Police Department awarded State Certification from the Massachusetts Police Accreditation Commission and
- Council on Aging provided services to over 29% of the senior population in Acton

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Acton, Massachusetts for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 comprehensive annual financial report 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.

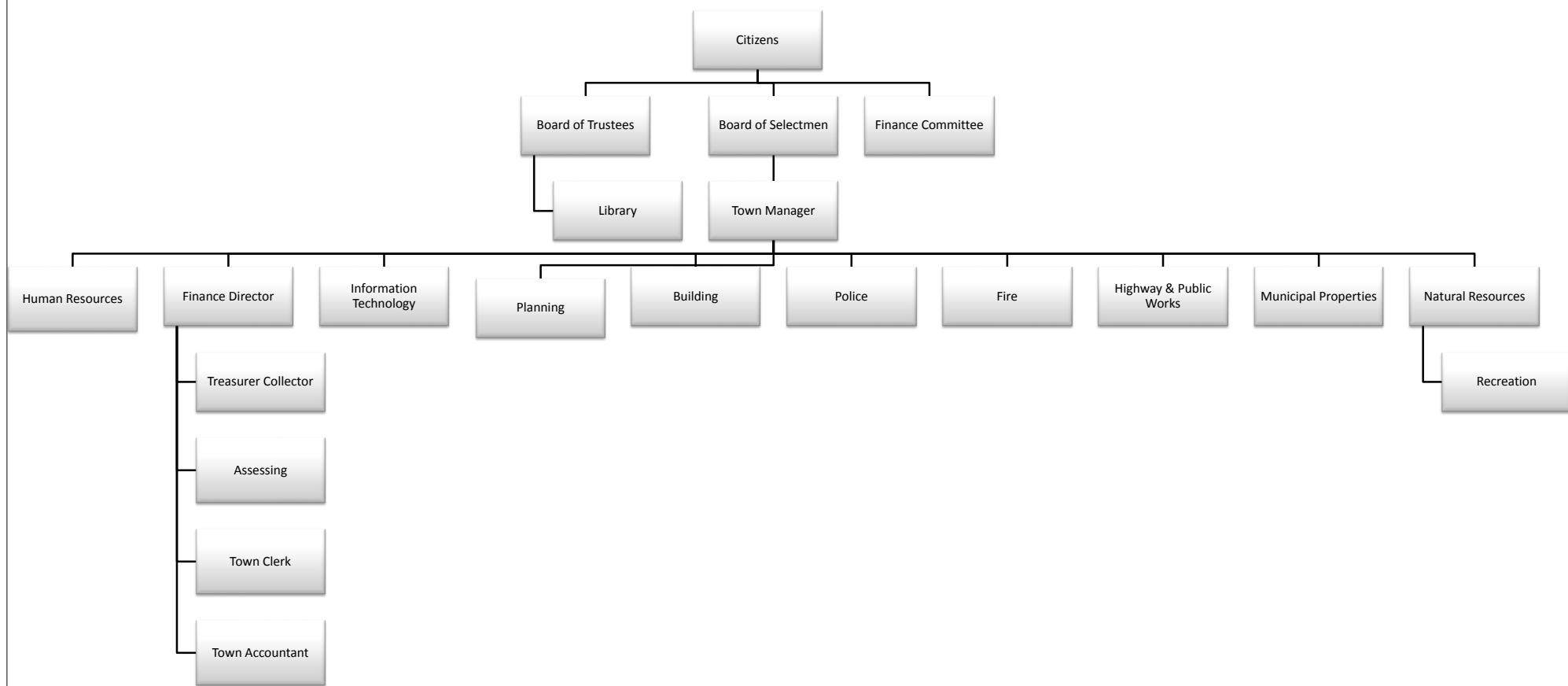
The publication of this CAFR represents an important achievement by the Town of Acton to provide enhanced financial information to its citizens, elected and appointed officials and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Special thanks also go to the public accounting firm of Giusti, Hingston & Company, P.C. for their advice and assistance in the preparation of this report.

Respectfully Submitted:

*Stephen Barrett, CPA*

Stephen Barrett, CPA  
Finance Director, Treasurer and Tax Collector

# Town of Acton, Massachusetts Organizational Chart



***Town of Acton, Massachusetts***  
***Principal Officials***

Title	Name	Term Expires
Chair, Board of Selectmen	Joan Gardner	2020
Vice - Chair, Board of Selectmen	Jon Benson	2021
Clerk, Board of Selectmen	Dean Charter	2022
Member, Board of Selectmen	David Martin	2022
Member, Board of Selectmen	Peter Berry	2020
Chair, Finance Committee	Roland Bourdon III	2022
Vice Chair, Finance Committee	Christi Andersen	2020
Finance Committee Member	Jason Cole	2021
Finance Committee Member	Michael Majors	2022
Finance Committee Member	Stephen Noone	2022
Finance Committee Member	Dave Wellinghoff	2021
Finance Committee Member	Thomas Farley	2020
Finance Committee Member	Christine Russell	2021
Finance Committee Member	Sahana Purohit	2020
Associate, Finance Committee	Alan Vlajinac	2022
Town Manager	John S. Mangiaratti	2021
Assistant Town Manager	Mark Hald	N/A
Finance Director	Stephen Barrett	N/A
Assistant Finance Director	Brian McMullen	N/A
Town Accountant	Lisa Wojick	2019
Police Chief	Richard Burrows	N/A
Fire Chief	Robert Hart	N/A
Town Clerk	Eva Szkaradek	2020



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Town of Acton  
Massachusetts**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Acton  
472 Main Street  
Acton, MA 01720

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Acton, Massachusetts as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Acton, Massachusetts as of June 30, 2019 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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, the budgetary comparison schedules, the retirement system schedules and the other post employment benefit schedules 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 Acton, Massachusetts' basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements 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 January 20, 2020, on our consideration of the Town of Acton, 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 Acton, Massachusetts' internal control over financial reporting and compliance.

*Giusti, Hingston and Company*

Giusti, Hingston and Company  
Certified Public Accountants  
Georgetown, Massachusetts  
January 20, 2020

**Town of Acton, Massachusetts**  
**Management's Discussion and Analysis**  
**Required Supplementary Information**  
**June 30, 2019**

As management of the Town of Acton, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Acton, Massachusetts for the fiscal year ended June 30, 2019.

### **Financial Highlights – Primary Government**

- The assets and deferred outflows of the Town of Acton, Massachusetts exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$94,364,125 (*net position*).
- The government's total net position decreased by \$1,147,260. The Governmental Activities decreased by \$767,648 or 0.99%. The business type activities decreased by \$379,612 or 2.07%. The primary cause for the decrease in net position of the governmental activities is the recognition of the expense related to the net pension liability.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$7,527,000, or 7.9% of total general fund expenditures.
- The Town of Acton, Massachusetts' total general obligation bonds payable reported in the financial statements decreased by \$3,092,436 or 11.91% during the current year. The change is attributed to a decrease in the Governmental Activities (\$2,170,636 or 17.29%) and a decrease in the Business-type Activities (\$921,800 or 6.87%). A considerable amount of the Business-type activity debt will be funded by betterment revenues. The Town did not issue any long term debt in fiscal year 2019

### **Overview of the Financial Statements – Primary Government**

The discussion and analysis is intended to serve as an introduction of the Town of Acton, Massachusetts' basic financial statements. The Town of Acton, Massachusetts' basic financial statements consists of the following: 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 the Town of Acton, Massachusetts' finances, in a manner similar to private-sector business.

The Government-wide financial statements include the Town of Acton, Massachusetts (the Primary Government) and the Acton Community Housing Trust (a component unit for which the town is financially accountable).

The *statement of net position* presents information on all of the Town of Acton, Massachusetts' assets/deferred outflows and liabilities/deferred inflows, with the difference 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 of Acton, Massachusetts is improving or deteriorating.

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

The government-wide financial statements have separate columns for governmental activities and business-type activities. The Town's activities are classified as follows:

- **Governmental Activities** – Activities reported here include education, public safety, public works, library and general administration. Property taxes, motor vehicle excise taxes, state and other local revenues finance these activities.
- **Business-Type Activities** - Activities reported here are for sanitation and sewer operations. User fees charged to the customers receiving services finance these activities.

**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. The Town of Acton, Massachusetts, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Acton, Massachusetts 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 financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* at the end of the fiscal 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*.

**Proprietary funds.** The Town of Acton, Massachusetts maintains two proprietary (enterprise) fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of Acton, Massachusetts uses enterprise funds to account for its sanitation and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each enterprise fund. Both funds are considered to be major funds of the Town of Acton, Massachusetts.

**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 fiduciary funds to account for activities related to charitable trust funds and for its Other Post Employment Benefits (OPEB) trust fund. The OPEB Trust Fund is used to accumulate resources to provide funding for future OPEB liabilities.

## **Notes to the Financial Statements**

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

## Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the Town of Acton, Massachusetts' progress in funding its obligation to provide pension and OPEB benefits to its employees. The *required supplementary information* also includes budget versus actual information.

### Reconciliation of Government-wide Financial Statements to Fund Financial Statements

The governmental activities of the government-wide financial statements and the governmental funds of the fund financial statements do not use the same accounting basis and measurement focus. Capital assets and long-term liabilities are not included on the balance sheet of the governmental funds, but are included on the statement of net position. Capital assets are recorded as expenditures when they are purchased in the governmental funds and depreciated over the useful life in the government-wide financial statements.

We have included schedules that provide a crosswalk from the government-wide financial statements to the governmental funds of the fund financial statements:

- Reconciliation of the balance sheet - governmental funds to the government-wide statement of net position.
- Reconciliation of the statement of revenues and expenditures and changes in fund balances - governmental funds to the government-wide statement of activities.

A reconciliation of government-wide financial statements to enterprise funds of the fund financial statements is not necessary. The business-type activities of the government-wide financial statements and the enterprise funds use the same accounting basis and measurement focus.

### Government-Wide Financial Analysis

The following table reflects the condensed net position for the past two fiscal years.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and Other Assets	\$ 37,204,247	\$ 38,878,237	\$ 16,345,620	\$ 16,991,961	\$ 53,549,867	\$ 55,870,198
Capital Assets	122,866,775	120,088,436	14,304,037	14,916,324	137,170,812	135,004,760
Total Assets	<u>160,071,022</u>	<u>158,966,673</u>	<u>30,649,657</u>	<u>31,908,285</u>	<u>190,720,679</u>	<u>190,874,958</u>
Deferred Outflows of Resources	<u>8,595,833</u>	<u>6,879,715</u>	-	-	<u>8,595,833</u>	<u>6,879,715</u>
Current Liabilities	10,252,602	7,828,045	1,065,322	1,068,940	11,317,924	8,896,985
Long Term Liabilities	79,570,404	76,565,891	11,617,974	12,493,372	91,188,378	89,059,263
Total Liabilities	<u>89,823,006</u>	<u>84,393,936</u>	<u>12,683,296</u>	<u>13,562,312</u>	<u>102,506,302</u>	<u>97,956,248</u>
Deferred Inflows of Resources	<u>2,446,085</u>	<u>4,287,040</u>	-	-	<u>2,446,085</u>	<u>4,287,040</u>

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net Position:						
Net Investment in Capital Assets	115,720,787	114,844,263	1,814,037	1,504,524	117,534,824	116,348,787
Restricted	15,879,435	15,188,241	-	-	15,879,435	15,188,241
Unrestricted	(55,202,458)	(52,867,092)	16,152,324	16,841,449	(39,050,134)	(36,025,643)
Total Net Position	<u>\$ 76,397,764</u>	<u>\$ 77,165,412</u>	<u>\$ 17,966,361</u>	<u>\$ 18,345,973</u>	<u>\$ 94,364,125</u>	<u>\$ 95,511,385</u>

The net position of the Town decreased by \$1,147,260

### Changes in Net Position

The following condensed financial information was derived from the government-wide Statement of Activities. It reflects how the Town's net position has changed during the fiscal year.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>						
Program Revenues:						
Charges for Services	\$ 4,588,362	\$ 4,694,839	\$ 1,508,036	\$ 1,467,861	\$ 6,096,398	\$ 6,162,700
Operating Grants and Contributions	1,723,559	1,326,717	641,773	818,969	2,365,332	2,145,686
Capital Grants and Contributions	549,391	1,066,379	135,731	476,375	685,122	1,542,754
General Revenues:						
Property Taxes	86,606,384	83,668,405	-	-	86,606,384	83,668,405
Motor Vehicle and Other Excises	3,882,329	3,446,703	-	-	3,882,329	3,446,703
Intergovernmental Not Restricted to a Specific Program	1,523,926	1,786,847	-	-	1,523,926	1,786,847
Other	801,005	450,373	106,673	-	907,678	450,373
<b>Total Revenues</b>	<u>99,674,956</u>	<u>96,440,263</u>	<u>2,392,213</u>	<u>2,763,205</u>	<u>102,067,169</u>	<u>99,203,468</u>
<b>Expenses</b>						
General Government	8,788,954	9,270,072	-	-	8,788,954	9,270,072
Public Safety	11,164,796	9,757,887	-	-	11,164,796	9,757,887
Education	61,285,774	58,820,900	-	-	61,285,774	58,820,900
Highways and Public Works	4,011,138	4,086,601	-	-	4,011,138	4,086,601
Human Services	3,532,819	3,197,424	-	-	3,532,819	3,197,424
Culture and Recreation	1,326,091	2,247,296	-	-	1,326,091	2,247,296
Employee Benefits and Insurance	10,199,273	9,499,782	-	-	10,199,273	9,499,782
Debt Service	133,759	180,162	-	-	133,759	180,162
Sanitation	-	-	593,053	596,104	593,053	596,104
Sewer	-	-	2,178,772	2,111,346	2,178,772	2,111,346
<b>Total Expenses</b>	<u>100,442,604</u>	<u>97,060,124</u>	<u>2,771,825</u>	<u>2,707,450</u>	<u>103,214,429</u>	<u>99,767,574</u>
Increase (Decrease) in Net Position	<u>(767,648)</u>	<u>(619,861)</u>	<u>(379,612)</u>	<u>55,755</u>	<u>(1,147,260)</u>	<u>(564,106)</u>
Net Position - Beginning	<u>77,165,412</u>	<u>77,785,273</u>	<u>18,345,973</u>	<u>18,290,218</u>	<u>95,511,385</u>	<u>96,075,491</u>
<b>Net Position - Ending</b>	<u><b>\$ 76,397,764</b></u>	<u><b>\$ 77,165,412</b></u>	<u><b>\$ 17,966,361</b></u>	<u><b>\$ 18,345,973</b></u>	<u><b>\$ 94,364,125</b></u>	<u><b>\$ 95,511,385</b></u>

As noted earlier, Net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's net position was \$94,364,125.

By far, the largest portion of the Town of Acton, Massachusetts' net position (\$117,534,824) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Town of Acton, Massachusetts uses

these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town of Acton, Massachusetts' investment in capital assets is reported net of related debt, it should be noted that the resources used 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 Town of Acton, Massachusetts' net position represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit \$39,050,134) is unrestricted. A positive balance in unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

### **Governmental Activities**

The net position of the Governmental Activities decreased by \$767,648. Key elements of this change are as follows:

General fund net change in fund balance	\$ (464,488)
Community Preservation fund net change in fund balance	504,352
Change in net pension liability and related deferred outflows and inflows	(2,721,436)
Change in net OPEB liability and related deferred outflows and inflows	344,779
Capital Grants	549,391
Depreciation exceeds long term principal	(378,168)
Assets acquired from revenue	1,298,646
Other	99,276
<b>Total</b>	<b>\$ (767,648)</b>

The deficit (\$55,202,458) in the Unrestricted Net Position in the governmental activities is primarily a result of reporting the Town's Net Pension Liability (\$53,545,751) and the Net Other Post Employment Benefits Liability (\$16,119,213).

In fiscal year 2019 property taxes accounted for approximately 87% of the revenues. In fiscal years 2018 and 2017 they accounted for 87% and 86%, respectively, of the revenues.

### **Business Type Activities**

The net position of the Business Type Activities decreased by \$379,612. Key elements of this change are as follows:

The net position of the Sanitation Fund increased by \$10,755. The increase occurred because operating expenses were \$245 more than operating revenues. However, the fund had \$11,000 in non operating earnings on investments.

The net position of the Sewer Fund decreased by \$390,367. It increased by \$50,416 in the prior year (primarily due to a large capital grant). Revenues decreased by \$373,357 or 17.3%. The decrease in revenues is almost entirely related to the decrease in the capital grant. Expenses increased by \$67,426 or 3.2%. The primary reason for the decrease in net position is the depreciation related to infrastructure purchased with capital grants.

## **Financial Analysis of the Governmental Funds**

### **Governmental Funds**

The focus of the Town of Acton, Massachusetts' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Acton, Massachusetts' financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the Town of Acton, Massachusetts itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Town of Acton, Massachusetts' Selectmen.

As of the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$23,710,548. This represents a decrease of \$1,987,802 from the prior fiscal year. Key elements to the change are as follows:

- The fund balance in the general fund decreased by \$464,488 during the current fiscal year. Substantially all revenue categories outperformed their budgets by a total of \$716,852 and expenditures plus encumbrances were less than budgeted by \$1,785,566. However, the Town utilized \$2,367,722 general fund unreserved fund balance in the fiscal year 2019 budget.
- The fund balance of the Community Preservation fund increased by \$504,352. The increase is due to the Town voting to set aside \$500,823 of current year revenues into reserves to be appropriated for projects in the future.
- The fund balance in the non-major capital projects fund decreased by \$2,739,690 because expenditures related to prior years' borrowings occurred in fiscal year 2019.
- The fund balance in the non-major special revenue funds increased by \$249,232. A significant portion of the increase (\$84,728) is related to an increase in the ambulance fund special revenue account. Also, a growth in building permits issued caused an increase (\$51,157) in the Building Inspector's fund. In addition, the Town's Recreation Program and the Council on Aging Donation accounts increased by \$47,692 and \$35,147, respectively. Other increases were based on the timing of the revenues received and the timing of the related expenditures.
- The fund balance in the non-major trust funds increased by \$462,792. Substantially, all of the non-major trust fund accounts reflected increases due to unspent earning on investments. The most significant increase (\$225,190) was in the Cemetery Perpetual care account due to unspent bequests (\$53,650) and unspent earnings on investments (\$171,540).

## **General Fund**

The general fund is the chief operating fund of the Town of Acton, Massachusetts. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,527,200 while total fund balance was \$11,647,957. 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 general fund expenditures. Unassigned fund balance represents approximately 7.9% of total general fund expenditures, while total fund balance represents approximately 12.3% of general fund expenditures.

## **Other General Fund Highlights**

- The Town committed and/or assigned \$1,701,757 of its unassigned fund balance to fund the fiscal year 2020 budget. However, the results of operations kept the Town's unassigned fund balance at a significant amount.
- The Town's revenues exceeded their budget by \$716,852. A significant portion of excess resulted from licenses and permits – primarily building permits - exceeding (\$288,926) the budgeted amount. In addition, the Town reported favorable budget versus actual amounts in the following categories: tax lien collections (\$181,549), penalties and interest (\$171,618), excises (\$141,657), earnings on investments (\$60,110), charges for services (\$105,677) and miscellaneous revenues (\$97,476).
- The Town's departments expended and encumbered \$1,785,566 less than budgeted. Significant amounts were unexpended in the Employee Benefits accounts (\$434,778) due to a less than anticipated pension assessment and a positive variance in the health insurance premiums account. The Municipal Properties department had an unexpended balance of \$542,654 at year end due to the closing of unexpended project articles. The Nursing Service Department was underspent (\$131,710) primarily, due to savings in the salaries line item. In addition, the Information Technology, the Town Manager and the Snow and Ice departments had unexpended budgets of \$118,928, \$108,006 and \$108,206, respectively. Since the Town operates on a bottom line budget, positive variances in some budgets are utilized to offset negative variances in others.

Based upon the balance sheet as of the close of each fiscal year, the Commonwealth of Massachusetts, Department of Revenue (DOR) determines the amount of general fund “fund balance” available for appropriation. In general, this amount (commonly known as “free cash”) is generated when actual revenues on a cash basis exceed budgeted amounts and expenditures and encumbrances (unpaid commitments) are less than appropriations, or both.

The Town’s certified free cash as of July 1, 2019 was \$3,753,774.

The following table reflects the trend in all the components of fund balance and details the certified free cash for the previous ten fiscal years.

<b>Fiscal Year</b>	<b>Reserved for Encumbrances</b>	<b>Reserved for Petty Cash</b>	<b>Designated for Subsequent Year's Expenditure</b>		<b>Unreserved</b>	<b>Total Fund Balance</b>
	\$ 2,568,211	\$ 1,100	\$ 1,266,424	\$ 6,457,742	\$ 10,293,477	

GASB 54 was implemented in fiscal year 2011. As a result the account titles of the components of fund balance changed as follows:

<b>Fiscal Year</b>	<b>Total Fund</b>			
	<b>Committed</b>	<b>Assigned</b>	<b>Unassigned</b>	<b>Balance</b>
2011	\$ 2,302,875	\$ 2,126,226	\$ 7,823,281	\$ 12,252,382
2012	2,013,918	1,308,583	9,691,909	13,014,410
2013	2,638,503	2,269,913	9,959,734	14,868,150
2014	2,009,485	1,596,387	12,103,520	15,709,392
2015	1,750,765	2,807,648	12,292,571	16,850,984
2016	1,495,255	3,783,178	10,148,999	15,427,432
2017	2,445,811	3,450,109	7,512,855	13,408,775
2018	2,307,386	3,137,132	6,667,927	12,112,445
2019	1,848,218	2,272,539	7,527,200	11,647,957

<b>Fiscal Year</b>	<b>Free Cash</b>
2010	\$ 4,650,574
2011	5,933,591
2012	7,080,410
2013	7,406,552
2014	9,345,325
2015	7,644,931
2016	4,873,062
2017	3,862,829
2018	2,646,432
2019	3,753,774

#### **Community Preservation Act Fund**

The Community Preservation Act (C.P.A.) fund is used to account for the activities prescribed by Massachusetts General Laws. Revenues are derived, primarily, from property tax surcharges and state aid. Expenditures are allowed for affordable housing, historic preservation and for open space.

The Community Preservation Act expenditures are typically project driven. During 2019, the C.P.A. fund's revenues and other sources exceeded the expenditures and other uses by \$504,352. The increase is due to the Town voting to set aside \$500,823 of current year revenues into reserves to be appropriated for projects in the future. The C.P.A. fund maintains a sizable restricted fund balance (\$6,081,255).

## **Proprietary Funds**

**Enterprise Funds** The Town of Acton, Massachusetts' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted Net Position of the Sanitation Enterprise Fund at the end of the year was \$739,822 and the increase in net position was \$10,755. Unrestricted Net Position of the Sewer Enterprise Fund at the end of the year was \$15,412,502 and the decrease in net position was \$390,367. Information about the reasons for the changes in net position is addressed in the Government-Wide section of the notes to the financial statements.

## **General Fund Budgetary Highlights**

The Town authorizes a bottom line budget in order to provide flexibility within the budget process. The budget is monitored and managed by the Town Manager and the Finance Director. The Town Manager may allow a department to overspend its budget as long as the Town's total expenditures and encumbrances do not exceed the total approved budget. Since Town meeting authorizes a bottom line budget, transfers to offset departmental deficits are not required to be made.

The differences between the original budget and the final amended budget are due to special Town meeting votes.

Conservative budget estimates allowed the Town to experience favorable operating results for both revenues and expenditures. Positive budgetary variances occurred in substantially all revenue categories. Tax liens revenue exceeded its budget by \$181,549, excise tax revenues exceeded its budget by \$141,657, penalties and interest revenues exceeded its budget by \$171,618, licenses permits revenue exceeded their budget by \$288,926, charges for services revenues exceeded its budgets by \$105,677, earnings on investments exceeded its budget by \$60,110 and miscellaneous revenues exceed its budget by \$97,476.

## **Capital Asset and Debt Administration**

**Capital Assets.** The Town of Acton, Massachusetts' investments in capital assets for its governmental and business type activities as of June 30, 2019, amounts to \$137,170,812 (net of accumulated depreciation) an increase of \$2,166,052 from the prior fiscal year. This investment in capital assets includes land, buildings, improvements, infrastructure, equipment and vehicles.

Major capital asset events during the current fiscal year included the following:

### **Governmental Activities**

- Land Acquisition – Maple Street (\$1,100,000)
- Infrastructure – Roads (\$922,824)
- Fire Engine (\$708,107)
- Fire Pumper (\$670,521)
- Library Roof (\$543,669)

### **Business Type Activities**

- Work In Process – West Acton Sewer Feasibility Study (\$196,500)

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Land	\$ 70,416,752	\$ 69,204,652	\$ 534,769	\$ 534,769	\$ 70,951,521	\$ 69,739,421
Construction in Progress	1,976,915	885,794	196,500	-	2,173,415	885,794
Buildings	9,739,881	10,069,276	4,306,690	4,647,536	14,046,571	14,716,812
Improvements Other Than Buildings	871,120	780,840	24,193	26,633	895,313	807,473
Infrastructure	35,054,938	35,109,626	9,069,106	9,460,726	44,124,044	44,570,352
Equipment	3,795,600	2,889,367	172,779	246,660	3,968,379	3,136,027
Vehicles	1,011,569	1,148,881	-	-	1,011,569	1,148,881
<b>Total</b>	<b>\$ 122,866,775</b>	<b>\$ 120,088,436</b>	<b>\$ 14,304,037</b>	<b>\$ 14,916,324</b>	<b>\$ 137,170,812</b>	<b>\$ 135,004,760</b>

Additional capital asset disclosures can be found in Note III-C of the accompanying financial statements.

### **Debt**

The Town had \$22,870,450 in bonds payable, outstanding on June 30, 2019. This represents a \$3,092,436 or 11.9% decrease from the previous year.

### **Legal Debt Margin**

Massachusetts General Laws, Chapter 44 – Section 10 limits the amount of debt that a municipality may authorize to 5% of the equalized valuation of the Town. The legal debt margin applies to debt issued "inside the debt limit." In addition, some debt may be issued for specific purposes "outside the debt limit." At June 30, 2019, the Town's equalized valuation was \$4,597,929,200. The debt limit at June 30, 2019 is \$229,896,460. The Town's outstanding debt as of June 30, 2019 that was subject to the debt limit was \$17,048,957 or 7.4% (9.6% when including authorized/unissued) of the amount allowed by the legal debt margin.

The Town's bond rating by Moody's Investors Service is Aaa and the Town's bond rating from Standard and Poor's is AAA.

	<b>Outstanding General Obligation Bonds</b>		
	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Governmental Activities</b>			
General Obligation Bonds Payable	\$ 10,380,450	\$ 12,551,086	\$ (2,170,636)
<b>Business-type Activities</b>			
Sewer	12,490,000	13,411,800	(921,800)
<b>Total Debt</b>	<b>\$ 22,870,450</b>	<b>\$ 25,962,886</b>	<b>\$ (3,092,436)</b>

Additional information on long term debt can be found in Note III-E of the accompanying financial statements.

### **Fiscal Year 2020 Budget**

An initiative state statute, commonly known as "Proposition 2 ½", limits the amount of property taxes that Town can assess in any one year. In general, the Town's property tax levy may increase by 2 ½ percent over the prior year's tax levy, plus any additional amount derived by new developments or other changes made to existing property (i.e "new growth"). If a community wishes to levy taxes above the limitations imposed by "Proposition 2 ½", it is necessary to obtain the approval of a majority of the voters at an election.

The Town's budget for fiscal year 2020 is \$104,613,168. Although the Town utilized reserves to help fund the 2020 budget, a healthy "free cash" balance remained as of June 30, 2019.

## **Requests for Information**

This financial report is designed to provide a general overview of the Town of Acton, Massachusetts' 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:

Office of the Finance Director  
Town of Acton Massachusetts  
472 Main Street  
Acton, MA 01720

# BASIC FINANCIAL STATEMENT

Town of Acton, Massachusetts  
Statement of Net Position  
June 30, 2019

	Primary Government			Component Unit	
	Governmental Activities	Business - Type Activities	Total	Acton Community	Housing Corporation
<b>Assets</b>					
Current:					
Cash and Cash Equivalents	\$24,074,283	\$ 7,356,340	\$ 31,430,623	\$ 135,967	-
Investments	6,084,565	-	6,084,565	-	
Accounts Receivable:					
Property Taxes	723,399	-	723,399	-	
Tax Liens	754,655	-	754,655	-	
Motor Vehicle Excise	241,787	-	241,787	-	
User Charges	277,703	94,620	372,323	-	
Special Assessments	31,518	865,235	896,753	-	
Departmental	175,234	-	175,234	-	
Intergovernmental	1,964,568	-	1,964,568	-	
Liens	-	32,151	32,151	-	
Due from Town of Acton	-	-	-	600,860	
Total Current Assets	<u>34,327,712</u>	<u>8,348,346</u>	<u>42,676,058</u>	<u>736,827</u>	
Noncurrent:					
Accounts Receivable:					
Intergovernmental	2,768,017	-	2,768,017	-	
Clause 41 A Property Taxes	108,518	-	108,518	-	
Special Assessments Not Yet Due	-	7,997,274	7,997,274	-	
Capital Assets:					
Assets Not Being Depreciated	72,393,667	731,269	73,124,936	-	
Assets Being Depreciated, Net	50,473,108	13,572,768	64,045,876	-	
Total Noncurrent Assets	<u>125,743,310</u>	<u>22,301,311</u>	<u>148,044,621</u>	<u>-</u>	
Total Assets	<u>160,071,022</u>	<u>30,649,657</u>	<u>190,720,679</u>	<u>736,827</u>	
<b>Deferred Outflows of Resources</b>					
Pensions	7,601,963	-	7,601,963	-	
Other Post Employment Benefits	804,287	-	804,287	-	
Debt Refunding Issue	189,583	-	189,583	-	
Total Deferred Outflows of Resources	<u>8,595,833</u>	<u>-</u>	<u>8,595,833</u>	<u>-</u>	
<b>Liabilities</b>					
Current:					
Warrants Payable	757,016	104,718	861,734	-	
Accrued Salaries Payable	508,182	5,883	514,065	-	
Employees' Withholding Payable & Deposits	9,550	-	9,550	-	
Guarantee Deposits	1,039,507	-	1,039,507	-	
Accrued Interest	126,286	75,261	201,547	-	
Due to Component Unit	600,860	-	600,860	-	
Compensated Absences	223,511	4,460	227,971	-	
Lease Payable	69,933	-	69,933	-	
Landfill Closure/Postclosure	2,500	-	2,500	-	
Notes Payable	4,598,830	-	4,598,830	-	
Other	113,949	-	113,949	5,746	
Bonds Payable	2,202,478	875,000	3,077,478	-	
Total Current Liabilities	<u>10,252,602</u>	<u>1,065,322</u>	<u>11,317,924</u>	<u>5,746</u>	
Noncurrent:					
Compensated Absences	335,267	2,974	338,241	-	
Lease Payable	75,271	-	75,271	-	
Landfill Closure/Postclosure	37,500	-	37,500	-	
Net Other Post Employment Benefits Liability	16,119,213	-	16,119,213	-	
Net Pension Liability	53,545,751	-	53,545,751	-	
Other	1,279,430	-	1,279,430	-	
Bonds Payable	8,177,972	11,615,000	19,792,972	-	
Total Noncurrent Liabilities	<u>79,570,404</u>	<u>11,617,974</u>	<u>91,188,378</u>	<u>-</u>	
Total Liabilities	<u>89,823,006</u>	<u>12,683,296</u>	<u>102,506,302</u>	<u>5,746</u>	
<b>Deferred Inflows of Resources</b>					
Pensions	1,899,260	-	1,899,260	-	
Other Post Employment Benefits	539,745	-	539,745	-	
Deferred Revenues	7,080	-	7,080	-	
Total Deferred Inflows of Resources	<u>2,446,085</u>	<u>-</u>	<u>2,446,085</u>	<u>-</u>	
<b>Net Position</b>					
Net Investment in Capital Assets	115,720,787	1,814,037	117,534,824	-	
Restricted for:					
Community Preservation	6,093,140	-	6,093,140	-	
Ambulance Services	865,607	-	865,607	-	
Gifts and Grants	4,287,694	-	4,287,694	-	
Permanent Funds:					
Expendable	2,343,127	-	2,343,127	-	
Nonexpendable	2,289,867	-	2,289,867	-	
Unrestricted	<u>(55,202,458)</u>	<u>16,152,324</u>	<u>(39,050,134)</u>	<u>731,081</u>	
Total Net Position	<u>\$76,397,764</u>	<u>\$ 17,966,361</u>	<u>\$ 94,364,125</u>	<u>\$ 731,081</u>	

Town of Acton, Massachusetts  
Statement of Activities  
Fiscal Year Ended June 30, 2019

Functions/Programs	Net (Expenses) Revenues and Changes in Net Position									
	Program Revenues					Primary Government			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	Acton Community Housing Corporation	Housing Corporation	
<b>Primary Government:</b>										
<i>Governmental Activities:</i>										
General Government	\$ 8,788,954	\$ 577,035	\$ 384,963	\$ 112,100	\$ (7,714,856)	\$ -	\$ (7,714,856)	\$ -		-
Public Safety	11,164,796	2,493,418	129,710	-	(8,541,668)	-	(8,541,668)	-		-
Education	61,285,774	-	-	-	(61,285,774)	-	(61,285,774)	-		-
Highways and Public Works	4,011,138	4,850	397,487	437,291	(3,171,510)	-	(3,171,510)	-		-
Human Services	3,532,819	1,041,742	545,945	-	(1,945,132)	-	(1,945,132)	-		-
Culture and Recreation	1,326,091	471,317	258,969	-	(595,805)	-	(595,805)	-		-
Employee Benefits and Insurance	10,199,273	-	-	-	(10,199,273)	-	(10,199,273)	-		-
Debt Service	133,759	-	6,485	-	(127,274)	-	(127,274)	-		-
Total Governmental Activities	100,442,604	4,588,362	1,723,559	549,391	(93,581,292)	-	(93,581,292)	-		-
<i>Business-Type Activities:</i>										
Sanitation	593,053	592,808	-	-	-	(245)	(245)	-		-
Sewer	2,178,772	915,228	641,773	135,731	-	(486,040)	(486,040)	-		-
Total Business-Type Activities	2,771,825	1,508,036	641,773	135,731	-	(486,285)	(486,285)	-		-
Total Primary Government	\$ 103,214,429	\$ 6,096,398	\$ 2,365,332	\$ 685,122	\$ (93,581,292)	\$ (486,285)	\$ (94,067,577)	-		-
<b>Component Units:</b>										
Acton Community Housing Corporation	\$ 91,782	\$ -	\$ 596	\$ -	\$ -	\$ -	\$ -			(91,186)
Total Component Unit	\$ 91,782	\$ -	\$ 596	\$ -	\$ -	\$ -	\$ -			(91,186)
<i>General Revenues:</i>										
Property Taxes					86,606,384	-	86,606,384	-		-
Motor Vehicle and Other Excise Taxes					3,882,329	-	3,882,329	-		-
Penalties and Interest on Taxes					298,942	-	298,942	-		-
Other Taxes, Assessments and in Lieu Payments					46,477	-	46,477	-		-
Intergovernmental - Unrestricted					1,523,926	-	1,523,926	-		-
Unrestricted Interest and Investment Income					304,460	106,673	411,133	-		-
Other Revenue					97,476	-	97,476	-		-
Contributions to Permanent Funds					53,650	-	53,650	-		-
Total General Revenues and Transfers					92,813,644	106,673	92,920,317	-		-
Change in Net Position					(767,648)	(379,612)	(1,147,260)			(91,186)
Net Position:										
Beginning of the Year					77,165,412	18,345,973	95,511,385			822,267
End of the Year					\$ 76,397,764	\$ 17,966,361	\$ 94,364,125			\$ 731,081

Town of Acton, Massachusetts

Balance Sheet

Governmental Funds

June 30, 2019

	General	Community Preservation Act	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and Cash Equivalents	\$ 11,694,504	\$ 6,166,496	\$ 6,213,283	\$ 24,074,283
Investments	1,451,571	-	4,632,994	6,084,565
<b>Accounts Receivable:</b>				
Property Taxes	716,782	6,617	-	723,399
Tax Liens	750,671	3,984	-	754,655
Motor Vehicle Excise	241,787	-	-	241,787
User Charges	52,094	-	225,609	277,703
Clause 41A Property Taxes	108,518	-	-	108,518
Special Assessments	-	-	31,518	31,518
Departmental	3,587	-	171,647	175,234
Intergovernmental	3,791,717	-	940,868	4,732,585
Tax Foreclosures	648,664	1,198	-	649,862
Due from Other Funds	193,107	-	-	193,107
<b>Total Assets</b>	<b><u>\$ 19,653,002</u></b>	<b><u>\$ 6,178,295</u></b>	<b><u>\$ 12,215,919</u></b>	<b><u>\$ 38,047,216</u></b>
<b>Liabilities:</b>				
Warrants Payable	\$ 595,836	\$ 24,901	\$ 136,279	\$ 757,016
Accrued Payroll Payable	387,383	254	120,545	508,182
Employees' Withholding Payable & Deposits	9,550	-	-	9,550
Guarantee Deposits	1,039,507	-	-	1,039,507
Due to Other Funds	-	-	193,107	193,107
Due to Component Unit	-	60,000	540,860	600,860
Notes Payable	-	-	4,598,830	4,598,830
<b>Total Liabilities</b>	<b><u>2,032,276</u></b>	<b><u>85,155</u></b>	<b><u>5,589,621</u></b>	<b><u>7,707,052</u></b>
<b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	5,972,769	11,885	644,962	6,629,616
<b>Total Deferred Inflows of Resources</b>	<b><u>5,972,769</u></b>	<b><u>11,885</u></b>	<b><u>644,962</u></b>	<b><u>6,629,616</u></b>
<b>Fund Equity:</b>				
<b>Fund Balances:</b>				
Nonspendable	-	-	2,289,867	2,289,867
Restricted	-	6,081,255	5,601,759	11,683,014
Committed	1,848,218	-	1,126,012	2,974,230
Assigned	2,272,539	-	-	2,272,539
Unassigned	7,527,200	-	(3,036,302)	4,490,898
<b>Total Fund Balances</b>	<b><u>11,647,957</u></b>	<b><u>6,081,255</u></b>	<b><u>5,981,336</u></b>	<b><u>23,710,548</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 19,653,002</u></b>	<b><u>\$ 6,178,295</u></b>	<b><u>\$ 12,215,919</u></b>	<b><u>\$ 38,047,216</u></b>

Town of Acton, Massachusetts  
 Reconciliation of the Balance Sheet - Governmental Funds  
 to the Government-wide Statement of Net Position  
 June 30, 2019

Total Governmental Fund Balances	\$ 23,710,548
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	122,866,775
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds	5,972,674
Certain changes in the net pension liability and the net OPEB liability are required to be included in the pension/OPEB expenses in future periods. These changes are reported as deferred outflows/(deferred inflows) of resources related to pensions/OPEB.	
Deferred Outflows of Resources - Pensions	7,601,963
Deferred Inflows of Resources - Pensions	(1,899,260)
Deferred Outflows of Resources - OPEB	804,287
Deferred Inflows of Resources - OPEB	(539,745)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due	(126,286)
Deferred Outflows/Inflows of Resources on Debt Refundings are required to be reported in the statement of net position and amortized as expenses in future periods.	
Deferred Outflows of Resources - Debt Refunding	189,583
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(10,380,450)
Compensated Absences	(558,778)
Lease Payable	(145,204)
Other Liabilities	(1,393,379)
Landfill Closure/Postclosure Costs	(40,000)
Net Other Post Employment Benefits Liability	(16,119,213)
Net Pension Liability	<u>(53,545,751)</u>
Net Position of Governmental Activities	<u>\$ 76,397,764</u>

Town of Acton, Massachusetts  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 Fiscal Year Ended June 30, 2019

	<u>General</u>	<u>Community Preservation Act</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues:</u></b>				
Property Taxes	\$ 85,429,891	\$ 1,032,032	\$ -	\$ 86,461,923
Tax Liens	181,549	1,571	-	183,120
Excises	3,832,537	-	-	3,832,537
Penalties and Interest	296,618	2,324	-	298,942
Licenses and Permits	1,188,926	-	-	1,188,926
Fees and Other Departmental	171,527	-	-	171,527
Intergovernmental	2,517,213	188,586	1,728,186	4,433,985
Charges for Services	450,677	-	2,718,237	3,168,914
Fines and Forfeits	95,275	-	-	95,275
Earnings on Investments	215,224	89,237	424,243	728,704
In Lieu of Taxes	46,476	-	-	46,476
Contributions	-	-	295,223	295,223
Miscellaneous	97,476	-	6,485	103,961
<b>Total Revenues</b>	<b>94,523,389</b>	<b>1,313,750</b>	<b>5,172,374</b>	<b>101,009,513</b>
<b><u>Expenditures:</u></b>				
Current				
General Government	7,766,000	399,025	442,360	8,607,385
Public Safety	8,871,452	-	1,671,751	10,543,203
Education	61,285,774	-	-	61,285,774
Intergovernmental	312,130	-	-	312,130
Highways and Public Works	2,941,917	-	1,105,991	4,047,908
Human Services	2,095,291	236,145	1,159,850	3,491,286
Culture and Recreation	1,423,802	90,228	483,614	1,997,644
Employee Benefits and Insurance	7,822,616	-	-	7,822,616
Debt Service				
Principal	1,843,464	60,000	-	1,903,464
Interest	348,964	24,000	-	372,964
Capital Outlay	-	-	2,612,941	2,612,941
<b>Total Expenditures</b>	<b>94,711,410</b>	<b>809,398</b>	<b>7,476,507</b>	<b>102,997,315</b>
Excess of Revenues Over (Under) Expenditures	(188,021)	504,352	(2,304,133)	(1,987,802)
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	202,187	-	478,654	680,841
Transfers (Out)	(478,654)	-	(202,187)	(680,841)
<b>Total Other Financing Sources (Uses)</b>	<b>(276,467)</b>	<b>-</b>	<b>276,467</b>	<b>-</b>
Net Change in Fund Balance	(464,488)	504,352	(2,027,666)	(1,987,802)
Fund Balance, Beginning	12,112,445	5,576,903	8,009,002	25,698,350
<b>Fund Balance, Ending</b>	<b>\$ 11,647,957</b>	<b>\$ 6,081,255</b>	<b>\$ 5,981,336</b>	<b>\$ 23,710,548</b>

Town of Acton, Massachusetts  
 Reconciliation of the Statement of Revenues, Expenditures,  
 and Changes in Fund Balances - Governmental Funds  
 to the Government-wide Statement of Activities  
 Fiscal Year Ended June 30, 2019

Net Change in Fund Balances -Total Governmental Funds \$ (1,987,802)

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.

Capital Outlay	\$ 5,235,973
Depreciation	<u>(2,447,011)</u>
Net Effect of Reporting Capital Assets	2,788,962

In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds the entire proceeds of the sale are reported. This represents the difference in reporting the sale of capital assets.

(10,623)

Revenues in the Statement of Activities that do not provide current financial resources are fully unearned in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unearned revenue from the prior fiscal year.

(1,446,657)

The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the Statement of Activities. This amount reflects the net effect of these differences in the treatment of long-term and related items.

Amortization of Premium from Bond	101,793
Capital Lease Principal Payments	67,758
Principal Payments on Bonds	<u>2,068,843</u>
Net Effect of Reporting Long Term Debt	2,238,394

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. These amounts represent the change in these accounts from the prior fiscal year.

Compensated Absence Payable Accrual	(60,695)
Landfill Closure/Postclosure Payable	2,500
Accrued Interest Payable	30,367
Net Other Post Employment Benefits Payable	6,523
Deferred Outflows/Inflows - Refunding Issues	(58,334)
Deferred Outflows/Inflows - Pensions	2,641,706
Deferred Outflows/Inflows - OPEB	338,256
Other Long Term Liability	112,897
Net Pension Liability	<u>(5,363,142)</u>
Net Effect of Reporting Other Items	(2,349,922)
Change in Net Position of Governmental Activities	<u><u>\$ (767,648)</u></u>

Town of Acton, Massachusetts  
 Statement of Net Position  
 Proprietary Funds  
 June 30, 2019

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
<b>Assets</b>			
Current:			
Cash and Cash Investments	\$ 777,195	\$ 6,579,145	\$ 7,356,340
Accounts Receivable, Net of Allowance for Uncollectible:			
User Charges	- 94,620	94,620	94,620
Special Assessments	- 865,235	865,235	865,235
Liens	- 32,151	32,151	32,151
Total Current Assets	<u>777,195</u>	<u>7,571,151</u>	<u>8,348,346</u>
Noncurrent:			
Accounts Receivable:			
Special Assessments	- 7,997,274	7,997,274	7,997,274
Assets Not Being Depreciated	435,300 295,969	731,269	731,269
Assets Being Depreciated, Net	239,007 13,333,761	13,572,768	13,572,768
Total Noncurrent Assets	<u>674,307</u>	<u>21,627,004</u>	<u>22,301,311</u>
Total Assets	<u>1,451,502</u>	<u>29,198,155</u>	<u>30,649,657</u>
<b>Liabilities</b>			
Current:			
Warrants Payable	25,324 79,394	104,718	104,718
Accrued Wages Payable	4,615 1,268	5,883	5,883
Accrued Interest Payable	- 75,261	75,261	75,261
Compensated Absences	4,460 -	4,460	4,460
Bonds Payable	- 875,000	875,000	875,000
Total Current Liabilities	<u>34,399</u>	<u>1,030,923</u>	<u>1,065,322</u>
Noncurrent:			
Compensated Absences	2,974 -	2,974	2,974
Bonds Payable	- 11,615,000	11,615,000	11,615,000
Total Noncurrent Liabilities	<u>2,974</u>	<u>11,615,000</u>	<u>11,617,974</u>
Total Liabilities	<u>37,373</u>	<u>12,645,923</u>	<u>12,683,296</u>
<b>Net Position</b>			
Net Investment in Capital Assets			
	674,307 1,139,730	1,814,037	1,814,037
Unrestricted	739,822 15,412,502	16,152,324	16,152,324
<b>Total Net Position</b>	<u>\$ 1,414,129</u>	<u>\$ 16,552,232</u>	<u>\$ 17,966,361</u>

Town of Acton, Massachusetts  
 Statement of Revenues, Expenses and Changes in Net Position  
 Proprietary Funds  
 Fiscal Year Ended June 30, 2019

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
<b>Operating Revenues:</b>			
Charges for Services	\$ 592,808	\$ 915,228	\$ 1,508,036
<b>Total Operating Revenues</b>	<u>592,808</u>	<u>915,228</u>	<u>1,508,036</u>
<b>Operating Expenditures:</b>			
General Services	514,990	783,911	1,298,901
Depreciation	78,063	730,724	808,787
<b>Total Operating Expenditures</b>	<u>593,053</u>	<u>1,514,635</u>	<u>2,107,688</u>
<b>Operating Income (Loss)</b>	<u>(245)</u>	<u>(599,407)</u>	<u>(599,652)</u>
<b>Nonoperating Revenues (Expenses):</b>			
Intergovernmental	-	641,773	641,773
Earnings on Investments	11,000	95,673	106,673
Interest on Debt	-	(664,137)	(664,137)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>11,000</u>	<u>73,309</u>	<u>84,309</u>
<b>Income (Loss) Before Transfers and Capital Contributions</b>	<u>10,755</u>	<u>(526,098)</u>	<u>(515,343)</u>
<b>Capital Contributions</b>	<u>-</u>	<u>135,731</u>	<u>135,731</u>
<b>Change in Net Position</b>	<u>10,755</u>	<u>(390,367)</u>	<u>(379,612)</u>
<b>Total Net Position - Beginning</b>	<u>1,403,374</u>	<u>16,942,599</u>	<u>18,345,973</u>
<b>Total Net Position - Ending</b>	<u><u>\$ 1,414,129</u></u>	<u><u>\$ 16,552,232</u></u>	<u><u>\$ 17,966,361</u></u>

Town of Acton, Massachusetts  
 Statement of Cash Flows  
 Proprietary Fund  
 Fiscal Year Ended June 30, 2019

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
<b>Cash Flows from Operating Activities:</b>			
Receipts from Customers	\$ 592,808	\$ 916,899	\$ 1,509,707
Payments to Employees	200,167	(76,868)	123,299
Payments to Vendors	(707,545)	(665,735)	(1,373,280)
<b>Net Cash Flows Provided (Used) by Operating Activities</b>	<u>85,430</u>	<u>174,296</u>	<u>259,726</u>
<b>Cash Flows from Non Capital Related Financing Activities:</b>			
<b>Net Cash Flows Provided (Used) by Non Capital Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Acquisition of Capital Assets	-	(196,500)	(196,500)
Special Assessments	-	1,097,493	1,097,493
Principal Payments on Bonds	-	(747,079)	(747,079)
Interest Expense	-	(203,221)	(203,221)
<b>Net Cash Flows Provided (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>(49,307)</u>	<u>(49,307)</u>
<b>Cash Flows from Investing Activities:</b>			
Earnings on Investments	<u>11,000</u>	<u>95,673</u>	<u>106,673</u>
<b>Net Cash Flows Provided (Used) by Investing Activities</b>	<u>11,000</u>	<u>95,673</u>	<u>106,673</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>96,430</u>	<u>220,662</u>	<u>317,092</u>
<b>Cash and Cash Equivalents, July 1, 2018</b>	<u>680,765</u>	<u>6,358,483</u>	<u>7,039,248</u>
<b>Cash and Cash Equivalents, June 30, 2019</b>	<u>\$ 777,195</u>	<u>\$ 6,579,145</u>	<u>\$ 7,356,340</u>
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (245)	\$ (599,407)	\$ (599,652)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	78,063	730,724	808,787
(Increase) Decrease in Assets:			
Accounts Receivable - Customer	-	1,671	1,671
Increase (Decrease) in Liabilities:			
Warrants, Wages, Absences and Accounts Payables	7,612	41,308	48,920
Net Cash Provided by Operating Activities	<u>\$ 85,430</u>	<u>\$ 174,296</u>	<u>\$ 259,726</u>
<b>Schedule of non-cash investing and financial activities:</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Town of Acton, Massachusetts  
 Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2019

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ -	\$ -
Investments:	319,803	-
Global Equity	-	2,036,342
Core Fixed Income	-	783,209
High-Yield Fixed Income	-	417,711
Real Estate	-	522,139
Commodities	-	208,856
Hedge Funds, GTAA, Risk Parity	-	574,353
Private Equity	-	678,781
	<hr/>	<hr/>
Total Assets	<hr/> <u>\$ 319,803</u>	<hr/> <u>\$ 5,221,391</u>
<b>Liabilities</b>		
	<hr/> <u>\$ -</u>	<hr/> <u>\$ -</u>
Total Liabilities	<hr/> <u>-</u>	<hr/> <u>-</u>
<b>Net Position</b>		
Restricted for:		
Post Employment Benefits Other than Pensions	- -	5,221,391
Individuals, Organizations and Other Governments	319,803	-
Total Net Position	<hr/> <u>\$ 319,803</u>	<hr/> <u>\$ 5,221,391</u>

Town of Acton, Massachusetts  
 Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Fiscal Year Ended June 30, 2019

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>
Additions:		
Contributions:		
Employer	\$ -	\$ 1,846,844
Total Contributions	<u>-</u>	<u>1,846,844</u>
Investment Earnings:		
Interest, Dividends and Other	29,343	271,663
Net Investment Earnings	<u>29,343</u>	<u>271,663</u>
Total Additions	<u>29,343</u>	<u>2,118,507</u>
Deductions:		
Trust Distributions	2,870	-
Medical, Dental and Life Insurance for Retirees	<u>-</u>	<u>1,213,102</u>
Total Deductions	<u>2,870</u>	<u>1,213,102</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>26,473</u>	<u>905,405</u>
Net Position:		
Beginning of the Year	<u>293,330</u>	<u>4,315,986</u>
Ending of the Year	<u>\$ 319,803</u>	<u>\$5,221,391</u>

Town of Acton, Massachusetts  
Notes to the Financial Statements  
June 30, 2019

I. **Summary of Significant Accounting Policies**

The accounting policies of the Town of Acton, Massachusetts, as reflected in the accompanying financial statements for the year ended June 30, 2019, conform to accounting principles generally accepted in the United States of America for local government units. The more significant accounting policies of the Town are summarized below.

(A) **Reporting Entity**

The Town is a municipal corporation governed by a five member Board of Selectmen. For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

**Discretely Presented Component Unit**

Based on the aforementioned criteria, the Acton Community Housing Corporation (ACHC) was considered a component unit and included in the accompanying basic financial statements. The Town is not the sole corporate member of the ACHC. The ACHC is reported as a discretely presented component unit in the Town's financial statements. The ACHC was created by Special Legislation enacted in 1996 "for the purpose of investigating and implementing alternatives for the provision of and to provide for affordable housing for persons of low, moderate and middle income and other persons whose needs may be determined from time to time." The Town of Acton is financially accountable for the ACHC because the Board of Directors of the ACHC (not less than five) is appointed by the Town of Acton's Board of Selectmen and the Town of Acton can impose its will on the ACHC. The separately issued financial statements may be obtained from the Acton Community Housing Corporation.

(B) **Government-Wide and Fund Financial Statements**

**Government-Wide Financial Statements**

The **government-wide financial statements** (i.e., the **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. For the most part, the effect of the interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are

restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### *Fund Financial Statements*

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

#### *Major Fund Criteria*

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

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

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

#### (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, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. 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. For the most part, the effect of interfund activity has been removed from the government-wide financial statements.

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 (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions (restricted in use for capital items). Taxes and other revenues not categorized as program revenues are reported as general revenues.

##### *Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. These revenues are recognized when they become measurable and available as net current assets. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Primary sources of revenue considered susceptible to accrual consist principally of real estate and personal property taxes and motor vehicle excise taxes provided they are collected within 60 days after year end. Entitlements are

recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated vacation, accumulated sick pay and other employee amounts which are not to be liquidated from expendable and available resources; and (2) debt service expenditures which are recognized when due.

The Town reports the following major governmental funds:

**General Fund** – This is the Town's general operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

**Community Preservation Fund** – This special revenue fund is used to account for the activities prescribed by the Community Preservation Act (CPA) of the Massachusetts General Laws. The primary sources of revenues for the fund are a property tax surcharge and an annual grant from the Commonwealth of Massachusetts. A local ballot referendum approved a 1.5% surcharge that is added to the property tax bills (state law allows a maximum of a 3.0% surcharge). The grant from the Commonwealth is distributed from the Community Preservation Act Trust Fund. Trust fund revenues are derived from a surcharge placed on all real estate transactions at the state's Registries of Deeds. Each CPA community receives their distribution from the trust fund at a formula-based percentage of what they raised locally. Expenditures are allowed for affordable housing, historic preservation and the purchase of open space.

The nonmajor governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following types are funds are included in the nonmajor category:

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

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

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

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

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

The Town reports the following major proprietary funds:

**Sanitation Fund** – This fund is used to account for the activities related to trash collection.

**Sewer Fund** – This fund is used to account for the activities related to the sewer system.

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.

The Town implemented Governmental Accounting Standards Board Statement #84 for the fiscal June 30, 2019 reporting period. The following fiduciary fund types are reported:

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

The private-purpose trust fund is used to report all fiduciary activities that (a) are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds and (b) are held in a trust that have one or more of the following characteristics: (1) The assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government. (2) The assets are for the benefit of individuals and the government does not have administrative involvement with the assets or direct financial involvement with the assets. In addition, the assets are not derived from the government's provision of goods or services to those individuals. The Town maintains a private purpose trust fund for several charitable trust funds.

(D) **Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity**

i **Deposits and Investments**

The Town's cash and cash equivalents are considered to be demand deposits and short term investments with original maturities of three months or less from the date of acquisition.

State and local statutes place certain limitations on the nature of deposits and investments available to the Town. Deposits (including demand deposits, term deposits and certificates of deposit) in any one financial institution may not exceed certain prescribed levels without collateralization by the financial institutions involved. Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust "MMDT". The Town may invest its trust funds in a wider variety of investment vehicles such as equities and bonds.

ii **Property Taxes**

The Town's fiscal year runs from July 1 to June 30. Taxes are levied to the owner of record on the preceding January 1. The Town bills property taxes on a quarterly basis. Quarterly payments are due August 1, November 1, February 1 and May 1. Property taxes attach as enforceable liens on property as of July 1 of the next fiscal year.

The Town is permitted under state law (Proposition 2 ½) to levy property taxes up to 2.5% of the full and fair cash value of the Town's property. In addition, the law limits the amount by which the property tax levy can be increased to 2.5% of the preceding year's levy plus any new growth. An increase above the levy limits of Proposition 2 ½ may be approved by a vote of the Town's citizens.

iii Capital Assets

Capital assets, which include buildings/improvements, machinery and equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. They are, also, reported in the fund financial statements of the proprietary funds. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that does not add to the value of the asset or materially extend assets lives is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10-40
Improvements (Other Than Buildings)	10-20
Infrastructure	40
Vehicles	5-15
Machinery and Equipment	5-15

iv. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the balance sheet 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 that time.

In addition to liabilities, the statement of net position and the balance sheet 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's governmental fund financial statements (balance sheet) reflect deferred inflows of resources for revenues that do not meet the "available" criteria. The government wide financial statements (statement of net position) reflect deferred outflows of resources related to pensions, other post employment benefits and to debt refunding. In addition, the statement of net position reflects deferred inflows of resources related to pensions, other post-employment benefits and deferred revenues.

v. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net position represents the difference between assets/deferred outflows and liabilities/deferred inflows.

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 related debt.

Net position is reported as restricted when there is an externally imposed restriction on its use or it is limited by enabling legislation.

When expenditures are incurred for purposes for which different net position classifications could be used, the Town’s policy is to use restricted amounts first followed by unrestricted amounts.

Fund Financial Statements (Fund Balances)

Fund balance for **governmental** funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to the constraints on the specific purposes for which the amounts in those funds can be spent.

GASB 54 requires that the fund balance amounts to be reported within one of the fund balance categories list below.

1. **Nonspendable**, includes amounts that cannot be spent because (a) they are not in spendable form (such as fund balance associated with inventories), or (b) they are legally or contractually required to stay intact (i.e. corpus of a permanent trust fund).
2. **Restricted**, constraints on the use of resources for specific purposes are imposed (a) by creditors, grantors or contributors, or (b) by law through constitutional provisions or through enabling legislation.
3. **Committed**, includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. For the Town, Town Meeting is the highest level of decision making authority that can vote, by article, to commit fund balance. Once committed, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to remove or revise the commitment.
4. **Assigned**, intentions (by the Board of Selectmen, Town Administrator or Town Accountant) that resources are to be used by the government for specific purposes, but the restrictions do not meet the criteria necessary to be classified as restricted or committed.
5. **Unassigned**, the residual classification for the government’s general fund. It includes all spendable amounts not contained in the restricted, committed or assigned categories. A “positive” unassigned may only be displayed in the general fund.

When expenditures are incurred for purposes for which different fund balance classifications could be used, the Town’s policy is to use restricted amounts first, followed by committed, assigned and then unassigned amounts.

vi. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on contractual agreements. The liabilities for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid accumulated annual vacation and sick leave benefits. A liability for the compensated absences is reported in the governmental funds only if they have matured and will be paid from available resources.

vii. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources and principal payments are recorded as expenditures. Issuance costs are reported as expenditures.

viii. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ix. Warrants Payable

The balance in this account consists of those warrants approved by the Selectmen for payment between July 1, 2019 and July 15, 2019. These warrants have been recorded as expenditures during the fiscal year ended June 30, 2019 and the corresponding credit is to the account entitled warrants payable.

x. 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.

xi. 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 the Middlesex County 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 System. 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.

## II Stewardship, Compliance and Accountability

### (A) Budgetary Information

#### i General Budget Policies

Budget requests are prepared by the various Town departments and submitted to the Selectmen and Finance Committee for review during January, February and March of each year. The Selectmen and Finance Committee have until April, which is when the annual Town meeting is held, to make any changes to the departmental requests. After approval of the budget at the annual Town meeting, the tax recapitulation (recap) sheet is prepared. During this process, the property tax rate is determined and the recap sheet is sent to the Department of Revenue for approval.

The Town authorizes a bottom line budget in order to provide flexibility within the budget process. The budget is monitored and managed by the Town Manager and the Finance Director. The Town Manager may allow a department to overspend its budget as long as the Town's total expenditures and encumbrances do not exceed the total approved budget. Since Town meeting authorizes a bottom line budget, transfers to offset departmental deficits are not required to be made.

Formal budgetary integration is utilized in the General Fund. In addition, it is used in the Community Preservation Act special revenue major fund and in the Transfer Station, Septage and Ambulance non major special revenue funds. The Sanitation and Sewer Enterprise funds, also, adopt formal budgets.

Encumbrance accounting is utilized when purchase orders, contracts or other commitments for purchases are recorded in order to reserve that portion of the applicable appropriations. Encumbrances do not constitute expenditures or liabilities.

At year end, appropriation balances lapse except for encumbrances and certain "articles voted" (that may be carried forward until the project is complete).

#### ii Budget Basis of Accounting

The final budget appearing in the required supplementary information section of the financial statements includes the fiscal year 2019 amounts voted at the annual Town meeting adjusted for any special Town meeting votes applicable to fiscal 2019 and any transfers authorized by the Finance Committee.

The following reconciliation summarizes the differences between the general fund budget basis and the Generally Accepted Accounting Principles (GAAP) basis (fund financial statements) for the year ended June 30, 2019. The budget basis for the Community Preservation Act fund is GAAP.

	<u>Revenues</u>
As Reported Budget Basis	\$ 94,497,054
Adjustments:	
Sixty Day Accrual - Net	(16,778)
MWPAT Subsidies	5,851
Other Revenues Not Reported on Budget Basis (Stabilization Fund Earnings on Investments)	37,262
As Reported GAAP Statement	<u>\$ 94,523,389</u>
	<u>Expenditures</u>
As Reported Budget Basis	\$ 94,705,559
Adjustments:	
MWPAT Subsidies	5,851
As Reported GAAP Statement	<u>\$ 94,711,410</u>

### iii Fund Deficits and Appropriation Deficits

At June 30, 2019, individual fund deficits existed as follows:

<u>Nonmajor Governmental Funds</u>	
Town Grants	\$27,371
Capital Projects	<u>3,101,895</u>
Total	<u>\$3,129,266</u>

These Town Grant deficits will be funded through grant proceeds in fiscal year 2019. The Capital Projects deficits have related \$4,598,830 short term borrowings issued. The deficit will be funded when the long term debt is issued.

## III Detailed Notes on All Funds

### A. Deposits and Investments

#### i.) Deposits

##### a.) Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Massachusetts General Laws Chapter 44 Section 55 provide that municipalities "shall not at any one time have on deposit in a bank or trust company or banking company an amount exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given". As of June 30, 2019, the Town's bank balance was \$31,758,384 and \$1,427,501 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town does not have a formal policy regarding custodial credit risk on deposits.

ii.) Investments

a.) As of June 30, 2019, the Town had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>5-10</u>
<b>Debt Related Securities:</b>				
Corporate Bonds	\$ 832,246	\$ 577,380	\$ 254,866	\$ -
U.S. Treasuries	<u>1,497,587</u>	<u>471,147</u>	<u>1,026,440</u>	<u>-</u>
Total Debt Related Securities	<u>2,329,833</u>	<u>1,048,527</u>	<u>1,281,306</u>	<u>-</u>
 <b>Investment Type</b>				
<b>Other Investments:</b>				
Money Market Mutual Funds	171,942			
Equities	2,451,023			
Pension Reserve Investment Trust	5,221,391			
Mass. Municipal Depository Trust	<u>1,451,570</u>			
Total Other Investments	<u>9,295,926</u>			
Total Investments	<u>\$ 11,625,759</u>			

The Town is a participant in the State Retiree Benefits Trust Fund (SRBTF). The Town's other post employment benefits trust funds are invested by the SRBTF in the Pension Reserve Investment Trust (PRIT) Fund, which is a pooled investment trust. The SRBTF meets the criteria of an external investment pool. The PRIT Fund is managed by the Pension Reserves Investment Management (PRIM) Board. The Town owns units or shares in the PRIT Fund's General Allocation Account. The fair values of the positions in each investment pool are the same as the value of each Pool's share. The investments of the pool are measured at net asset value method. At June 30, 2019, the effective weighted duration of the debt investments ranged from 0.14 years to 16.03 years. The Pool is not rated.

In addition, the Town is a participant in Massachusetts Municipal Depository Trust (MMDT) a pooled investment trust established by the Commonwealth of Massachusetts. MMDT offers a cash portfolio and a short term bond portfolio. The Pool meets the criteria of a external investment pool. The fair value of the position in the pool is the same as the value of the Pool shares. The investments of the pool are measured at amortized costs. The pool is not rated.

Under the amortized cost valuation method, an investment is valued initially at its cost and thereafter 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 of the investment 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 Adviser.

The cash portfolio had a weighted average maturity of 33 days. The weighted average maturity of the short term bond portfolio is approximately 2.55 years.

At June 30, 2019, the Cash Portfolio's securities were rated as follows:

**Tier Rating Percentages Based on Total Investments**

First Tier	Second Tier
100.00%	0.00%

The Short Term Bond Portfolio uses ratings from Standard & Poor's, Moody's Investors Service and Fitch Ratings. When ratings vary, the highest rating is used.

At June 30, 2019, the Short Term Bond Portfolio's securities were rated as follows:

<b><u>Portfolio Composition:</u></b>	<b><u>Percentage of Total Net Position</u></b>
AAA	69.8%
AA	3.6%
A	12.3%
BBB	13.7%
Cash Equivalents	0.6%
<b>Total</b>	<b>100.0%</b>

b.) **Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer until maturity of an investment, the more sensitive its fair value will be to changes in interest rates. The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

c.) **Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Massachusetts General Laws Chapter 44 Section 55 limits the short term investment of surplus funds to the top rating issued by at least one nationally recognized rating organization. The Commonwealth of Massachusetts, also, has an investment "legal list" that the Town follows. However the Town does not have its own formal policy regarding credit risk. The investment ratings are as follows:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>	<b><u>Rating</u></b>
Corporate Bonds	\$ 832,246	A-
U.S. Treasuries	1,497,587	A+
<b>Total</b>	<b><u>\$ 2,329,833</u></b>	

d.) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have a formal policy regarding concentration of credit risk. The Town did not have more than 5.0% of its investments in any one individual security.

e.) Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Town's investments in U.S. Treasury Notes (\$1,497,587), Corporate Bonds (\$832,246) and equity securities (\$2,451,023) are exposed to custodial credit risk because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities.

The Town does not have a formal policy regarding custodial credit risk on investments.

### Fair Value Measurement

Statement #72 of the Government Accounting Standards Board ("GASB") *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Town has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the Town's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the Town's own data.

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 determined that the disclosures related to those investments only need to be disaggregated by major type. The Town chose a tabular format for disclosing the levels within the fair value hierarchy.

The Town has the following recurring fair value measurements as of June 30, 2019:

	<u>Fair Value Measurements Using</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
	<u>Total</u>			
<b>Investment by Fair Value Level:</b>				
<b>Debt:</b>				
Corporate Bonds	\$ 832,246	\$ -	\$ 832,246	\$ -
U. S. Treasuries	1,497,587	1,497,587	-	-
Money Market Mutual Fund	171,942	171,942	-	-
<b>Equities:</b>				
Common Stock	2,451,023	2,451,023	-	-
<b>Total Assets in the Fair Value Hierarchy</b>	<b><u>4,952,798</u></b>	<b><u>\$ 4,120,552</u></b>	<b><u>\$ 832,246</u></b>	<b><u>\$ -</u></b>

Investments Not Subject to Fair Value Hierarchy reporting:

Pension Reserve Investment Trust	5,221,391	Measured at Net Asset Value
Mass. Municipal Depository Trust	1,451,570	Measured at Amortized Cost
	<u>6,672,961</u>	
<b>Total Investments</b>	<b><u>\$ 11,625,759</u></b>	

The investments classified in Level 1 of the fair value hierarchy were 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.

#### B. Accounts Receivable

At June 30, 2019, receivables for the individual major governmental funds and the non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Accounts Receivable:</u>	Allowance		
	<u>Gross Amount</u>	<u>for Uncollectible</u>	<u>Net Amount</u>
Real and Personal Property Taxes	\$ 723,399	\$ -	\$ 723,399
Tax Liens	754,655	-	754,655
Motor Vehicle Excise Taxes	309,401	(67,614)	241,787
User Charges	277,703	-	277,703
Clause 41 A Property Taxes	108,518	-	108,518
Special Assessments	31,518	-	31,518
Departmental	175,234	-	175,234
Intergovernmental	4,732,585	-	4,732,585
Tax Foreclosures	649,862	-	649,862
<b>Total</b>	<b><u>\$ 7,762,875</u></b>	<b><u>\$ (67,614)</u></b>	<b><u>\$ 7,695,261</u></b>

B. Accounts Receivable (Continued)

At June 30, 2019 the accounts receivable of the Sewer enterprise fund is comprised of the following:

<u>Accounts Receivable:</u>	Allowance		
	Gross <u>Amount</u>	for <u>Uncollectible</u>	Net <u>Amount</u>
Sewer - User Charges	\$ 94,620	\$ -	\$ 94,620
Sewer - Special Assessments	8,862,509	-	8,862,509
Sewer - Liens	32,151	-	32,151
Total	<u>\$ 8,989,280</u>	<u>\$ -</u>	<u>\$ 8,989,280</u>

Governmental Funds report unavailable revenues for accounts receivables that are not considered to be available to liquidate current liabilities. The various components of unavailable revenue are as follows:

<u>Unavailable Revenue Category</u>	Other Governmental		
	<u>General Fund</u>	<u>Funds</u>	<u>Total</u>
Real and Personal Property Taxes	\$ 613,531	\$ 6,617	\$ 620,148
Real and Personal Property Taxes (Paid in Advance)	6,994	86	7,080
Departmental	3,587	36,475	40,062
Clause 41 A Property Taxes	108,518	-	108,518
Tax Liens	750,671	3,984	754,655
Motor Vehicle Excise Taxes	98,020	-	98,020
Special Assessments	-	29,097	29,097
Tax Foreclosures	648,664	1,198	649,862
User Charges	52,094	225,609	277,703
Intergovernmental	3,690,690	353,781	4,044,471
Total	<u>\$ 5,972,769</u>	<u>\$ 656,847</u>	<u>\$ 6,629,616</u>

C. Capital Assets

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Government Activities:				
Assets Not Being Depreciated:				
Land	\$ 69,204,652	\$ 1,212,100	\$ -	\$ 70,416,752
Construction in Progress	885,794	1,091,121	-	1,976,915
Total Capital Assets Not Being Depreciated	<u>70,090,446</u>	<u>2,303,221</u>	<u>-</u>	<u>72,393,667</u>
Assets Being Depreciated:				
Buildings	16,890,364	79,548	-	16,969,912
Improvements Other Than Buildings	2,685,758	188,543	-	2,874,301
Infrastructure	51,345,964	951,242	-	52,297,206
Equipment	8,801,366	1,513,722	(324,416)	9,990,672
Vehicles	3,055,372	230,197	(118,291)	3,167,278
Total Capital Assets Being Depreciated	<u>82,778,824</u>	<u>2,963,252</u>	<u>(442,707)</u>	<u>85,299,369</u>

## C. Capital Assets (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance
Less Accumulated Depreciation for:				
Buildings	(6,821,088)	(408,943)	-	(7,230,031)
Improvements Other Than Buildings	(1,904,918)	(98,263)	-	(2,003,181)
Infrastructure	(16,236,338)	(1,005,930)	-	(17,242,268)
Equipment	(5,911,999)	(607,489)	324,416	(6,195,072)
Vehicles	(1,906,491)	(326,386)	77,168	(2,155,709)
Total Accumulated Depreciation	(32,780,834)	(2,447,011)	401,584	(34,826,261)
Capital Assets Being Depreciated, Net	49,997,990	516,241	(41,123)	50,473,108
Governmental Activities Capital Assets, Net	\$ 120,088,436	\$ 2,819,462	\$ (41,123)	\$ 122,866,775

Depreciation expense was charged to functions as follows:

Government Activities:	
General Government	\$ 176,664
Public Safety	722,517
Highways and Public Works	1,283,733
Human Services	74,809
Culture and Recreation	189,288
Total Governmental Activities Depreciation Expense	\$ 2,447,011

	Beginning Balance	Additions	Reductions	Ending Balance
Business-Type Activities:				
Assets Not Being Depreciated:				
Land	\$ 534,769	\$ -	\$ -	\$ 534,769
Construction in Progress	-	196,500	-	196,500
Total Capital Assets Not Being Depreciated	<u>534,769</u>	<u>196,500</u>	<u>-</u>	<u>731,269</u>

	Beginning Balance	Additions	Reductions	Ending Balance
Assets Being Depreciated:				
Buildings	10,185,166	-	-	10,185,166
Improvements Other Than Buildings	48,796	-	-	48,796
Infrastructure	15,760,086	-	-	15,760,086
Equipment	1,252,448	-	-	1,252,448
Vehicles	23,300	-	-	23,300
Total Capital Assets Being Depreciated	<u>27,269,796</u>	<u>-</u>	<u>-</u>	<u>27,269,796</u>

	Beginning Balance	Additions	Reductions	Ending Balance
Less Accumulated Depreciation for:				
Buildings	(5,537,630)	(340,846)	-	(5,878,476)
Improvements Other Than Buildings	(22,163)	(2,440)	-	(24,603)
Infrastructure	(6,299,360)	(391,620)	-	(6,690,980)
Equipment	(1,005,788)	(73,881)	-	(1,079,669)
Vehicles	(23,300)	-	-	(23,300)
Total Accumulated Depreciation	<u>(12,888,241)</u>	<u>(808,787)</u>	<u>-</u>	<u>(13,697,028)</u>
Capital Assets Being Depreciated, Net	<u>14,381,555</u>	<u>(808,787)</u>	<u>-</u>	<u>13,572,768</u>
Business-Type Activities Capital Assets, Net	<u>\$ 14,916,324</u>	<u>\$ (612,287)</u>	<u>\$ -</u>	<u>\$ 14,304,037</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Sanitation	\$ 78,063
Sewer	730,724
Total Business-Type Activities Depreciation Expense	<u>\$ 808,787</u>

#### D. Capital Leases

The Town entered into leases for the purchase of various pieces of equipment. The leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date.

Assets acquired through capital leases are as follows:

	<u>Total</u>	<u>Governmental Activities</u>	<u>Enterprise Funds</u>
<b>Asset:</b>			
2015 John Deere Loader Backhoe	\$ 165,750	\$ 165,750	\$ -
10 Wheel Dump/Plow Truck & Sander	185,261	185,261	-
Accumulated Depreciation	(112,635)	(112,635)	-
<b>Total</b>	<b>\$ 238,376</b>	<b>\$ 238,376</b>	<b>\$ -</b>

The future minimum lease payments and the present value of the minimum lease payments at June 30, 2019, are as follows:

	<u>Total</u>	<u>Governmental Activities</u>	<u>Enterprise Funds</u>
<b>Fiscal Year Ending:</b>			
2020	\$ 74,714	\$ 74,714	\$ -
2021	39,548	39,548	-
2022	39,548	39,548	-
<b>Total Minimum Lease Payment</b>	<b>153,810</b>	<b>153,810</b>	<b>-</b>
Less: Amount Representing Interest	(8,606)	(8,606)	-
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 145,204</b>	<b>\$ 145,204</b>	<b>\$ -</b>

## E. Debt

### i Short Term Debt

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 enterprise funds, respectively. The Town's short term debt activity for fiscal year 2019 is disclosed below.

<u>Purpose</u>	<u>Balance July 1, 2018</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2019</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
<u><b>Governmental Activities:</b></u>						
Bond Anticipation Notes:						
Kelley Corner Improvements	\$ 756,000	\$ 756,000	\$ 756,000	\$ 756,000	2.125%	June 12, 2020
Fire Apparatus and Equipment	700,000	700,000	700,000	700,000	2.125%	June 12, 2020
North Acton Fire Station Design	750,000	750,000	750,000	750,000	2.125%	June 12, 2020
Fire Engine Replacement (#22)	735,000	735,000	735,000	735,000	2.125%	June 12, 2020
South and West Fire Stations HVAC	400,000	400,000	400,000	400,000	2.125%	June 12, 2020
Complete Streets Improvement Program	60,000	60,000	60,000	60,000	2.125%	June 12, 2020
Acton Center Traffic Design	97,830	97,830	97,830	97,830	2.125%	June 12, 2020
Land Acquisition - Maple Street	-	1,100,000	-	1,100,000	2.125%	June 12, 2020
<b>Total</b>	<b>\$ 3,498,830</b>	<b>\$ 4,598,830</b>	<b>\$ 3,498,830</b>	<b>\$ 4,598,830</b>		

### ii Long Term Obligations

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".

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 20 years. General obligation bonds outstanding at June 30, 2019 are as follows:

#### (a) General Obligation Bonds Outstanding at June 30, 2019

<u><b>Governmental Activities:</b></u>	<u>Original</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Balance</u>				
<u>General Obligation Bond</u>	<u>Sale Date</u>	<u>Borrowing</u>	<u>to Maturity</u>	<u>Final Maturity</u>	<u>July 1, 2018</u>	<u>Issued</u>	<u>Redeemed</u>	<u>June 30, 2019</u>
School Project	2014	\$ 12,220,000	2.00% - 4.00%	2023	\$ 6,460,000	\$ -	\$ 1,240,000	\$ 5,220,000
Public Safety	2004	6,400,000	3.50% - 4.50%	2024	1,795,000	-	325,000	1,470,000
MWPAT - Water study	2005	218,403	5.00%	2023	74,193	-	14,839	59,354
MWPAT - Water study	2008	154,350	0.00%	2023	51,452	-	10,290	41,162
MWPAT - Title V	2009	174,305	0.00%	2028	87,154	-	8,714	78,440
School facilities	2010	851,805	2.00% - 3.30%	2024	360,000	-	60,000	300,000
School building remodeling	2010	245,270	2.00% - 3.30%	2024	90,000	-	15,000	75,000
Town equipment	2010	279,386	2.00% - 3.30%	2024	117,717	-	19,620	98,097
Ambulance	2010	503,819	2.00% - 3.30%	2024	212,284	-	35,380	176,904
Building Remodel - Town Hall	2013	400,000	1.375% - 3.00%	2028	250,000	-	25,000	225,000
Surface Drain - Quarry Rd Drainage	2013	189,000	1.375% - 3.00%	2028	110,000	-	15,000	95,000
Portable Intersection Traffic Control	2013	150,000	1.375% - 3.00%	2023	75,000	-	15,000	60,000
Departmental Equipment Radio Narrow banding	2013	103,000	1.375% - 3.00%	2023	50,000	-	10,000	40,000
Departmental Equipment Standby Generator Senior Center	2013	75,000	1.375% - 3.00%	2023	25,000	-	5,000	20,000
Departmental Equipment DPW F-350 Truck	2013	44,000	1.375% - 3.00%	2022	20,000	-	5,000	15,000
Departmental Equipment DPW Skid Steer (Bobcat)	2013	134,100	1.375% - 3.00%	2028	80,000	-	10,000	70,000
Departmental Equipment DPW Utility Truck	2013	42,000	1.375% - 3.00%	2021	15,000	-	5,000	10,000
Departmental Equipment DPW Sander/Dump truck	2013	190,346	1.375% - 3.00%	2028	115,000	-	15,000	100,000
Departmental Equipment DPW One ton Truck	2013	51,000	1.375% - 3.00%	2023	25,000	-	5,000	20,000
Dept Equipment Goward Playground	2013	150,000	1.375% - 3.00%	2028	100,000	-	10,000	90,000
Computer Hardware Unified Network File Storage	2013	79,100	1.375% - 3.00%	2023	25,000	-	5,000	20,000
Computer Hardware Core Network Replace	2013	47,000	1.375% - 3.00%	2023	25,000	-	5,000	20,000
School Project	2013	267,606	1.375% - 3.00%	2028	165,000	-	20,000	145,000
Land Acquisition	2017	899,040	2.00% - 4.00%	2032	840,000	-	60,000	780,000
Departmental Equipment - Fire Pumper	2017	650,000	2.00% - 4.00%	2027	585,000	-	65,000	520,000
Departmental Equipment - Ambulance	2017	245,000	4.00%	2022	195,000	-	50,000	145,000
Departmental Equipment - Fire Vehicle	2017	60,000	4.00%	2022	45,000	-	15,000	30,000
			<b>Total Governmental Activities</b>		<b>\$ 11,992,800</b>			<b>\$ 2,068,843</b>
								<b>\$ 9,923,957</b>

## E. Debt (Continued)

<u>Business Type Activities:</u>		<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates</u>		<u>Balance</u>		<u>Balance</u>	
<u>General Obligation Bond</u>				<u>to Maturity</u>	<u>Final Maturity</u>	<u>July 1, 2018</u>	<u>Issued</u>	<u>Redeemed</u>	<u>June 30, 2019</u>
Sewer		2004	694,000	3.50% - 4.50%	2024	\$ 210,000	\$ -	\$ 35,000	\$ 175,000
MWPAT - Sewer		2005	817,200	4.20% - 5.00%	2019	71,800	-	71,800	-
MWPAT - Sewer		2005	1,852,634	5.20% - 5.50%	2031	1,135,000	-	70,000	1,065,000
MWPAT - Sewer		2005	7,800,326	5.06% - 5.50%	2031	4,765,000	-	295,000	4,470,000
MWPAT - Sewer		2005	12,159,555	4.58% - 5.12%	2031	7,230,000	-	450,000	6,780,000
				Total Business Type Activities		\$ 13,411,800	\$ -	\$ 921,800	\$ 12,490,000

### (b) Summary of Debt Service Requirements to Maturity

<u>Fiscal Year Ended</u>	<u>Governmental Activities</u>			<u>Business-type Activities</u>			<u>Total Primary Government</u>	
	<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>		<u>Principal</u>	<u>Interest</u>
2020	\$ 2,103,844	\$ 326,372		\$ 875,000	\$ 614,194		\$ 2,978,844	\$ 940,566
2021	2,138,844	247,909		905,000	550,025		3,043,844	797,934
2022	2,118,844	168,384		940,000	501,931		3,058,844	670,315
2023	2,038,844	102,089		970,000	486,845		3,008,844	588,934
2024	513,716	37,665		1,005,000	325,869		1,518,716	363,534
2025 - 2029	829,865	52,850		5,380,000	1,240,678		6,209,865	1,293,528
2030 - 2034	180,000	5,400		2,415,000	162,469		2,595,000	167,869
	<u>\$ 9,923,957</u>	<u>\$ 940,669</u>		<u>\$ 12,490,000</u>	<u>\$ 3,882,011</u>		<u>\$ 22,413,957</u>	<u>\$ 4,822,680</u>

### (c) Bond Authorizations

Long-term debt authorizations voted by the Town which have not been issued or rescinded as of June 30, 2019, are as follows:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount</u>
April 7, 2014	Community Preservation Open Space	\$90,960
April 4, 2016	Kelly's Corner Design	756,000
April 3, 2017	Fire Apparatus	700,000
April 2, 2018	North Acton Fire Station Design	750,000
April 2, 2018	Fire Engine Replacement (#22)	735,000
April 2, 2018	South and West Fire Stations HVAC	400,000
April 2, 2018	Complete Streets Improvement Program	300,000
April 2, 2018	Acton Center Traffic Design	97,830
April 1, 2019	Land Acquisition - Maple Street	<u>1,100,000</u>
	Total	<u>\$4,929,790</u>

#### iii Prior Year Defeased Debt

In prior years, the government defeased general obligation bonds by placing the proceeds of the new bonds into an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2019, \$5,705,000 of defeased bonds remain outstanding.

#### iv Legal Debt Margin

Massachusetts General Laws, Chapter 44 – Section 10 limits the amount of debt that a municipality may authorize to 5% of the equalized valuation of the Town. The legal debt margin applies to debt issued "inside the debt limit." In addition, some debt may be issued for specific purposes "outside the debt limit." At June 30, 2019, the Town's equalized valuation was \$4,597,929,200. The debt limit at June 30, 2019 is \$229,896,460. The Town's outstanding debt as of June 30, 2019 that was subject to the debt limit was \$17,048,957 or 7.4% (9.6% when including authorized/unissued) of the amount allowed by the legal debt margin.

## E. Debt (Continued)

### v Changes in Long Term Liabilities

The general fund has, typically, liquidated the governmental activities long term liabilities. Changes in the government's long-term liabilities for the year ended June 30, 2019 are as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Current Portion
<b><u>Governmental Activities</u></b>					
Bonds Payable	\$ 11,992,800	\$ -	\$ (2,068,843)	\$ 9,923,957	\$ 2,103,844
Add: Unamortized Premium	<u>558,286</u>	<u>-</u>	<u>(101,793)</u>	<u>456,493</u>	<u>98,634</u>
Total Bonds Payable	<u>12,551,086</u>	<u>-</u>	<u>(2,170,636)</u>	<u>10,380,450</u>	<u>2,202,478</u>
Compensated Absences	498,083	259,928	(199,233)	558,778	223,511
Lease Payable	212,962	-	(67,758)	145,204	69,933
Landfill Closure Costs	42,500	-	(2,500)	40,000	2,500
Other (Sewer Betterments)	1,506,276	-	(112,897)	1,393,379	113,949
Net Pension Liability	48,182,609	7,382,455	(2,019,313)	53,545,751	-
Net Other Post Employment Benefits	<u>16,125,736</u>	<u>898,882</u>	<u>(905,405)</u>	<u>16,119,213</u>	<u>-</u>
Total Governmental Activities	<u>\$ 79,119,252</u>	<u>\$ 8,541,265</u>	<u>\$ (5,477,742)</u>	<u>\$ 82,182,775</u>	<u>\$ 2,612,371</u>
<b><u>Business Type Activities</u></b>					
Bonds Payable	\$ 13,411,800	\$ -	\$ (921,800)	\$ 12,490,000	\$ 875,000
Compensated Absences	<u>8,429</u>	<u>4,062</u>	<u>(5,057)</u>	<u>7,434</u>	<u>4,460</u>
Total Business Type Activities	<u>\$ 13,420,229</u>	<u>\$ 4,062</u>	<u>\$ (926,857)</u>	<u>\$ 12,497,434</u>	<u>\$ 879,460</u>

## F. Governmental Fund Balance Classification

The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54)*. This Statement established accounting and financial reporting standards for all governmental funds. It, also, established criteria for classifying fund balances into specifically defined classifications.

Fund balance for **governmental** funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to the constraints on the specific purposes for which the amounts in those funds can be spent.

GASB 54 requires that the fund balance amounts to be reported within one of the fund balance categories list below.

- 1. Nonspendable**, includes amounts that cannot be spent because (a) they are not in spendable form (such as fund balance associated with inventories), or (b) they are legally or contractually required to stay intact (i.e. corpus of a permanent trust fund).
- 2. Restricted**, constraints on the use of resources for specific purposes are imposed (a) by creditors, grantors or contributors, or (b) by law through constitutional provisions or through enabling legislation.
- 3. Committed**, includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. For the Town, Town Meeting is the highest level of decision making authority that can vote, by article, to establish, modify or rescind a commitment of fund balance. Once committed, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to modify or rescind the commitment.
- 4. Assigned**, intentions (by the Board of Selectmen, Town Administrator or Finance Director) that resources are to be used by the government for specific purposes, but the restrictions do not meet the criteria necessary to be classified as restricted or committed.

5. **Unassigned**, the residual classification for the government's general fund. It includes all spendable amounts not contained in the restricted, committed or assigned categories. A "positive" unassigned may only be displayed in the general fund.

When expenditures are incurred for purposes for which different fund balance classifications could be used, the Town's policy is to use restricted amounts first, followed by committed, assigned and then unassigned amounts.

#### Details of Fund Balance Classifications

The following schedule shows the detail of the fund balance classifications displayed in the aggregate on the Town's balance sheet.

	<u>General Fund</u>	<u>Community Preservation</u>	<u>Non Major Funds</u>	<u>Total</u>
<b>Fund Balances:</b>				
Nonspendable:				
Cemetery	\$ -	\$ -	\$ 2,107,728	\$ 2,107,728
Library	-	-	94,239	94,239
Other	-	-	87,900	87,900
<b>Total Nonspendable</b>	<b>-</b>	<b>-</b>	<b>2,289,867</b>	<b>2,289,867</b>
Restricted for:				
Other	-	-	315,761	315,761
School Capital Projects	-	-	101,914	101,914
Community Preservation	-	6,081,255	-	6,081,255
Municipal Donations and Gifts	-	-	1,286,643	1,286,643
Cemetery	-	-	1,469,072	1,469,072
Municipal Revolving Funds	-	-	757,903	757,903
Library	-	-	558,294	558,294
Municipal Grants	-	-	357,347	357,347
Septage Disposal	-	-	114,827	114,827
Ambulance	-	-	639,998	639,998
<b>Total Restricted</b>	<b>-</b>	<b>6,081,255</b>	<b>5,601,759</b>	<b>11,683,014</b>
Committed to:				
Cemetery	-	-	179,884	179,884
Commuter Parking Lot	603,353	-	298,676	902,029
Digitize Records	58,681	-	-	58,681
Emergency Planning	57,180	-	-	57,180
Education	675,000	-	-	675,000
Library Roof	74,510	-	-	74,510
Network System	42,043	-	-	42,043
Other	109,230	-	622,832	732,062
Property Acquisition	35,415	-	-	35,415
Sidewalks	192,806	-	-	192,806
Transportation	-	-	24,620	24,620
<b>Total Committed</b>	<b>1,848,218</b>	<b>-</b>	<b>1,126,012</b>	<b>2,974,230</b>
Assigned to:				
General Government	748,259	-	-	748,259
Public Safety	184,054	-	-	184,054
Regional School	1,026,157	-	-	1,026,157
Highways and Public Works	152,802	-	-	152,802
Human Services	98,342	-	-	98,342
Culture & Recreation	62,925	-	-	62,925
<b>Total Assigned</b>	<b>2,272,539</b>	<b>-</b>	<b>-</b>	<b>2,272,539</b>
Unassigned	7,527,200	-	(3,036,302)	4,490,898
<b>Total Fund Balances</b>	<b>\$11,647,957</b>	<b>\$6,081,255</b>	<b>\$ 5,981,336</b>	<b>\$23,710,548</b>

G. Interfund Receivables, Payables and Transfers

Interfund receivables and payables for the year ended June 30, 2019 are summarized below:

Fund	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 193,107	\$ -
Special Revenue Town Grants	- <hr style="border-top: 1px solid black;"/>	193,107
Total	<hr style="border-top: 1px solid black;"/> \$ 193,107	<hr style="border-top: 1px solid black;"/> \$ 193,107

The receivables/payables represent advances to meet temporary cash flow needs.

The accompanying financial statements reflect transactions between the various funds. These transactions represent transfers and do not constitute revenues or expenditures of the funds. Transfers made during the year were as follows:

<u>Fund Financial Statements</u>	Transfer		<u>Total</u>
	<u>In</u>	<u>(Out)</u>	
General	\$ 202,187	\$ (478,654)	\$ (276,467)
Non-Major Governmental	478,654	(202,187)	276,467
Total Transfers In/(Out)	<hr style="border-top: 1px solid black;"/> \$ 680,841	<hr style="border-top: 1px solid black;"/> \$ (680,841)	<hr style="border-top: 1px solid black;"/> \$ -

<u>Entity Wide Financial Statements</u>	Transfer		<u>Total</u>
	<u>Governmental Activities</u>	<u>Business Type Activities</u>	
General	\$ (276,467)	\$ -	\$ (276,467)
Non-Major Governmental	276,467	-	276,467
Total Transfers In/(Out)	<hr style="border-top: 1px solid black;"/> \$ -	<hr style="border-top: 1px solid black;"/> \$ -	<hr style="border-top: 1px solid black;"/> \$ -

**IV Other Information**

**A. Risk Management**

The Town is exposed to various risks of loss related to torts, theft, damage to or destruction of assets, errors and omissions, injuries to employees, employee's health and life and natural disasters. There were no significant reductions in insurance coverage from the previous year and there have been no material settlements in excess of coverage in any of the past three fiscal years.

Buildings are fully insured against fire, theft, and natural disaster (except for losses due to flood or earthquake) to the extent that losses exceeded \$1,000 per incident.

The Town is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the Town's liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund.

The Town participates in the Acton Health Insurance Trust for health care benefits. The Trust includes the Town of Acton and the Acton-Boxborough Regional School. The claims administration contract holds all participants jointly and severally liable for claims. The Trust provides health care coverage for all active and retired employees that qualify for and select health care coverage as an employee benefit. Active and retired employees participating in the Trust pay a percentage of an estimated health insurance premium. The contribution percentage for active employees is 25% for HMO plans and 50% for indemnity plans. All retired employees pay 50% of the established premium.

The Trust's plans consist of a traditional medical indemnity program with Blue Cross/Blue Shield of Massachusetts, an Exclusive Provider Organization plan with Harvard Pilgrim Health Care and Blue Cross/Blue Shield and an Optional Medicare Extension plan with Blue Cross/Blue Shield. These plans are all self-funded. Medicare plans with Harvard Pilgrim Health Care and Tufts Health Care are premium based plans. The Trust employs the services of a private company to provide certain management, consulting, and technical functions and to review medical claims paid. Annually, actual claims payable, (or prepaid claims deposits) are established by adjusting for actual claims and estimated claims incurred but not reported. The Trust's expenses are for actual claims incurred, excess claims insurance coverage and administrative costs for the plan administrators. Excess claims insurance coverage is purchased to cover any medical claims in excess of \$125,000 with no lifetime maximum amount.

As of June 30, 2019, the Trust's financial statements reflected total assets of \$8,176,996, total liabilities of \$1,326,663, including \$773,499 estimated benefits obligations (the estimated benefit obligation as of June 30, 2018 was \$838,499), and a total net position of \$6,850,333. A copy of the Trust's audited financial statements may be obtained from the Town of Acton's Finance Department.

B. Workers' Compensation

Workers' compensation claims are administered by a third party administrator and are funded by a policy premium. This is paid for from the Town appropriation. The estimated future workers' compensation liability is not material at June 30, 2019, and is therefore not reported.

C. Pension Plans

a. General Information about the Pension Plan  
Plan Description

The Town provides pension benefits to eligible employees by contributing to the Middlesex County Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Middlesex County Retirement System. The System is administered by a five member board on behalf of all eligible current employees and retirees. The system provides retirement benefits, cost of living adjustments, disability benefits and death benefits.

The system is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws (M.G.L.). The authority to establish and amend benefit provisions requires a statutory change to Chapter 32. The Middlesex County Retirement System issues a stand-alone financial report that is available to the public at <https://middlesexretirement.org/wp-content/uploads/2019/07/FINAL-MCRS-Audit-Report-of-Financial-Statements-12-31-18.pdf>

or by writing to the Middlesex County Retirement System, 25 Linnell Circle, P.O. Box 160, Billerica, Massachusetts 01865.

Benefits Provided

The Middlesex County Retirement System provides retirement, disability and death benefits as detailed below:

Retirement Benefits

Employees covered by the Contributory Retirement Law are classified into one of four groups depending on job classification. Group 1 comprises most positions in state and local government. It is the general category of public employees. Group 4 comprises mainly police and firefighters. Group 2 is for other specified hazardous occupations. (Officers and inspectors of the State Police are classified as Group 3.)

For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is based on the member's final three-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the table below based on the age of the member at retirement.

<u>Benefit %</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 4</u>
<i>Hired on or before April 1 2012</i>			
2.50%	65+	60+	55+
2.40%	64	59	54
2.30%	63	58	53
2.20%	62	57	52
2.10%	61	56	51
2.00%	60	55	50
1.90%	59	N/A	49
1.80%	58	N/A	48
1.70%	57	N/A	47
1.60%	56	N/A	46
1.50%	55	N/A	45

For employees hired on April 2, 2012 or later, the annual amount of the retirement allowance is based on the member's final five-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the tables below based on the age and years of creditable service of the member at retirement:

<u>Benefit %</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 4</u>
<i>Hired on after April 1 2012</i>			
2.50%	67+	62+	57+
2.35%	66	61	56
2.20%	65	60	55
2.05%	64	59	54
1.90%	63	58	53
1.75%	62	57	52
1.60%	61	56	51
1.45%	60	55	50

For all employees, the maximum annual amount of the retirement allowance is 80 percent of the member's final average salary. Any member who is a veteran also receives an additional yearly retirement allowance of \$15 per year of creditable service, not exceeding \$300. The veteran allowance is paid in addition to the 80 percent maximum.

#### Retirement Benefits - Superannuation

Members of Group 1, 2 or 4 hired prior to April 2, 2012 may retire upon the attainment of age 55. For retirement at ages below 55, twenty years of creditable service is required.

Members hired prior to April 2, 2012 who terminate before age 55 with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System).

Members of Group 1 hired April 2, 2012 or later may retire upon the attainment of age 60. Members of Group 2 or 4 hired April 2, 2012 or later may retire upon the attainment of age 55. Members of Group 4 may retire upon attainment of age 50 with ten years of creditable service.

Members hired April 2, 2012 or later who terminate before age 55 (60 for members of Group 1) with ten or more years of creditable service are eligible for a retirement allowance upon the attainment of age 55 (60 for members of Group 1) provided they have not withdrawn their accumulated deductions from the Annuity Savings Fund of the System.

**Ordinary Disability Benefits**

A member who is unable to perform his or her job due to a non-occupational disability will receive a retirement allowance if he or she has ten or more years of creditable service and has not reached age 55. The annual amount of such allowance shall be determined as if the member retired for superannuation at age 55 (age 60 for Group 1 members hired on or after April 2, 2012), based on the amount of creditable service at the date of disability. For veterans, there is a minimum benefit of 50 percent of the member's most recent year's pay plus an annuity based on his or her own contributions.

**Accidental Disability Benefit**

For a job-connected disability, the benefit is 72 percent of the member's most recent annual pay plus an annuity based on his or her own contributions, plus additional amounts for surviving children. Benefits are capped at 75 percent of annual rate of regular compensation for employees who become members after January 1, 1988.

**Death Benefits**

In general, the beneficiary of an employee who dies in active service will receive a refund of the employee's own contributions. Alternatively, if the employee were eligible to retire on the date of death, a spouse's benefit will be paid equal to the amount the employee would have received under Option C. The surviving spouse of a member who dies with two or more years of credited service has the option of a refund of the employee's contributions or a monthly benefit regardless of eligibility to retire, if they were married for at least one year. There is also a minimum widow's pension of \$500 per month, and there are additional amounts for surviving children.

If an employee's death is job-connected, the spouse will receive 72 percent of the member's most recent annual pay, in addition to a refund of the member's accumulated deductions, plus additional amounts for surviving children. However, in accordance with Section 100 of Chapter 32, the surviving spouse of a police officer, firefighter or corrections officer who is killed in the line of duty will be eligible to receive an annual benefit equal to the maximum salary held by the member at the time of death. Upon the death of a job-connected disability retiree who retired prior to November 7, 1996 and could not elect an Option C benefit, a surviving spouse will receive an allowance of \$9,000 per year if the member dies for a reason unrelated to cause of disability.

**Contributions**

Active members of the Middlesex County Retirement System contribute either 5%, 7%, 8% or 9% of their gross regular compensation depending on the date upon which their membership began. An additional 2% is required from employees for earnings in excess of \$30,000. The Town is required to pay an actuarially determined rate. The contribution requirement of plan members is determined by M.G.L. Chapter 32. The contribution requirements are established by and may be amended by the Middlesex County Retirement System with the approval of the Public Employee Retirement Administration Commission.

The Town's contractually required contribution rate for the year ended June 30, 2019 was 25.15% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$3,690,854 for the year ending June 30, 2019.

b. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Town reported a liability of \$53,545,751 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Accordingly, update procedures were utilized to roll forward the liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2018, the Town's proportion 3.433594%.

Costs related to the Town's pension assessment are not charged to the Town's enterprise funds by way of direct or indirect charges. The Town's has no intention to charge the enterprise funds for the pension related costs in the future. As a result, the pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions were not allocated to the enterprise funds. In addition, the component unit (Acton Community Housing Corporation) has never had an employee that was eligible to be a member of the Middlesex County Retirement System. As a result, a portion of the net pension liability has not been allocated to it.

For the year ended June 30, 2019, the Town recognized pension expense of \$6,412,290. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 109,552	\$ 186,638
Change in assumptions	3,327,764	-
Net differences between projected and actual earnings on pension plan investments	2,386,731	-
Changes in proportion and differences between contributions and proportionate share of contributions	1,777,916	1,712,622
Contributions subsequent to the measurement date	<hr/> -	<hr/> -
	<hr/> <u>\$ 7,601,963</u>	<hr/> <u>\$ 1,899,260</u>

The amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2020	\$ 2,051,624
2021	1,495,350
2022	1,217,386
2023	938,343
Total	<hr/> <u>\$ 5,702,703</u>

### Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2018:

<b>Valuation date</b>	January 1, 2018
<b>Actuarial Cost Method</b>	Entry age normal cost method
<b>Amortization Method</b>	Prior year's total contribution increased by 6.5% for fiscal year 2018 through fiscal year 2024, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; ERI Liability amortized in level payments.
<b>Remaining Amortization Period</b>	As of July 1, 2018, 1 year remaining for the 2002 ERI liability; 2 years remaining for the 2003 ERI liability; 4 years remaining for the 2010 ERI liability and 17 years for the remaining unfunded liability.
<b>Asset Valuation Method</b>	The difference between the expected return and the actual investment return on a market value basis is recognized over a five-year period. Asset value is adjusted, as necessary, to be within 20% of market value.
<b>Investment Rate of Return/Discount Rate</b>	7.5% net of pension plan investment expense, including inflation (7.75% in previous valuation)
<b>Inflation Rate</b>	3.25% (3.5% in previous valuation)
<b>Projected Salary Increases</b>	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4
<b>Cost of Living Adjustments</b>	3.00% of first \$14,000
<b>Rates of Retirement</b>	Varies based upon age for general employees, police and fire employees.
<b>Rates of Disability</b>	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 were based on the tables noted below:**

Pre-Retirement	The RP-2014 Blue Collar Mortality Table projected generationally with Scale MP-2017 (previously RP-2000 Employee Mortality Table projected generationally from 2009 with Scale BB2D)
Healthy Retiree	The RP-2014 Blue Collar Health Anuitant Mortality Table projected generationally with Scale MP-2017 (previously RP-2000 Health Annuitant Mortality Table projected generationally from 2009 with Scale BB2D)
Disabled	The RP-2014 Blue Collar Health Anuitant Mortality Table set forward one year and projected generationally with Scale MP-2017 (previously RP-2000 Health Annuitant Mortality Table projected generationally from 2015 using Scale BB2D)

In performing the actuarial valuation, various assumptions are made regarding mortality, retirement, disability and withdrawal rates as well as salary increases and investment returns. A comparison of the results of the current valuation and the prior valuation is made to determine how closely actual experience relates to expected.

The mortality tables listed in the assumption table were determined to contain provisions appropriate to reasonably reflect future mortality improvement, based on a review of the mortality experience of the plan.

### Changes in Assumptions

The following assumption changes were reflected in the January 1, 2018 actuarial valuation:

- The mortality tables for healthy participants were changed from the RP-2000 Employee and Healthy Annuitant Mortality Tables projected generationally using Scale BB2D from 2009 to the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017.
- The mortality tables for disabled participants were changed from the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale BB2D from 2015 to the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward 1 year projected generationally using Scale MP-2017.
- The long-term salary increase assumption was lowered by 0.25%, to 4.00% for Group 1 participants, 4.25% for Group 2 participants, and 4.50% for Group 4 participants.
- The investment rate of return assumption was reduced from 7.75% to 7.50%. The inflation rate was reduced to 3.25% from the previous rate of 3.50%.

### Changes in Plan Provisions

There were not any changes in the Plan provisions.

### Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	17.00%	7.62%
International Developed Markets Equity	14.90%	7.80%
International Emerging Markets Equity	6.00%	9.31%
Core Fixed Income	13.00%	4.00%
Value-added Fixed Income	8.10%	7.58%
Private Equity	12.10%	11.15%
Real Estate	9.40%	6.59%
Timberland	4.10%	7.00%
Hedge Funds / PCS	14.20%	6.83%
Liquidating Portfolios	0.30%	0.00%
Overlay	0.90%	0.00%
	<b><u>100.00%</u></b>	

#### Rate of Return

The annual money-weighted rate of return on pension plan investments for December 31, 2018 (net of investment expenses) was negative 2.52% (positive 17.25% for December 31, 2017). The money-weighted rate of return expresses investment performance, net of pension plan investment expense, is adjusted for the changing amounts actually invested, measured monthly.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.5% (7.75% in the previous valuation). 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 the Middlesex County Retirement System contributions will be made at rates equal to the actuarially determined contribution rates. 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 Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Middlesex County Retirement System, calculated using the discount rate of 7.5%, as well as what the Middlesex County Retirement System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease <u>(6.50%)</u>	Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Town's proportionate share of the Net Pension Liability	\$64,953,397	\$53,545,751	\$43,927,433

#### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Middlesex County Retirement System financial report. The System issues a stand-alone financial report is available that can be obtained through the System's website at: <https://middlesexretirement.org/wp-content/uploads/2019/07/FINAL-MCRS-Audit-Report-of-Financial-Statements-12-31-18.pdf>

#### D. Other Postemployment Benefits (OPEB) Disclosures

In fiscal year 2017, the Town determined that costs related to the Town's other post-employment benefits liability will no longer be charged to the Town's enterprise funds by way of direct or indirect charges. The Town has no intention to charge the enterprise funds for the other post-employment benefits related costs in the future. As a result, the other post-employment benefits asset/obligation were reassigned/assumed from the Town's enterprise funds (business type activities) to the governmental activities. The OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB are not allocated to the enterprise funds. In addition, the component unit (Acton Community Housing Corporation) has never had an employee that was eligible for OPEB benefits. As a result, a portion of the net OPEB liability has not been allocated to it.

#### Summary of Significant Accounting Policies (OPEB)

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 Town's Plan and additions to/deductions from 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 that have a maturity at the time of purchase of one year or less, which are reported at cost.

## General Information About the Plan

### Plan Description

*Plan Administration:* The Town administers all activity related to the other post-employment benefits plan - a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the Town. Management of the plan is vested in the Board of Selectmen and the Town's Treasurer. The Town's Board of Selectmen has the authority to establish and amend benefit terms.

*Plan Membership:* At June 30, 2019, the plans membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	333
Inactive plan members entitled to but not yet receiving benefit payments	0
Active Plan Members	<u>149</u>
Total	482

*Benefits Provided:* The Town provides retired employees and their spouses and dependents with payments for a portion of their health care, dental care and life insurance benefits. Benefits are provided through a third party insurer.

*Contributions:* The Town pays 50% of the total premiums for health insurance and life insurance policies. Benefits paid by the Town are on a pay-as-you-go basis. In addition, contributions are made to an Other Postemployment Benefits Trust Fund. The contribution requirements of plan members and the Town are established and may be amended from time to time by local law or union agreements, within the constraints of Massachusetts General Laws. In fiscal year 2019 the Town contributed \$1,846,844 to the Plan, which includes funding \$633,742 to the OPEB Trust. The balance in the OPEB Trust as of June 30, 2019 was \$5,221,391. For fiscal year 2019, the Town's average contribution rate was 9.82% of covered payroll.

### Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Total OPEB Liability	\$ 21,340,604
Plan Fiduciary Net Position	<u>(5,221,391)</u>
Net OPEB Liability	<u><u>\$16,119,213</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	24.47%
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*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Wage Inflation	3.25% (in previous year 3.5%)
Salary Increases	6.0% decreasing to 4.25% based on service for Group 1 and Group 2 7.0% decreasing to 4.75% based on service for Group 4
Discount Rate	7.25% (in previous year 7.50%)
Investment Rate of Return	7.25% (in previous year 7.50%)
Health Cost Trend Rates	Non-Medicare: -3.00% then 6.75% decreasing by 0.25% for 9 years to an ultimate rate of 4.50% per year. Medicare: 3.90% then 7.75% decreasing by 0.25% for 13 years to an ultimate rate of 4.50% per year. Contributions: Retiree contributions are expected to increase with medical trend.

Mortality Rates were based on the tables noted below:

Pre-Retirement:

Healthy

RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017

Post-Retirement:

Healthy (Non-Teachers)

RP-2014 Blue Collar Employee Healthy Annuitant Mortality Table projected generationally with Scale MP-2017

Disabled (Non-Teachers)

RP-2014 Blue Collar Employee Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-20170

Healthy (Teachers)

RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016

Disabled (Teachers)

RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016

## **Investments**

*Investment Policy:* The plan's policy in regard to the allocation of invested assets is approved and may be amended by the Treasurer with the approval of the Selectmen. The policy pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

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 rates of return (expected returns, net of 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. The target allocations and best estimates of arithmetic real rates of return for

each major asset class summarized in the target asset allocation as of June 30, 2019, are summarized in the table below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
<b>Global Equity:</b>		
Domestic Equity	21.00%	6.16%
International Developed Markets Equity	13.00%	6.69%
International Emerging Markets Equity	5.00%	9.47%
Core Fixed Income	15.00%	1.89%
High-Yield Fixed Income	8.00%	4.00%
Real Estate	10.00%	4.58%
Commodities	4.00%	4.77%
Hedge Funds, GTAA, Risk Parity	11.00%	3.68%
Private Equity	13.00%	10.00%
<b>Total</b>	<b><u>100.00%</u></b>	

*Concentrations*

The OPEB plan did not hold investments in any one organization that represent 5% or more of the OPEB plan's fiduciary net position.

*Rate of Return*

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.61% (9.50% in the prior fiscal year). 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 OPEB liability was 7.25% (7.50% the prior fiscal year). The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

## Changes in Net OPEB Liability

	Increase (Decrease)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
<b>Balances 6/30/18</b>	\$ 20,441,722	\$ 4,315,986	\$ 16,125,736
Service cost	259,312	-	259,312
Interest	1,507,086	-	1,507,086
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(719,659)	-	(719,659)
Changes in assumptions	1,065,245	-	1,065,245
Contributions - employer	-	1,846,844	(1,846,844)
Net investment income	-	271,663	(271,663)
Benefit payments	(1,213,102)	(1,213,102)	-
<b>Net changes</b>	<b>898,882</b>	<b>905,405</b>	<b>(6,523)</b>
<b>Balances 6/30/19</b>	<b>\$ 21,340,604</b>	<b>\$ 5,221,391</b>	<b>\$ 16,119,213</b>

### Benefit Changes

None

### Changes in assumptions:

The per capita costs and retiree contributions, trends and Medicare enrollment elections were updated to reflect current experience.

The mortality and salary increase assumptions for non teachers were changed to match the assumptions used in the Middlesex County Retirement System Actuarial Valuation and Review as of January 1, 2018 dated July 31, 2018 and the disabled mortality assumptions for teachers were changed to match the Massachusetts Teachers's Retirement System Actuarial Valuation Report as of January 1, 2018, dated October 10, 2018.

The excise tax on high cost health plans beginning in 2022 was recalculated with this valuation.

The discount rate was 7.25% as of June 30, 2019. It was 7.50% as of June 30, 2018.

The wage inflation rate was 3.50% as of June 30, 2019. It was 3.50% as of June 30, 2018.

The investment rate of return was 7.25% as of June 30, 2019. It was 7.50% as of June 30, 2018.

The Non-Medicare health trend rate is -3.00% then 6.75% decreasing by 0.25% for 9 years to an ultimate rate of 4.50% per year. It was 7.00% decreasing by .05% for 5 years to an ultimate rate of 4.50% per year.

The Medicare health trend rate is 3.90% then 7.75% decreasing by 0.25% for 13 years to an ultimate rate of 4.50% per year. It was 4.00% for 1 year then 6.50% decreasing by .05% for 4 years to an ultimate rate of 4.50% per year.

*Sensitivity of the net OPEB liability to changes in the discount rate:* The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1% Decrease <u>6.25%</u>	Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
Net OPEB Liability (asset)	\$18,694,805	\$16,119,213	\$13,961,994

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:* The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Net OPEB Liability (asset)	\$13,721,246	\$16,119,213	\$19,028,738

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the Town recognized OPEB expense of \$1,502,065. At June 30, 2019, the Town reported deferred outflows of resources and deferred inflows of resources as detailed below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 539,745
Change in assumptions	798,933	-
Net differences between projected and actual earnings on OPEB plan investments	5,354	-
	<u>\$ 804,287</u>	<u>\$ 539,745</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:	Amount
2020	\$ 83,128
2021	83,128
2022	83,126
2023	15,160
Total	<u>\$ 264,542</u>

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan's fiduciary net position is available in the accompanying financial statements.

**E. Landfill Postclosure Care Costs**

State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site after closure. The Town has closed the landfill and has recorded its estimated postclosure care costs to be \$40,000 which has been recorded as a governmental activity liability at June 30, 2019. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

**F. Commitments and Contingencies**

Various legal actions and claims are pending. Although the outcome of the litigation is not presently determinable, in the opinion of the Town's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

The financial statements include encumbrances as noted below:

<u>Fund</u>	<u>Total</u>	<u>Assigned Fund Balance</u>	<u>Unrestricted Net Position</u>
General	\$ 1,245,282	\$ 1,245,282	\$ -
Sewer	98,735	-	98,735
Sanitation	19,685	-	19,685
	<u>\$ 1,363,702</u>	<u>\$ 1,245,282</u>	<u>\$ 118,420</u>

G. Tax Abatements

In accordance with GASB Statement No. 77, *Tax Abatement Disclosures*, the Town is required to disclose certain information related to tax agreement programs.

The Town entered into property tax abatement agreements subject to Massachusetts General Laws Chapter 23A, Sections 3A-3F. The Economic Development Incentive program is designed to promote increased business development and expansion throughout the Commonwealth. It allows municipalities to negotiate agreements that provide enhancements to properties and/or assist in job creation and retention.

Agreement #1

The recipient of the agreement agreed to invest approximately \$3.1 million in the purchase, construction, renovation and improvement of a property. In addition, the company agreed to increase its Massachusetts' workforce from 47 to 112 full time employees by December 31, 2017. The agreement states that the company "shall strive to maintain its workforce at this increased level for the duration" of the agreement (five years).

The tax abatement agreement is a five year agreement. The abatement is granted by reducing the company's assessed value as follows:

2017	100% reduction of assessment
2018	75% reduction of assessment
2019	50% reduction of assessment
2020	25% reduction of assessment
2021	0% reduction of assessment

The company is required to provide the Town with an annual report. The report shall provide specific information that will allow the Town to verify that the agreed to conditions have been met. If the company fails to meet the obligations specified in the agreement, the Town may request decertification of the agreement by the Massachusetts Economic Assistance Coordinating Council. If the agreement is decertified, the Town may revoke the remainder of the agreement.

If the company vacates the property or otherwise shifts a majority of its operations to a location outside of the Town within eight years from the acquisition date, the company shall repay to the Town 50% of the special tax assessment. If the company vacates the property or otherwise shifts a majority of its operations to a location outside of the Town between eight and ten years from the acquisition date, the company shall repay to the Town 25% of the special tax assessment.

For the fiscal year ended June 30, 2019, the company received a tax abatement of \$23,762.

Agreement #2

The recipient of the agreement committed to create 250 permanent full-time jobs, retain 500 (base-level) permanent full-time jobs and that it will make or has made (including cost incurred prior to the date of the agreement) approximately \$140,000,000 in construction costs and related project expenses. The company "intends that it will (a) no later than December 31, 2023, increase to 750 (250 above base level) the number of full-time employees employed by the company in the

Town...." and (b) "maintain such minimum level of incremental jobs throughout the term." In addition, the company intends to complete its capital investment (\$140,000,000) no later than December 31, 2019.

The tax abatement agreement is a twenty year agreement. The abatement is granted by reducing the company's assessed value as follows:

2018 - 2022	100% reduction of assessment
2023 - 2027	75% reduction of assessment
2028 - 2032	50% reduction of assessment
2033 - 2037	25% reduction of assessment

The company is required to provide the Town with an annual report (by February 28). The report shall provide specific information that will allow the Town to verify that the agreed to conditions have been met. If the company fails to meet the obligations specified in the agreement, the Town will provide the company with written notice of the failures.

If the company does not remedy any failures in the agreement within 30 days of notification, the Town may petition the Economic Assistance Coordinating Council (EACC) to decertify the agreement. In addition, if the EACC decertifies the project and, in connection therewith, the company has failed to increase the number of full-time employees by 250 over the base level (or if at any time the number of permanent full-time employees falls below the 250 above base level) then the company shall reimburse the Town for a portion or all of the total cumulative amount of the abatement based on when the fiscal year in which the project is decertified. The reimbursement amount is based on the schedule shown below:

<u>If the project is decertified in fiscal year:</u>	<u>Reimbursement % of the cumulative abatement</u>
2018 - 2022	100%
2023 – 2027	75%
2028 – 2032	50%
2033 – 2037	25%

For the fiscal year ended June 30, 2019, the company received a tax abatement of \$177,463.

#### H. Implementation of New GASB Pronouncements

During fiscal year 2019, the following GASB pronouncements were implemented:

- The GASB issued Statement No. 83, Certain Asset Retirement Obligations which is required to be implemented for reporting periods beginning after June 15, 2018. The implementation of this statement did not impact the financial statements.
- The GASB issued Statement No. 84, Fiduciary Activities which is required to be implemented in reporting periods beginning after December 15, 2018. The Town implemented the standard for the June 30, 2019 reporting period. The implementation of this statement required reviewing the current classification of fiduciary funds under new standards. Certain accounts previously reported as agency funds in the fiduciary funds financial statements are now classified as governmental funds. It was determined that the Town does not have any custodial funds to report.
- The GASB issued Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements which is required to be implemented in reporting periods ending June 30, 2019. The implementation of this statement did not impact the financial statements.

The following GASB pronouncements will be implemented in future fiscal years:

- The GASB issued Statement No. 87, Leases which is required to be implemented in reporting periods beginning after December 15, 2019.
- The GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period which is required to be implemented in reporting periods beginning after December 15, 2019.
- The GASB issued Statement No. 90 Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61 which is required to be implemented in reporting periods beginning after December 15, 2018.
- The GASB issued Statement No. 91, Conduit Debt Obligations which is required to be implemented in reporting periods beginning after December 15, 2020.

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

# REQUIRED SUPPLEMENTARY INFORMATION

**Town of Acton, Massachusetts**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**  
**(Continued)**

	<u>Carried forward from Prior Year</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Carried forward to Subsequent Year</u>	<u>Variance to Final Budget</u>
<b><u>Revenues</u></b>						
Property Taxes	\$ -	85,724,913	\$ 85,724,913	\$ 85,407,550	\$ -	\$ (317,363)
Tax Liens	-	-	-	181,549	-	181,549
Excises	-	3,730,000	3,730,000	3,871,657	-	141,657
Penalties and Interest	-	125,000	125,000	296,618	-	171,618
Licenses and Permits	-	900,000	900,000	1,188,926	-	288,926
Fees and Other Departmental	-	145,000	145,000	171,527	-	26,527
Intergovernmental	-	2,545,289	2,545,289	2,517,213	-	(28,076)
Charges for Services	-	345,000	345,000	450,677	-	105,677
Fines and Forfeits	-	113,000	113,000	95,275	-	(17,725)
Earnings on Investments	-	112,000	112,000	172,110	-	60,110
In Lieu of Taxes	-	40,000	40,000	46,476	-	6,476
Miscellaneous	-	-	-	97,476	-	97,476
<b>Total Revenues</b>	<b>-</b>	<b>93,780,202</b>	<b>93,780,202</b>	<b>94,497,054</b>	<b>-</b>	<b>716,852</b>
<b><u>Expenditures</u></b>						
<u>General Government</u>						
Moderator						
Salaries	-	-	-	40	-	(40)
Expenses	-	26,817	26,817	24,080	-	2,737
<b>Total</b>	<b>-</b>	<b>26,817</b>	<b>26,817</b>	<b>24,120</b>	<b>-</b>	<b>2,697</b>
Town Manager						
Salaries	-	669,917	669,917	649,957	-	19,960
Expenses	164,574	829,600	829,600	716,027	190,101	88,046
<b>Total</b>	<b>164,574</b>	<b>1,499,517</b>	<b>1,499,517</b>	<b>1,365,984</b>	<b>190,101</b>	<b>108,006</b>
Green Advisory Board						
Salaries	-	15,065	15,065	14,082	-	983
Expenses	-	489	489	-	-	489
<b>Total</b>	<b>-</b>	<b>15,554</b>	<b>15,554</b>	<b>14,082</b>	<b>-</b>	<b>1,472</b>
Finance Committee						
Expenses	-	272	272	280	-	(8)
<b>Total</b>	<b>-</b>	<b>272</b>	<b>272</b>	<b>280</b>	<b>-</b>	<b>(8)</b>
Finance Director						
Salaries	-	294,866	294,866	222,486	-	72,380
Expenses	62,860	462,751	462,751	420,803	191,481	(86,673)
<b>Total</b>	<b>62,860</b>	<b>757,617</b>	<b>757,617</b>	<b>643,289</b>	<b>191,481</b>	<b>(14,293)</b>

**See Notes to the Required Supplementary Information**

**Town of Acton, Massachusetts**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**  
**(Continued)**

	<u>Carried forward from Prior Year</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Carried forward to Subsequent Year</u>	<u>Variance to Final Budget</u>
Comptroller						
Salaries	-	340,785	340,785	278,553	-	62,232
Expenses	900	4,500	4,500	3,124	-	2,276
Total	900	345,285	345,285	281,677	-	64,508
Board Of Assessors						
Salaries	-	272,480	272,480	270,565	-	1,915
Expenses	-	22,800	22,800	14,417	3,088	5,295
Total	-	295,280	295,280	284,982	3,088	7,210
Collector						
Salaries	-	148,001	148,001	125,616	-	22,385
Expenses	4,460	20,500	20,500	11,094	4,000	9,866
Total	4,460	168,501	168,501	136,710	4,000	32,251
Human Resource						
Salaries	-	259,548	259,548	250,736	-	8,812
Expenses	81,639	179,835	179,835	147,034	19,517	94,923
Total	81,639	439,383	439,383	397,770	19,517	103,735
Information Technology						
Salaries	-	439,415	439,415	405,657	-	33,758
Expenses	474,555	1,212,950	1,212,950	1,235,978	366,357	85,170
Total	474,555	1,652,365	1,652,365	1,641,635	366,357	118,928
Town Clerk						
Salaries	-	161,304	161,304	142,641	-	18,663
Expenses	-	4,700	4,700	5,253	-	(553)
Total	-	166,004	166,004	147,894	-	18,110
Elections						
Salaries	-	59,300	59,300	59,541	-	(241)
Expenses	20,091	31,500	31,500	48,910	-	2,681
Total	20,091	90,800	90,800	108,451	-	2,440
Planning						
Salaries	-	263,099	263,099	262,102	-	997
Expenses	21,433	10,232	10,232	7,935	32,290	(8,560)
Total	21,433	273,331	273,331	270,037	32,290	(7,563)
Land Use						
Salaries	-	265,234	265,234	230,057	-	35,177
Expenses	3,851	10,500	10,500	7,338	7,035	(22)
Total	3,851	275,734	275,734	237,395	7,035	35,155

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
 General Fund  
 Fiscal Year Ended June 30, 2019  
 (Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts (Budgetary Basis)	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
Municipal Properties						
Salaries	-	792,738	792,738	712,269	-	80,469
Expenses	1,181,828	978,759	978,759	1,499,425	198,977	462,185
Total	1,181,828	1,771,497	1,771,497	2,211,694	198,977	542,654
<b>Total - General Government</b>	<b>2,016,191</b>	<b>7,777,957</b>	<b>7,777,957</b>	<b>7,766,000</b>	<b>1,012,846</b>	<b>1,015,302</b>
<b>Public Safety</b>						
Police						
Salaries	-	4,267,190	4,267,190	4,311,721	-	(44,531)
Expenses	13,616	372,000	372,000	282,220	130,744	(27,348)
Total	13,616	4,639,190	4,639,190	4,593,941	130,744	(71,879)
Fire						
Salaries	-	3,049,764	3,049,764	3,109,630	-	(59,866)
Expenses	17,090	300,980	300,980	259,673	38,336	20,061
Total	17,090	3,350,744	3,350,744	3,369,303	38,336	(39,805)
Dispatch						
Salaries	-	616,957	616,957	613,834	-	3,123
Expenses	-	6,500	6,500	4,781	-	1,719
Total	-	623,457	623,457	618,615	-	4,842
Building Inspector						
Salaries	-	229,805	229,805	222,674	-	7,131
Expenses	4,215	9,334	9,334	11,957	574	1,018
Total	4,215	239,139	239,139	234,631	574	8,149
Emergency Management						
Salaries	-	23,000	23,000	23,000	-	-
Expenses	7,305	25,550	25,550	10,837	14,400	7,618
Total	7,305	48,550	48,550	33,837	14,400	7,618
Dog Officer						
Expenses	-	23,000	23,000	21,125	-	1,875
Total	-	23,000	23,000	21,125	-	1,875
<b>Total - Public Safety</b>	<b>42,226</b>	<b>8,924,080</b>	<b>8,924,080</b>	<b>8,871,452</b>	<b>184,054</b>	<b>(89,200)</b>

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
 General Fund  
 Fiscal Year Ended June 30, 2019  
 (Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts (Budgetary Basis)	Carried forward to Subsequent <u>Year</u>	Variance to Final Budget
<b><u>Education</u></b>						
General Education						
Acton Boxborough Reg Assmt.	-	59,981,958	59,981,958	59,981,960	-	(2)
Minuteman Tech- Assmt.	-	1,303,814	1,303,814	1,303,814	-	-
<b>Total - Education</b>	<b>-</b>	<b>61,285,772</b>	<b>61,285,772</b>	<b>61,285,774</b>	<b>-</b>	<b>(2)</b>
<b><u>Intergovernmental</u></b>						
State And County Expenses						
Total	-	312,130	312,130	312,130	-	-
<b>Total - Intergovernmental</b>	<b>-</b>	<b>312,130</b>	<b>312,130</b>	<b>312,130</b>	<b>-</b>	<b>-</b>
<b><u>Highways and Public Works</u></b>						
Engineering						
Salaries Expenses	-	154,793	154,793	155,988	-	(1,195)
Total	307,599	53,980	53,980	82,104	260,925	18,550
	<b>307,599</b>	<b>208,773</b>	<b>208,773</b>	<b>238,092</b>	<b>260,925</b>	<b>17,355</b>
Highway						
Salaries Expenses	-	1,144,082	1,144,082	1,070,149	-	73,933
Total	462,029	334,205	334,205	177,671	621,950	(3,387)
	<b>462,029</b>	<b>1,478,287</b>	<b>1,478,287</b>	<b>1,247,820</b>	<b>621,950</b>	<b>70,546</b>
Roads						
Expenses	45,655	253,609	253,609	261,235	40,379	(2,350)
Total	<b>45,655</b>	<b>253,609</b>	<b>253,609</b>	<b>261,235</b>	<b>40,379</b>	<b>(2,350)</b>
Snow And Ice						
Salaries Expenses	-	149,437	149,437	196,388	-	(46,951)
Total	-	450,563	450,563	295,406	-	155,157
	<b>-</b>	<b>600,000</b>	<b>600,000</b>	<b>491,794</b>	<b>-</b>	<b>108,206</b>
Gas And Diesel						
Expenses	2,805	224,500	224,500	228,266	-	(961)
Total	<b>2,805</b>	<b>224,500</b>	<b>224,500</b>	<b>228,266</b>	<b>-</b>	<b>(961)</b>

**See Notes to the Required Supplementary Information**

**Town of Acton, Massachusetts**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**  
**(Continued)**

	<u>Carried forward from Prior Year</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Carried forward to Subsequent Year</u>	<u>Variance to Final Budget</u>
Machinery						
Expenses	21,366	305,500	305,500	261,663	31,937	33,266
Total	21,366	305,500	305,500	261,663	31,937	33,266
Special Projects						
Expenses	115,804	201,500	201,500	213,047	80,142	24,115
Total	115,804	201,500	201,500	213,047	80,142	24,115
<b>Total - Highways and Public Works</b>	<b>955,258</b>	<b>3,272,169</b>	<b>3,272,169</b>	<b>2,941,917</b>	<b>1,035,333</b>	<b>250,177</b>
<u>Human Services</u>						
Board Of Health						
Salaries	-	42,111	42,111	41,655	-	456
Expenses	4,977	78,400	78,400	68,745	2,374	12,258
Total	4,977	120,511	120,511	110,400	2,374	12,714
Nursing Service						
Salaries	-	541,361	541,361	431,497	-	109,864
Expenses	3,059	191,677	191,677	167,643	5,247	21,846
Total	3,059	733,038	733,038	599,140	5,247	131,710
Council On Aging						
Salaries	-	327,718	327,718	332,137	-	(4,419)
Expenses	-	30,755	30,755	21,542	775	8,438
Total	-	358,473	358,473	353,679	775	4,019
Veterans Services						
Salaries	-	81,544	81,544	81,552	-	(8)
Expenses	2,000	118,400	118,400	86,581	457	33,362
Total	2,000	199,944	199,944	168,133	457	33,354
Commission On Disabilities						
Expenses	-	2,000	2,000	672	47	1,281
Total	-	2,000	2,000	672	47	1,281

**See Notes to the Required Supplementary Information**

**Town of Acton, Massachusetts**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**Fiscal Year Ended June 30, 2019**  
**(Continued)**

	<u>Carried forward from Prior Year</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Carried forward to Subsequent Year</u>	<u>Variance to Final Budget</u>
<b>Natural Resources</b>						
Salaries	-	838,959	838,959	809,161	-	29,798
Expenses	31,032	63,450	63,450	54,106	89,442	(49,066)
<b>Total</b>	<b>31,032</b>	<b>902,409</b>	<b>902,409</b>	<b>863,267</b>	<b>89,442</b>	<b>(19,268)</b>
<b>Total - Human Services</b>	<b>41,068</b>	<b>2,316,375</b>	<b>2,316,375</b>	<b>2,095,291</b>	<b>98,342</b>	<b>163,810</b>
<b><u>Culture and Recreation</u></b>						
<b>Cultural Council</b>						
Expenses	1,820	2,000	2,000	3,736	-	84
<b>Total</b>	<b>1,820</b>	<b>2,000</b>	<b>2,000</b>	<b>3,736</b>	<b>-</b>	<b>84</b>
<b>Memorial Library</b>						
Salaries	-	1,140,515	1,140,515	1,002,634	-	137,881
Expenses	8,457	275,825	275,825	349,652	62,925	(128,295)
<b>Total</b>	<b>8,457</b>	<b>1,416,340</b>	<b>1,416,340</b>	<b>1,352,286</b>	<b>62,925</b>	<b>9,586</b>
<b>Citizens Library</b>						
Salaries	-	53,613	53,613	52,184	-	1,429
Expenses	75	8,800	8,800	8,026	-	849
<b>Total</b>	<b>75</b>	<b>62,413</b>	<b>62,413</b>	<b>60,210</b>	<b>-</b>	<b>2,278</b>
<b>Historic Commission</b>						
Expenses	350	376	376	-	-	726
<b>Total</b>	<b>350</b>	<b>376</b>	<b>376</b>	<b>-</b>	<b>-</b>	<b>726</b>
<b>Celebrations</b>						
Expenses	-	8,900	8,900	7,570	-	1,330
<b>Total</b>	<b>-</b>	<b>8,900</b>	<b>8,900</b>	<b>7,570</b>	<b>-</b>	<b>1,330</b>
<b>Total - Culture and Recreation</b>	<b>10,702</b>	<b>1,490,029</b>	<b>1,490,029</b>	<b>1,423,802</b>	<b>62,925</b>	<b>14,004</b>
<b><u>Employee Benefits and Insurances</u></b>						
Pension Assessment	-	3,754,794	3,754,794	3,690,854	-	63,940
Medicare	-	212,000	212,000	218,749	-	(6,749)
Insurances and Other Benefits	10,250	4,305,350	4,305,350	3,913,013	25,000	377,587
<b>Total</b>	<b>10,250</b>	<b>8,272,144</b>	<b>8,272,144</b>	<b>7,822,616</b>	<b>25,000</b>	<b>434,778</b>
<b>Total - Employee Benefits and Insurances</b>	<b>10,250</b>	<b>8,272,144</b>	<b>8,272,144</b>	<b>7,822,616</b>	<b>25,000</b>	<b>434,778</b>

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
 General Fund  
 Fiscal Year Ended June 30, 2019  
 (Concluded)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<b><u>Debt Service</u></b>						
Principal	-	1,840,100	1,840,100	1,840,100	-	-
Interest	-	343,174	343,174	346,477	-	(3,303)
<b>Total</b>	<b>-</b>	<b>2,183,274</b>	<b>2,183,274</b>	<b>2,186,577</b>	<b>-</b>	<b>(3,303)</b>
<b>Total - Debt Service</b>	<b>-</b>	<b>2,183,274</b>	<b>2,183,274</b>	<b>2,186,577</b>	<b>-</b>	<b>(3,303)</b>
<b>Total Expenditures</b>	<b>3,075,695</b>	<b>95,833,930</b>	<b>95,833,930</b>	<b>94,705,559</b>	<b>2,418,500</b>	<b>1,785,566</b>
Excess of Revenues Over (Under)						
Expenditures	(3,075,695)	(2,053,728)	(2,053,728)	(208,505)	(2,418,500)	2,502,418
Transfers In	-	164,660	164,660	202,187	-	37,527
Transfers (Out)	-	(478,654)	(478,654)	(478,654)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(313,994)</b>	<b>(313,994)</b>	<b>(276,467)</b>	<b>-</b>	<b>37,527</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)						
	(3,075,695)	(2,367,722)	(2,367,722)	(484,972)	(2,418,500)	2,539,945
Fund Balance Beginning of the Year	-	12,479,454	12,479,454	12,479,454	-	-
Fund Balance End of the Year	\$ -	\$ 10,111,732	\$ 10,111,732	\$ 11,994,482	\$ -	\$ -

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Community Preservation Act Fund  
 Fiscal Year Ended June 30, 2019

							Carried	Forward to Subsequent Year	Variance to Final Budget
	Carried Forward from		Actual Amounts (Budgetary Basis)		Carried				
	<u>Prior Year</u>	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	<u>Year</u>				
<b><u>Revenues</u></b>									
Property Taxes	\$ -	\$ 825,545	\$ 825,545	\$ 1,032,032	\$ -	\$ 206,487			
Tax Liens	-	-	-	1,571	-	1,571			
Penalties and Interest	-	-	-	2,324	-	2,324			
Intergovernmental	-	188,586	188,586	188,586	-	-			
Earnings on Investment	-	145,000	145,000	89,237	-	(55,763)			
<b>Total Revenues</b>	<b>-</b>	<b>1,159,131</b>	<b>1,159,131</b>	<b>1,313,750</b>	<b>-</b>	<b>154,619</b>			
<b><u>Expenditures</u></b>									
<b><u>Community Preservation Act Commission</u></b>									
<b><u>General Government</u></b>									
Expenses	2,169,372	1,067,068	1,067,068	399,025	2,431,650	405,765			
<b><u>Human Services</u></b>									
Expenses	454,288	56,000	56,000	236,145	271,075	3,068			
<b><u>Culture and Recreation</u></b>									
Expenses	661,057	102,512	102,512	90,228	672,981	360			
<b><u>Debt Service</u></b>									
Expenses	-	85,421	85,421	84,000	1,421	-			
<b>Total Expenditures</b>	<b>3,284,717</b>	<b>1,311,001</b>	<b>1,311,001</b>	<b>809,398</b>	<b>3,377,127</b>	<b>409,193</b>			
Excess (Deficiency) Of Revenues Over Expenditures	(3,284,717)	(151,870)	(151,870)	504,352	(3,377,127)	563,812			
<b><u>Other Financing Sources and (Uses)</u></b>									
Transfers In	-	-	-	-	-	-			
Transfers Out	-	-	-	-	-	-			
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
Excess (Deficiency) Of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(3,284,717)	(151,870)	(151,870)	504,352	(3,377,127)	563,812			
Fund Balance Beginning of the Year	-	5,576,903	5,576,903	5,576,903	-	-			
Fund Balance End of the Year	\$ -	\$ 5,425,033	\$ 5,425,033	\$ 6,081,255	\$ -	\$ -			

**See Notes to the Required Supplementary Information**

**Required Supplementary Information**  
 Schedule of the Town of Acton Massachusetts' Proportionate Share of the Net Pension Liability  
 Middlesex County Retirement System  
 Last Ten Fiscal Years\*\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Town's proportionate share of net pension liability (asset) (%)	3.433594%	3.395091%	3.224047%	3.439441%	3.417115%	<i>(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)</i>				
Town's proportionate share of net pension liability (asset) (\$)	\$ 53,545,751	\$ 48,182,609	\$ 45,680,759	\$ 44,369,446	\$ 41,050,336					
Town's covered payroll	\$ 14,701,201	\$ 14,091,030	\$ 13,020,403	\$ 13,048,335	\$ 12,546,476					
Town's proportionate share of net pension liability (asset) as a percentage of its covered payroll	364.23%	341.94%	350.84%	340.04%	327.19%					
Plan fiduciary net position as a percentage of the pension liability	46.40%	49.27%	45.49%	46.13%	47.65%					

\*\* The amounts presented for each fiscal year were determined as of December 31.

**See Notes to the Required Supplementary Information**

Required Supplementary Information  
 Schedule of the Town of Acton Massachusetts' Contributions  
 Middlesex County Retirement System  
 Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contribution	\$ 3,685,376	\$ 3,454,129	\$ 3,462,510	\$ 3,243,883	\$ 2,512,579	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(3,690,854)</u>	<u>(3,454,129)</u>	<u>(3,462,510)</u>	<u>(3,243,883)</u>	<u>(2,512,579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ (5,478)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Town's covered payroll	\$ 14,655,597	\$ 14,393,933	\$ 13,020,403	\$ 13,048,335	\$ 12,546,476	<i>(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)</i>				
Contributions as a percentage of covered payroll	25.15%	24.00%	26.59%	24.86%	20.03%					

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Required Supplementary Information  
 Schedule of Changes in the Net OPEB Liability and Related Ratios - (GASB 74 & GASB 75)  
 June 30, 2019  
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Total OPEB liability</b>										
Service cost	\$ 259,312	\$ 250,543	\$ 242,070							
Interest	1,507,086	1,468,290	1,428,369							
Changes of benefit terms	-	-	-							
Difference between expected and actual experience	(719,659)	-	-							
Changes in assumptions	1,065,245	-	-							
Benefit payments	(1,213,102)	(1,186,114)	(1,108,518)							
<b>Net change in total OPEB liability</b>	<b>898,882</b>	<b>532,719</b>	<b>561,921</b>							
<b>Total OPEB liability - beginning</b>	<b>20,441,722</b>	<b>19,909,003</b>	<b>19,347,082</b>							
<b>Total OPEB liability - ending (a)</b>	<b>\$ 21,340,604</b>	<b>\$ 20,441,722</b>	<b>\$ 19,909,003</b>							
 <b>Plan Fiduciary net position</b>										
Contributions - employer	\$ 1,846,844	\$ 1,806,114	\$ 1,708,518							
Net investment income	271,663	365,201	361,110							
Benefit payments	(1,213,102)	(1,186,114)	(1,108,518)							
Administrative expense	-	-	-							
<b>Net change in plan fiduciary net position</b>	<b>905,405</b>	<b>985,201</b>	<b>961,110</b>							
<b>Plan fiduciary net position - beginning</b>	<b>4,315,986</b>	<b>3,330,785</b>	<b>2,369,675</b>							
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 5,221,391</b>	<b>\$ 4,315,986</b>	<b>\$ 3,330,785</b>							
 <b>Town's net OPEB liability - ending (a) - (b)</b>	<b>\$ 16,119,213</b>	<b>\$ 16,125,736</b>	<b>\$ 16,578,218</b>							
 <b>Plan fiduciary net position as a percentage of the total OPEB liability</b>		24.47%	21.11%	16.73%						
 <b>Covered payroll</b>		\$ 18,800,000	\$ 16,000,000	\$ 15,000,000						
 <b>Town's net OPEB liability as a percentage of covered payroll</b>		85.74%	100.79%	110.52%						

Notes to Schedule:

*Benefit Changes*

None

*Changes in assumptions:*

The per capita costs and retiree contributions, trends and Medicare enrollment elections were updated to reflect current experience.

The mortality and salary increase assumptions for non teachers were changed to matched the assumptions used in the Middlesex County Retirement System Actuarial Valuation and Review as of January 1, 2018 dated July 31, 2018 and the disabled mortality assumptions for teachers were changed to match the Massachusetts Teachers' Retirement System Actuarial Valuation Report as of January 1, 2018, dated October 10, 2018.

The excise tax on high cost health plans beginning in 2022 was recalculated with this valuation.

The discount rate was 7.25% as of June 30, 2019. It was 7.50% as of June 30, 2018

The wage inflation rate was 3.50% as of June 30, 2019. It was 3.50% as of June 30, 2018

The investment rate of return was 7.25% as of June 30, 2019. It was 7.50% as of June 30, 2018

The Non-Medicare health trend rate is -3.00% then 6.75% decreasing by 0.25% for 9 years to an ultimate rate of 4.50% per year. It was 7.00% decreasing by .05% for 5 years to an ultimate rate of 4.50% per year.

The Medicare health trend rate is 3.90% then 7.75% decreasing by 0.25% for 13 years to an ultimate rate of 4.50% per year. It was 4.00% for 1 year then 6.50% decreasing by .05% for 4 years to an ultimate rate of 4.50% per year.

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Required Supplementary Information  
 Schedule of Contributions - Other Post Employment Benefits - (GASB 74 & GASB 75)  
 June 30, 2019  
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarial determined contribution	\$ 1,629,077	\$ 1,188,837	\$ 1,180,006	(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)						
Contributions in relating to the actuarially determined contribution	1,846,844	1,806,114	1,708,518							
Contribution deficiency (excess)	<u>\$ (217,767)</u>	<u>\$ (617,277)</u>	<u>\$ (528,512)</u>							
Covered payroll	\$ 18,800,000	\$ 16,000,000	\$ 15,000,000							
Contributions as a percentage of covered payroll	9.82%	11.29%	11.39%							

**Notes to Schedule**

Valuation date:

Actuarially determined contribution for fiscal year ending June 30, 2019 was determined with the December 31, 2018 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method

Entry Age Normal - Level percentage of payroll

Amortization method

Level Percent of payroll

Amortization period

20 years from December 31, 2018

Asset valuation method

Market Value

Investment rate of return

7.25% (in previous year 7.50%)

Wage Inflation

3.25% (in previous year 3.5%)

Healthcare cost trend rates

Non-Medicare: -3.00% then 6.75% decreasing by 0.25% for 9 years to an ultimate rate of 4.50% per year.

Medicare: 3.90% then 7.75% decreasing by 0.25% for 13 years to an ultimate rate of 4.50% per year.

Discount rate

7.25% (in previous year 7.50%)

Mortality

Pre-Retirement:

Healthy

RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017

Post-Retirement:

Healthy (Non-Teachers)

RP-2014 Blue Collar Employee Healthy Annuitant Mortality Table projected generationally with Scale MP-2017

Disabled (Non-Teachers)

RP-2014 Blue Collar Employee Healthy Annuitant Mortality Table set forward one year projected generationally with Scale MP-2017

Healthy (Teachers)

RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016

Disabled (Teachers)

RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016

Other information:

The underlying tables with generational projection to the ages of the participants as of the measurement date reasonably reflect the mortality experience of the plan as of the measurement date. The mortality tables were then adjusted to future years using generational projection to reflect future mortality improvement between the measurement date and those years.

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
Required Supplementary Information  
Schedule of Investment Returns - (GASB 74)  
June 30, 2019  
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money-weighted rate of return, net of investment expense		5.61%	9.50%	12.61%						

*(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)*

**See Notes to the Required Supplementary Information**

Town of Acton, Massachusetts  
 Notes to the Required Supplementary Information  
 June 30, 2019

(A) Budgetary Information

a. General Budget Policies

Budget requests are prepared by the various Town departments and submitted to the Selectmen and Finance Committee for review during January, February and March of each year. The Selectmen and Finance Committee have until April, which is when the annual Town meeting is held, to make any changes to the departmental requests. After approval of the budget at the annual Town meeting, the tax recapitulation (recap) sheet is prepared. During this process, the property tax rate is determined and the recap sheet is sent to the Department of Revenue for approval.

The Town authorizes a bottom line budget in order to provide flexibility within the budget process. The budget is monitored and managed by the Town Manager and the Finance Director. The Town Manager may allow a department to overspend its budget as long as the Town's total expenditures and encumbrances do not exceed the total approved budget. Since Town meeting authorizes a bottom line budget, transfers to offset departmental deficits are not required to be made.

Encumbrance accounting is utilized when purchase orders, contracts or other commitments for purchases are recorded in order to reserve that portion of the applicable appropriations. Encumbrances do not constitute expenditures or liabilities.

At year end, appropriation balances lapse except for encumbrances and certain articles "voted" (that may be carried forward until the project is complete).

b. Budget Basis of Accounting

The final budget appearing in the required supplementary information section of the financial statements includes the fiscal year 2019 annual Town meeting voted amounts adjusted for any special Town meeting votes applicable to fiscal 2019 and any transfers authorized by the Finance Committee.

The following reconciliation summarizes the differences between the general fund budget basis and the Generally Accepted Accounting Principles (GAAP) basis (fund financial statements) for the year ended June 30, 2019. The budget basis for the Community Preservation Act fund is GAAP.

	<u>Revenues</u>
As Reported Budget Basis	\$ 94,497,054
Adjustments:	
Sixty Day Accrual - Net	(16,778)
MWPAT Subsidies	5,851
Other Revenues Not Reported on Budget Basis (Stabilization Fund Earnings on Investments)	37,262
As Reported GAAP Statement	<u><u>\$ 94,523,389</u></u>
	<u>Expenditures</u>
As Reported Budget Basis	\$ 94,705,559
Adjustments:	
MWPAT Subsidies	5,851
As Reported GAAP Statement	<u><u>\$ 94,711,410</u></u>

(I) Pension Plans

i. Plan Description

The Town provides pension benefits to eligible employees by contributing to the Middlesex County Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Middlesex County Retirement System. The System is administered by a five member board on behalf of all eligible current employees and retirees. The system provides retirement benefits, cost of living adjustments, disability benefits and death benefits.

The Town is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws (MGL). The authority to establish and amend benefit provisions requires a statutory change to Chapter 32. The Middlesex County Retirement System issues a stand-alone financial report that is available to the public at <https://middlesexretirement.org/wp-content/uploads/2019/07/FINAL-MCRS-Audit-Report-of-Financial-Statements-12-31-18.pdf> or by writing to the Middlesex County Retirement System, 25 Linnell Circle, P.O. Box 160, Billerica, Massachusetts 01865.

ii. Funding Plan

Active members of the Middlesex County Retirement System contribute either 5%, 7%, 8% or 9% of their gross regular compensation depending on the date upon which their membership began. An additional 2% is required from employees for earnings in excess of \$30,000. The Town is required to pay an actuarially determined rate. The contribution requirements of plan members are determined by M.G.L. Chapter 32. The Town's contribution requirement is established and may be amended by the Middlesex County Retirement System with the approval of the Public Employee Retirement Administration Commission.

iii. Change in Assumptions

The following assumption changes were reflected in the January 1, 2018 actuarial valuation:

- The mortality tables for healthy participants were changed from the RP-2000 Employee and Healthy Annuitant Mortality Tables projected generationally using Scale BB2D from 2009 to the RP-2014 Blue Collar Employee and Healthy Annuitant Mortality Tables projected generationally using Scale MP-2017.
- The mortality tables for disabled participants were changed from the RP-2000 Healthy Annuitant Mortality Table projected generationally using Scale BB2D from 2015 to the RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward 1 year projected generationally using Scale MP-2017.
- The long-term salary increase assumption was lowered by 0.25%, to 4.00% for Group 1 participants, 4.25% for Group 2 participants, and 4.50% for Group 4 participants.
- The investment rate of return assumption was reduced from 7.75% to 7.50%. The inflation rate was reduced to 3.25% from the previous rate of 3.50%.

Changes in Plan Provisions

There were not any changes in the Plan provisions.

iv. Schedule of Town's Proportionate Share of the Net Pension Liability-Middlesex County Retirement System

The schedule details the Town's percentage of the collective net pension liability, the proportionate amount of the collective net pension liability, the Town's covered payroll, the

Town's proportionate share of the collective net pension liability as a percentage of the Town's covered payroll and the fiduciary net position of the plan as a percentage of the total pension liability. As more information becomes available, this will be a ten year schedule.

v. Schedule of the Town's Contributions

The schedule details the Town's contractually required contributions, the contributions made by the Town, the deficiency/(excess) of contributions made by the Town, the Town's covered payroll and the Town's contributions as a percentage of covered payroll. As more information becomes available, this will be a ten year schedule.

(C) Other Postemployment Benefits (OPEB) Disclosures

**Plan Description**

*Plan Administration:* The Town administers all activity related to the other post-employment benefits plan - a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the Town. Management of the plan is vested in the Board of Selectmen and the Town's Treasurer. The Town's Board of Selectmen has the authority to establish and amend benefit terms.

*Benefits Provided:* The Town provides retired employees and their spouses and dependents with payments for a portion of their health care, dental care and life insurance benefits. Benefits are provided through a third party insurer.

Contributions. The Town pays 50% of the total premiums for health insurance and life insurance policies. Benefits paid by the Town are on a pay-as-you-go basis. In addition, contributions are made to an Other Postemployment Benefits Trust Fund. The contribution requirements of plan members and the Town are established and may be amended from time to time by local law or union agreements, within the constraints of Massachusetts General Laws. In fiscal year 2019 the Town contributed \$1,846,844 to the Plan, which includes funding \$633,742 to the OPEB Trust. The balance in the OPEB Trust as of June 30, 2019 was \$5,221,391. For fiscal year 2019, the Town's average contribution rate was 9.82% of covered payroll.

iii. Schedule of Changes in Net OPEB Liability and Related Ratios

The schedule provides information about the changes in the OPEB liability and the changes in the fiduciary net position of the plan. The schedule, also, provides the plan fiduciary net position as a percentage of the total OPEB liability, the covered payroll and the Town's net OPEB liability as a percentage of covered payroll.

iv. Schedule of Contributions - Other Post Employment Benefits

The schedule details the Town's actuarially required contributions, the contributions made by the Town, the deficiency/(excess) of contributions made by the Town, the Town's covered payroll and the Town's contributions as a percentage of covered payroll.

v. Schedule of Investment Rate of Returns - Other Post Employment Benefits

The schedule details the Town's annual money weighted rate of return, net of investment expense.

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## ***Nonmajor Governmental Fund Categories***

### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The combining statements are categorized and reported in the following fund types:

*Town Grants Fund* – This fund is used to account for activity specifically financed by federal, state, and other grants which are restricted for specific programs.

*Town Revolving Accounts Fund* – This fund is used to account for revolving funds specifically allowed by the laws of the Commonwealth of Massachusetts. These funds are expended for purposes specified by the enabling statute.

*Town Donations & Gifts Fund* – This fund is used to account for gifts which have been accepted by the Town to be used for the purpose specified by the donor.

*Other Funds* – This fund is used to report all special revenue funds that are not separately reported in other categories.

### **Capital Project Funds**

Capital projects funds are used for the acquisition and construction of the Town's major capital assets or facilities, except those financed by the proprietary fund types.

*Vehicles and Equipment* - This fund is used to account for major acquisitions of vehicles and equipment.

*Land Acquisition* – This fund is used to account for all expenditures related to the acquisition of land for a future municipal parking lot.

*Other Funds* – This fund is used to report all capital projects funds that are not separately reported in other categories.

### **Permanent Funds**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

*Cemetery Fund* – This fund is used to account for the Town's cemetery perpetual care and other cemetery related bequests.

*Library Fund* – This fund is used to account for various bequests associated with the Town's library.

*Other Fund* – This fund is used to account for various permanent fund bequests that are not reported in other categories.

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**Town of Acton, Massachusetts**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Special Revenue							Capital Projects <u>Vehicles and Equipment</u>	Capital Projects <u>Land Acquisition</u>
	Special Revenue	Special Revenue	Donations and	Special Revenue	<b>Subtotal Special</b>				
	<u>Town Grants</u>	<u>Revolving - Town</u>	<u>Gifts - Town</u>	<u>Other</u>	<b>Revenue Funds</b>				
<b>Assets:</b>									
Cash and Cash Equivalents	\$ -	\$ 821,868	\$ 1,291,739	\$ 2,386,282	\$ 4,499,889	\$ 876	\$ -		
Investments	-	-	-	-	-	-	-		
Accounts Receivable:									
User Charges	-	-	-	225,609	225,609	-	-		
Special Assessments	-	-	-	31,518	31,518	-	-		
Departmental	-	36,475	-	135,172	171,647	-	-		
Intergovernmental	940,868	-	-	-	940,868	-	-		
<b>Total Assets</b>	<b>\$ 940,868</b>	<b>\$ 858,343</b>	<b>\$ 1,291,739</b>	<b>\$ 2,778,581</b>	<b>\$ 5,869,531</b>	<b>\$ 876</b>	<b>\$ -</b>		
<b>Liabilities:</b>									
Warrants Payable	\$ 35,896	\$ 35,651	\$ 4,897	\$ 10,883	\$ 87,327	\$ -	\$ -		
Accrued Payroll Payable	737	28,314	198	91,296	120,545	-	-		
Due to Other Fund	193,107	-	-	-	193,107	-	-		
Due to Component Unit	-	-	-	540,860	540,860	-	-		
Notes Payable	-	-	-	-	-	700,000	1,100,000		
<b>Total Liabilities</b>	<b>229,740</b>	<b>63,965</b>	<b>5,095</b>	<b>643,039</b>	<b>941,839</b>	<b>700,000</b>	<b>1,100,000</b>		
<b>Deferred Inflows of Resources:</b>									
Unavailable Revenues	353,781	36,475	-	254,706	644,962	-	-		
<b>Total Deferred Inflows of Resources</b>	<b>353,781</b>	<b>36,475</b>	<b>-</b>	<b>254,706</b>	<b>644,962</b>	<b>-</b>	<b>-</b>		
<b>Fund Equity:</b>									
Fund Balances:									
Nonspendable	-	-	-	-	-	-	-		
Restricted	357,347	757,903	1,286,644	754,824	3,156,718	-	-		
Committed	-	-	-	1,126,012	1,126,012	-	-		
Unassigned	-	-	-	-	-	(699,124)	(1,100,000)		
<b>Total Fund Balances</b>	<b>357,347</b>	<b>757,903</b>	<b>1,286,644</b>	<b>1,880,836</b>	<b>4,282,730</b>	<b>(699,124)</b>	<b>(1,100,000)</b>		
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 940,868</b>	<b>\$ 858,343</b>	<b>\$ 1,291,739</b>	<b>\$ 2,778,581</b>	<b>\$ 5,869,531</b>	<b>\$ 876</b>	<b>\$ -</b>		

Continued

**Town of Acton, Massachusetts**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

	Capital Projects	<u>Subtotal</u>	Permanent Trust	Permanent Trust	Permanent Trust	<u>Subtotal</u>	Total Nonmajor
	<u>Other</u>	<u>Capital Projects</u>	<u>Cemetery</u>	<u>Library</u>	<u>Other</u>	<u>Permanent Trust</u>	Governmental
<b>Assets:</b>							
Cash and Cash Equivalents	\$ 1,712,518	\$ 1,713,394	\$ -	\$ -	\$ -	\$ -	\$ 6,213,283
Investments	-	-	3,576,799	646,195	410,000	4,632,994	4,632,994
<b>Accounts Receivable:</b>							
User Charges	-	-	-	-	-	-	225,609
Special Assessments	-	-	-	-	-	-	31,518
Departmental	-	-	-	-	-	-	171,647
Intergovernmental	-	-	-	-	-	-	940,868
<b>Total Assets</b>	<b>\$ 1,712,518</b>	<b>\$ 1,713,394</b>	<b>\$ 3,576,799</b>	<b>\$ 646,195</b>	<b>\$ 410,000</b>	<b>\$ 4,632,994</b>	<b>\$ 12,215,919</b>
<b>Liabilities:</b>							
Warrants Payable	\$ 48,952	\$ 48,952	\$ -	\$ -	\$ -	\$ -	\$ 136,279
Accrued Payroll Payable	-	-	-	-	-	-	120,545
Due to Other Fund	-	-	-	-	-	-	193,107
Due to Component Unit	-	-	-	-	-	-	540,860
Notes Payable	<u>2,798,830</u>	<u>4,598,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,598,830</u>
<b>Total Liabilities</b>	<b><u>2,847,782</u></b>	<b><u>4,647,782</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,589,621</u></b>
<b>Deferred Inflows of Resources:</b>							
Unavailable Revenues	-	-	-	-	-	-	644,962
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>644,962</b>
<b>Fund Equity:</b>							
<b>Fund Balances:</b>							
Nonspendable	-	-	2,107,728	87,900	94,239	2,289,867	2,289,867
Restricted	101,914	101,914	1,469,071	558,295	315,761	2,343,127	5,601,759
Committed	-	-	-	-	-	-	1,126,012
Unassigned	(1,237,178)	(3,036,302)	-	-	-	-	(3,036,302)
<b>Total Fund Balances</b>	<b>(1,135,264)</b>	<b>(2,934,388)</b>	<b>3,576,799</b>	<b>646,195</b>	<b>410,000</b>	<b>4,632,994</b>	<b>5,981,336</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 1,712,518</b>	<b>\$ 1,713,394</b>	<b>\$ 3,576,799</b>	<b>\$ 646,195</b>	<b>\$ 410,000</b>	<b>\$ 4,632,994</b>	<b>\$ 12,215,919</b>

Concluded

**Town of Acton, Massachusetts**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Fiscal Year Ended June 30, 2019**

	Special Revenue Town Grants	Special Revenue Revolving - Town	Special Revenue Donations and Gifts - Town	Special Revenue Other	Subtotal Special Revenue Funds	Capital Projects Vehicles and Equipment	Capital Projects Land Acquisition
<b>Revenues:</b>							
Intergovernmental	\$ 1,728,186	\$ -	\$ -	\$ -	\$ 1,728,186	\$ -	\$ -
Charges for Services	-	988,977	-	1,729,260	2,718,237	-	-
Earnings on Investments	-	-	-	-	-	-	-
Contributions	-	-	241,573	-	241,573	-	-
Miscellaneous	-	-	-	6,485	6,485	-	-
<b>Total Revenues</b>	<b>1,728,186</b>	<b>988,977</b>	<b>241,573</b>	<b>1,735,745</b>	<b>4,694,481</b>	<b>-</b>	<b>-</b>
<b>Expenditures:</b>							
Current							
General Government	322,130	-	41,681	77,549	441,360	-	-
Public Safety	104,250	293,007	10,040	1,209,464	1,616,761	-	-
Highways and Public Works	980,618	-	39,513	-	1,020,131	-	-
Human Services	265,628	155,177	22,402	716,643	1,159,850	-	-
Culture and Recreation	6,627	388,285	88,702	-	483,614	-	-
Capital Outlay	-	-	-	-	-	665,521	1,100,000
<b>Total Expenditures</b>	<b>1,679,253</b>	<b>836,469</b>	<b>202,338</b>	<b>2,003,656</b>	<b>4,721,716</b>	<b>665,521</b>	<b>1,100,000</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>48,933</b>	<b>152,508</b>	<b>39,235</b>	<b>(267,911)</b>	<b>(27,235)</b>	<b>(665,521)</b>	<b>(1,100,000)</b>
<b>Other Financing Sources (Uses):</b>							
Transfers In	-	-	-	478,654	478,654	-	-
Transfers (Out)	(37,527)	-	-	(164,660)	(202,187)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(37,527)</b>	<b>-</b>	<b>-</b>	<b>313,994</b>	<b>276,467</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>11,406</b>	<b>152,508</b>	<b>39,235</b>	<b>46,083</b>	<b>249,232</b>	<b>(665,521)</b>	<b>(1,100,000)</b>
<b>Fund Balance, Beginning</b>	<b>345,941</b>	<b>605,395</b>	<b>1,247,409</b>	<b>1,834,753</b>	<b>4,033,498</b>	<b>(33,603)</b>	<b>-</b>
<b>Fund Balance, Ending</b>	<b>\$ 357,347</b>	<b>\$ 757,903</b>	<b>\$ 1,286,644</b>	<b>\$ 1,880,836</b>	<b>\$ 4,282,730</b>	<b>\$ (699,124)</b>	<b>\$ (1,100,000)</b>

Continued

Town of Acton, Massachusetts  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Fiscal Year Ended June 30, 2019

	Capital Projects <u>Other</u>	<b>Subtotal <u>Capital Projects</u></b>	Permanent Trust <u>Cemetery</u>	Permanent Trust <u>Library</u>	Permanent Trust <u>Other</u>	<b>Subtotal <u>Permanent Trust</u></b>	Total Non Major Governmental Funds
<b>Revenues:</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,728,186
Charges for Services	-	-	-	-	-	-	2,718,237
Earnings on Investments	-	-	326,963	59,468	37,812	424,243	424,243
Contributions	-	-	53,650	-	-	53,650	295,223
Miscellaneous	-	-	-	-	-	-	6,485
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>380,613</b>	<b>59,468</b>	<b>37,812</b>	<b>477,893</b>	<b>5,172,374</b>
<b>Expenditures:</b>							
Current							
General Government	-	-	-	-	1,000	1,000	442,360
Public Safety	54,990	54,990	-	-	-	-	1,671,751
Highways and Public Works	71,759	71,759	14,101	-	-	14,101	1,105,991
Human Services	-	-	-	-	-	-	1,159,850
Culture and Recreation	-	-	-	-	-	-	483,614
Capital Outlay	847,420	2,612,941	-	-	-	-	2,612,941
<b>Total Expenditures</b>	<b>974,169</b>	<b>2,739,690</b>	<b>14,101</b>	<b>-</b>	<b>1,000</b>	<b>15,101</b>	<b>7,476,507</b>
Excess of Revenues Over (Under) Expenditures	(974,169)	(2,739,690)	366,512	59,468	36,812	462,792	(2,304,133)
Other Financing Sources (Uses):							
Transfers In	-	-	-	-	-	-	478,654
Transfers (Out)	-	-	-	-	-	-	(202,187)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>276,467</b>
Net Change in Fund Balance	(974,169)	(2,739,690)	366,512	59,468	36,812	462,792	(2,027,666)
Fund Balance, Beginning	(161,095)	(194,698)	3,210,287	586,727	373,188	4,170,202	8,009,002
<b>Fund Balance, Ending</b>	<b>\$ (1,135,264)</b>	<b>\$ (2,934,388)</b>	<b>\$ 3,576,799</b>	<b>\$ 646,195</b>	<b>\$ 410,000</b>	<b>\$ 4,632,994</b>	<b>\$ 5,981,336</b>

Concluded

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Non Major Special Revenue - Transportation Fund  
 Fiscal Year Ended June 30, 2019

	Carried Forward from		Actual Amounts (Budgetary Basis)		Carried Forward to Subsequent Year		Variance to Final Budget
	Prior Year	Original	Final	(Budgetary Basis)	Year		
<b><u>Revenues</u></b>							
Charges for Services	\$ -	\$ 210,000	\$ 210,000	\$ 161,736	\$ -	\$ (48,264)	
Earnings on Investments	-	-	-	722	-	-	722
<b>Total Revenues</b>	<b>-</b>	<b>210,000</b>	<b>210,000</b>	<b>162,458</b>	<b>-</b>	<b>(47,542)</b>	
<b><u>Expenditures</u></b>							
Salaries and Wages	-	46,477	46,477	2,582	-	43,895	
Expenses	24,167	540,660	540,660	544,931	3,538	16,358	
<b>Total Expenditures</b>	<b>24,167</b>	<b>587,137</b>	<b>587,137</b>	<b>547,513</b>	<b>3,538</b>	<b>60,253</b>	
<b><u>Other Financing Sources and (Uses)</u></b>							
Transfers In	-	355,137	355,137	355,137	-	-	
<b>Total Other Financing Sources and (Uses)</b>	<b>-</b>	<b>355,137</b>	<b>355,137</b>	<b>355,137</b>	<b>-</b>	<b>-</b>	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(24,167)	(22,000)	(22,000)	(29,918)	(3,538)	12,711	
Fund Balance Beginning of the Year	-	54,538	54,538	54,538	-	-	
<b>Fund Balance End of the Year</b>	<b>\$ -</b>	<b>\$ 32,538</b>	<b>\$ 32,538</b>	<b>\$ 24,620</b>	<b>\$ -</b>	<b>\$ -</b>	

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Non Major Special Revenue - Septage Fund  
 Fiscal Year Ended June 30, 2019

	Carried		Actual		Carried		Variance to Final Budget	
	Forward from		Amounts		Forward			
	Prior Year	Original	Final	(Budgetary Basis)	Year			
<b><u>Revenues</u></b>								
Charges for Services	\$ -	\$ 117,157	\$ 117,157	\$ 147,730	\$ -	\$ 30,573		
Earnings on Investments	-	-	-	2,009	-	2,009		
Total Revenues	-	117,157	117,157	149,739	-	32,582		
<b><u>Expenditures</u></b>								
Salaries and Wages	-	164,366	164,366	133,294	-	31,072		
Expenses	345	22,791	22,791	35,337	1,820	(14,021)		
Total Expenditures	345	187,157	187,157	168,631	1,820	17,051		
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(345)	(70,000)	(70,000)	(18,892)	(1,820)	49,633		
Fund Balance Beginning of the Year	-	133,719	133,719	133,719	-	-		
Fund Balance End of the Year	\$ -	\$ 63,719	\$ 63,719	\$ 114,827	\$ -	\$ -		

Town of Acton, Massachusetts  
 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
 Non Major Special Revenue - Ambulance Fund  
 Fiscal Year Ended June 30, 2019

							Carried
	Carried		Actual		Forward	Variance to	
	Forward from	Prior Year	Original	Final	Amounts (Budgetary Basis)	to Subsequent Year	
<b><u>Revenues</u></b>							
Charges for Services	\$	-	\$ 852,870	\$ 852,870	\$ 1,041,714	\$ -	\$ 188,844
Earnings on Investments		-	-	-	9,399	-	9,399
Total Revenues		-	852,870	852,870	1,051,113	-	198,243
<b><u>Expenditures</u></b>							
Salaries and Wages		-	743,324	743,324	717,564	-	25,760
Expenses		22,145	477,625	477,625	491,900	16,903	(9,033)
Total Expenditures		22,145	1,220,949	1,220,949	1,209,464	16,903	16,727
<b><u>Other Financing Sources and (Uses)</u></b>							
Transfers In		-	243,079	243,079	243,079	-	-
Total Other Financing Sources and (Uses)		-	243,079	243,079	243,079	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)		(22,145)	(125,000)	(125,000)	84,728	(16,903)	214,970
Fund Balance Beginning of the Year		-	555,270	555,270	555,270	-	-
Fund Balance End of the Year	\$	-	\$ 430,270	\$ 430,270	\$ 639,998	\$ -	\$ -

# ***Fiduciary Fund Categories***

## **Private Purpose Trust Funds**

The private-purpose trust fund is used to report all fiduciary activities that (a) are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds and (b) are held in a trust that have one or more of the following characteristics: (1) The assets are (a) administered through a trust in which the government itself is not a beneficiary, (b) dedicated to providing benefits to recipients in accordance with the benefit terms, and (c) legally protected from the creditors of the government. (2) The assets are for the benefit of individuals and the government does not have administrative involvement with the assets or direct financial involvement with the assets. In addition, the assets are not derived from the government's provision of goods or services to those individuals. The Town maintains a private purpose trust fund for several charitable trust funds.

*Charity Fund* – This fund is used to account for resources related to bequests made to the Town for charitable purposes.

## **Other Post-Employment Benefits Liability Trust Fund**

The Other Post-Employment Benefits Liability Trust Fund is used to account for the resources set aside by the Town to fund the retirees' health and life insurance liability. The Town adopted Massachusetts General Laws, Chapter 32, Section 20 which provides for the establishment of the fund.

Town of Acton, Massachusetts  
 Combining Statement of Fiduciary Net Position  
 Fiduciary Funds  
 June 30, 2019

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits Trust	Total Fiduciary Trust Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Investments:			
Global Equity	319,803	- 2,036,342	319,803 2,036,342
Core Fixed Income	-	783,209	783,209
High-Yield Fixed Income	-	417,711	417,711
Real Estate	-	522,139	522,139
Commodities	-	208,856	208,856
Hedge Funds, GTAA, Risk Parity	-	574,353	574,353
Private Equity	<u>-</u>	<u>678,781</u>	<u>678,781</u>
Total Assets	<u>\$ 319,803</u>	<u>\$ 5,221,391</u>	<u>\$ 5,541,194</u>
<b>Liabilities</b>			
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Net Position</b>			
Restricted for:			
Post Employment Benefits Other than Pensions	-	5,221,391	5,221,391
Individuals, Organizations and Other Governments	319,803	-	319,803
Total Net Position	<u>\$ 319,803</u>	<u>\$ 5,221,391</u>	<u>\$ 5,541,194</u>

Town of Acton, Massachusetts  
 Combining Statement of Changes in Fiduciary Net Position  
 Fiduciary Funds  
 Fiscal Year Ended June 30, 2019

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Total Fiduciary <u>Trust Funds</u>
Additions:			
Contributions:			
Employer	\$ -	\$ 1,846,844	1,846,844
Total Contributions	<u>-</u>	<u>1,846,844</u>	<u>1,846,844</u>
Investment Earnings:			
Interest, Dividends and Other	29,343	271,663	301,006
Net Investment Earnings	<u>29,343</u>	<u>271,663</u>	<u>301,006</u>
Total Additions	29,343	2,118,507	2,147,850
Deductions:			
Trust Distributions	2,870	-	2,870
Medical, Dental and Life Insurance for Retirees	<u>-</u>	<u>1,213,102</u>	<u>1,213,102</u>
Total Deductions	2,870	1,213,102	1,215,972
Net Increase (Decrease) in Fiduciary Net Position	26,473	905,405	931,878
Net Position:			
Beginning of the Year	293,330	4,315,986	4,609,316
Ending of the Year	<u>\$ 319,803</u>	<u>\$ 5,221,391</u>	<u>\$5,541,194</u>

# *Statistical Section*

This part of the 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 Trend**

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.

Town of Acton, Massachusetts

Net Position by Component

Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 123,516,112	\$ 125,181,483	\$ 124,135,789	\$ 128,017,274	\$ 128,335,782	\$ 109,815,077	\$ 111,660,065	\$ 112,815,540	\$ 114,844,263	\$ 115,720,787
Restricted	14,945,567	14,528,079	16,648,883	16,566,766	14,911,665	13,995,847	14,644,115	15,323,326	15,188,241	15,879,435
Unrestricted	1,101,139	121,396	(2,014,908)	(822,724)	(1,182,386)	(42,376,959)	(44,607,074)	(50,353,593)	(52,867,092)	(55,202,458)
<b>Total Governmental Activities Net Position</b>	<b>139,562,818</b>	<b>139,830,958</b>	<b>138,769,764</b>	<b>143,761,316</b>	<b>142,065,061</b>	<b>81,433,965</b>	<b>81,697,106</b>	<b>77,785,273</b>	<b>77,165,412</b>	<b>76,397,764</b>
<b>Business-type Activities</b>										
Net Investment in Capital Assets	1,510,488	1,393,955	1,122,678	1,122,317	1,112,535	1,211,364	1,282,177	1,362,789	1,504,524	1,814,037
Unrestricted	24,038,048	22,948,277	21,845,108	21,595,820	21,100,340	19,051,754	17,400,790	16,927,429	16,841,449	16,152,324
<b>Total Business-type Activities Net Position</b>	<b>25,548,536</b>	<b>24,342,232</b>	<b>22,967,786</b>	<b>22,718,137</b>	<b>22,212,875</b>	<b>20,263,118</b>	<b>18,682,967</b>	<b>18,290,218</b>	<b>18,345,973</b>	<b>17,966,361</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	125,026,600	126,575,438	125,258,467	129,139,591	129,448,317	111,026,441	112,942,242	114,178,329	116,348,787	117,534,824
Restricted	14,945,567	14,528,079	16,648,883	16,566,766	14,911,665	13,995,847	14,644,115	15,323,326	15,188,241	15,879,435
Unrestricted	25,139,187	23,069,673	19,830,200	20,773,096	19,917,954	(23,325,205)	(27,206,284)	(33,426,164)	(36,025,643)	(39,050,134)
<b>Total Primary Government Activities Net Position</b>	<b>\$ 165,111,354</b>	<b>\$ 164,173,190</b>	<b>\$ 161,737,550</b>	<b>\$ 166,479,453</b>	<b>\$ 164,277,936</b>	<b>\$ 101,697,083</b>	<b>\$ 100,380,073</b>	<b>\$ 96,075,491</b>	<b>\$ 95,511,385</b>	<b>\$ 94,364,125</b>

Data Source: Audited Financial Statements

Notes:

When a prior period adjusted is made, the prior period net position is adjusted accordingly in the amounts reported above.

Beginning in fiscal year 2015, the Town fully regionalized its school system. In accordance with the regionalization agreement, capital assets related to the school (buildings, equipment...) were transferred to the Acton-Boxborough Regional School District. This caused a significant reduction in Net Investment in Capital Assets.

In fiscal year 2015, GASB Statement #68 was implemented requiring the Town to report the unfunded actuarial accrued liability related to pensions. The implementation of GASB #68 caused a reduction of the Government Activities - Unrestricted Net Position in the amount of \$41,050,336.

In fiscal year 2018, GASB Statement #75 was implemented requiring the Town to report the entire unfunded actuarial accrued liability related to other post employment benefits. The implementation of GASB #75 caused a reduction of the Government Activities - Unrestricted Net Position.

Town of Acton, Massachusetts  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 7,723,442	\$ 7,565,406	\$ 7,840,931	\$ 8,164,815	\$ 8,593,144	\$ 8,578,307	\$ 8,114,019	\$ 7,955,877	\$ 9,270,072	\$ 8,788,954
Public Safety	6,719,393	7,300,753	7,978,973	8,192,749	8,201,547	8,754,650	9,451,107	9,826,874	9,757,887	11,164,796
Education	55,527,097	57,160,597	58,736,652	59,827,670	62,551,163	53,013,169	54,096,552	56,544,752	58,820,900	61,285,774
Highways and Public Works	3,409,695	3,384,408	3,300,843	3,750,820	4,297,273	4,784,065	4,017,148	5,048,946	4,086,601	4,011,138
Human Services	1,442,893	1,509,794	1,821,505	2,681,919	2,632,642	2,688,262	3,397,297	3,491,168	3,197,424	3,532,819
Culture and Recreation	1,756,220	1,718,825	1,872,516	1,815,135	2,427,419	1,984,760	1,999,666	2,109,853	2,247,296	1,326,091
Employee Benefits	8,257,314	8,371,686	8,555,932	6,912,937	7,563,997	8,436,224	8,603,930	8,529,450	9,499,782	10,199,273
Interest on Long-term Debt	915,272	853,934	784,868	853,957	867,672	519,120	462,504	422,135	180,162	133,759
Total Government Activities Expenses	<u>85,751,326</u>	<u>87,865,403</u>	<u>90,892,220</u>	<u>92,200,002</u>	<u>97,134,857</u>	<u>88,758,557</u>	<u>90,142,223</u>	<u>93,929,055</u>	<u>97,060,124</u>	<u>100,442,604</u>
Business-Type Activities										
Sanitation	620,004	657,036	727,553	663,877	647,494	614,092	608,863	550,847	596,104	593,053
Sewer	2,427,828	2,400,915	2,366,763	2,352,886	2,255,755	2,315,422	2,281,636	2,174,449	2,111,346	2,178,772
Nursing	773,649	728,750	614,531	568,026	519,188	514,637	-	-	-	-
Total Business-Type Activities Expenses	<u>3,821,481</u>	<u>3,786,701</u>	<u>3,708,847</u>	<u>3,584,789</u>	<u>3,422,437</u>	<u>3,444,151</u>	<u>2,890,499</u>	<u>2,725,296</u>	<u>2,707,450</u>	<u>2,771,825</u>
Total Primary Government Expenses	<u>\$ 89,572,807</u>	<u>\$ 91,652,104</u>	<u>\$ 94,601,067</u>	<u>\$ 95,784,791</u>	<u>\$ 100,557,294</u>	<u>\$ 92,202,708</u>	<u>\$ 93,032,722</u>	<u>\$ 96,654,351</u>	<u>\$ 99,767,574</u>	<u>\$ 103,214,429</u>
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services:										
General Government	\$ 721,958	\$ 385,134	\$ 395,755	\$ 358,437	\$ 419,124	\$ 491,725	\$ 537,334	\$ 605,942	\$ 630,638	\$ 577,035
Public Safety	929,412	815,258	1,300,079	1,503,328	1,881,840	1,729,649	1,553,846	1,700,612	2,595,622	2,493,418
Education	1,244,888	1,230,379	1,139,880	882,912	1,029,595	7,491	-	-	-	-
Highways and Public Works	1,000	25,994	9,420	6,013	3,092	15,651	2,229	200	4,560	4,850
Human Services	355,796	284,098	413,646	442,286	493,348	128,292	899,655	1,015,097	977,455	1,041,742
Culture and Recreation	461,933	383,932	427,867	396,163	389,820	384,469	438,890	483,316	486,564	471,317
Operating Grants and Contributions	11,933,644	12,938,309	13,519,601	14,151,048	13,129,117	5,265,591	2,312,191	1,804,261	1,326,717	1,723,559
Capital Grants and Contributions	513,776	523,327	-	4,524,343	542,488	446,212	152,695	571,149	1,066,379	549,391
Total Government Activities Program Revenues	<u>16,162,407</u>	<u>16,586,431</u>	<u>17,206,248</u>	<u>22,264,530</u>	<u>17,888,424</u>	<u>8,469,080</u>	<u>5,896,840</u>	<u>6,180,577</u>	<u>7,087,935</u>	<u>6,861,312</u>
Business-Type Activities										
Charges for Services:										
Sanitation	609,125	617,081	680,418	671,029	668,705	639,436	540,682	575,290	596,817	592,808
Sewer	1,090,808	1,147,946	880,224	930,586	892,959	949,261	872,133	838,244	871,044	915,228
Nursing	676,118	544,337	524,637	540,600	315,630	234,523	-	-	-	-
Operating Grants and Contributions	835,399	809,808	957,512	927,166	904,881	883,849	849,216	828,103	818,969	641,773
Capital Grants and Contributions	-	303,725	87,530	100,759	-	-	48,317	29,192	476,375	135,731
Total Business-Type Activities Program Revenues	<u>3,211,450</u>	<u>3,422,897</u>	<u>3,130,321</u>	<u>3,170,140</u>	<u>2,782,175</u>	<u>2,707,069</u>	<u>2,310,348</u>	<u>2,270,829</u>	<u>2,763,205</u>	<u>2,285,540</u>
Total Primary Government Program Revenues	<u>\$ 19,373,857</u>	<u>\$ 20,009,328</u>	<u>\$ 20,336,569</u>	<u>\$ 25,434,670</u>	<u>\$ 20,670,599</u>	<u>\$ 11,176,149</u>	<u>\$ 8,207,188</u>	<u>\$ 8,451,406</u>	<u>\$ 9,851,140</u>	<u>\$ 9,146,852</u>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (69,588,919)	\$ (71,278,972)	\$ (73,685,972)	\$ (69,935,472)	\$ (79,246,433)	\$ (80,289,477)	\$ (84,245,383)	\$ (87,748,478)	\$ (89,972,189)	\$ (93,581,292)
Business-Type Activities	<u>(610,031)</u>	<u>(363,804)</u>	<u>(578,526)</u>	<u>(414,649)</u>	<u>(640,262)</u>	<u>(737,082)</u>	<u>(580,151)</u>	<u>(454,467)</u>	<u>55,755</u>	<u>(486,285)</u>
Total Primary Government Net Expense	<u>\$ (70,198,950)</u>	<u>\$ (71,642,776)</u>	<u>\$ (74,264,498)</u>	<u>\$ (70,350,121)</u>	<u>\$ (79,886,695)</u>	<u>\$ (81,026,559)</u>	<u>\$ (84,825,534)</u>	<u>\$ (88,202,945)</u>	<u>\$ (89,916,434)</u>	<u>\$ (94,067,577)</u>

(Continued)

Town of Acton, Massachusetts  
Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Property Taxes	\$ 64,514,109	\$ 66,103,406	\$ 67,967,690	\$ 70,500,745	\$ 72,978,287	\$ 75,074,955	\$ 78,118,399	\$ 81,106,156	\$ 83,668,405	\$ 86,606,384
Motor Vehicle and Other Excise Taxes	2,607,181	2,612,767	2,568,195	2,823,357	2,919,465	3,239,547	3,444,387	3,259,394	3,446,703	3,882,329
Penalties and Interest on Taxes	129,092	323,733	389,984	150,149	210,867	213,593	227,064	340,827	168,505	298,942
Other Taxes, Assessments and In Lieu of	11,934	11,771	12,441	12,046	15,233	15,316	15,006	42,283	48,451	46,477
Intergovernmental - Unrestricted	1,324,707	1,271,625	1,276,872	1,274,777	1,302,663	1,321,715	1,592,198	1,730,655	1,786,847	1,523,926
Interest and Investment Income	196,502	130,319	100,921	96,587	87,867	104,468	74,847	70,314	131,004	304,460
Other Revenue	150,486	181,397	73,305	162,993	182,296	175,929	36,623	38,746	48,843	97,476
Contributions to Permanent Funds	57,360	91,571	103,860	75,370	-	34,670	-	53,430	53,570	53,650
Gain (Loss) on Disposal of Asset	(29,365)	(21,977)	(442,384)	(24,000)	(11,500)	-	-	-	-	-
Reassignment of Assets	-	-	-	-	-	169,113	-	-	-	-
(Reassignment) Assumption of Other Post										
Employment Benefits (Asset) Obligation	-	-	-	-	-	-	-	(61,718)	-	-
Assumption of Long Term Liabilities	-	-	-	-	-	(199,927)	-	-	-	-
Special Items - Loss on Disposal of School Operations	-	-	-	-	-	(22,473,561)	-	-	-	-
Transfers, Net	(4,950)	842,500	573,894	(145,000)	(135,000)	1,243,489	1,000,000	-	-	-
Total Governmental Activities	<u>\$ 68,957,056</u>	<u>\$ 71,547,112</u>	<u>72,624,778</u>	<u>74,927,024</u>	<u>77,550,178</u>	<u>58,919,307</u>	<u>84,508,524</u>	<u>86,580,087</u>	<u>89,352,328</u>	<u>92,813,644</u>
Business-Type Activities										
Gain (Loss) on Disposal of Asset	-	-	-	20,000	-	-	-	-	-	-
Interest and Investment Income	-	-	-	-	-	-	-	-	-	106,673
Reassignment of Assets	-	-	-	-	-	(169,113)	-	-	-	-
(Reassignment) Assumption of Other Post										
Employment Benefits (Asset) Obligation	-	-	-	-	-	-	-	61,718	-	-
Assumption of Long Term Liabilities	-	-	-	-	-	199,927	-	-	-	-
Transfers, Net	-	(842,500)	(795,920)	145,000	135,000	(1,243,489)	(1,000,000)	-	-	-
Total Business-type Activities	<u>-</u>	<u>(842,500)</u>	<u>(795,920)</u>	<u>165,000</u>	<u>135,000</u>	<u>(1,212,675)</u>	<u>(1,000,000)</u>	<u>61,718</u>	<u>-</u>	<u>106,673</u>
Total Primary Government	<u><b>\$ 68,957,056</b></u>	<u><b>\$ 70,704,612</b></u>	<u><b>\$ 71,828,858</b></u>	<u><b>\$ 75,092,024</b></u>	<u><b>\$ 77,685,178</b></u>	<u><b>\$ 57,706,632</b></u>	<u><b>\$ 83,508,524</b></u>	<u><b>\$ 86,641,805</b></u>	<u><b>\$ 89,352,328</b></u>	<u><b>\$ 92,920,317</b></u>
<b>Changes in Net Position</b>										
Governmental Activities	\$ (631,863)	\$ 268,140	\$ (1,061,194)	\$ 4,991,552	\$ (1,696,255)	\$ (21,370,170)	\$ 263,141	\$ (1,168,391)	\$ (619,861)	\$ (767,648)
Business-Type Activities	<u>(610,031)</u>	<u>(1,206,304)</u>	<u>(1,374,446)</u>	<u>(249,649)</u>	<u>(505,262)</u>	<u>(1,949,757)</u>	<u>(1,580,151)</u>	<u>(392,749)</u>	<u>55,755</u>	<u>(379,612)</u>
Total Primary Government Changes in Net Position	<u><b>\$ (1,241,894)</b></u>	<u><b>\$ (938,164)</b></u>	<u><b>\$ (2,435,640)</b></u>	<u><b>\$ 4,741,903</b></u>	<u><b>\$ (2,201,517)</b></u>	<u><b>\$ (23,319,927)</b></u>	<u><b>\$ (1,317,010)</b></u>	<u><b>\$ (1,561,140)</b></u>	<u><b>\$ (564,106)</b></u>	<u><b>\$ (1,147,260)</b></u>

(Concluded)

Data Source: Audited Financial Statements

Notes:

Above amounts were adjusted to reflect prior period adjustments

Beginning in fiscal year 2015, there was a transfer of operations of the Acton Public School System, Kindergarten to sixth grade, to the Acton-Boxborough Regional School District. Therefore, certain school related revenues (chapter 70 local aid, school grants and other special revenue funds) and expenditures ( school grants and other special revenue funds) are now revenues and expenditures of the Acton-Boxborough Regional School District. As a result, the fiscal year 2015 Education expenditures and the Education related revenues are substantially less than the prior fiscal year.

Beginning in fiscal year 2016, the Town was no longer in a special funding situation with the Massachusetts Teachers' Retirement System (MTRS). The special funding situation from fiscal year 2016 forward is between the MTRS and the Acton-Boxborough Regional School District. Therefore, the Town did not report an operating grant revenue or an Education expense related to a pension expense in a special funding situation in fiscal year 2016. The operating grant revenue/education expense reported in fiscal year 2015 was \$2,501,865.

In fiscal year 2015, the Nursing enterprise fund was closed to the general fund. Beginning in fiscal year 2016, the revenues and expenditures related the nursing activities are reported in the with the Governmental Activities. The Nursing expenditures are reported as Human Services and the Nursing revenues are reported as Human Service program revenues (charges for services).

Town of Acton, Massachusetts  
Fund Balances - Governmental Funds  
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 2,569,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	7,724,166	-	-	-	-	-	-	-	-	-
Committed	-	2,302,875	2,013,918	2,638,503	2,009,485	1,750,765	1,495,255	2,445,811	2,307,386	1,848,218
Assigned	-	2,126,226	1,308,583	2,269,913	1,596,387	2,807,648	3,783,178	3,450,109	3,137,132	2,272,539
Unassigned	-	7,823,281	9,691,909	9,959,734	12,103,520	12,292,571	10,148,999	7,512,855	6,667,927	7,527,200
Total General fund	<u>\$ 10,293,477</u>	<u>\$ 12,252,382</u>	<u>\$ 13,014,410</u>	<u>\$ 14,868,150</u>	<u>\$ 15,709,392</u>	<u>\$ 16,850,984</u>	<u>\$ 15,427,432</u>	<u>\$ 13,408,775</u>	<u>\$ 12,112,445</u>	<u>\$ 11,647,957</u>
All Other Governmental Funds										
Reserved	\$ 2,028,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Reported in:										
Special Revenue Funds	10,420,754	-	-	-	-	-	-	-	-	-
Capital Project Funds	148,950	-	-	-	-	-	-	-	-	-
Permanent Funds	1,479,395	-	-	-	-	-	-	-	-	-
Nonspendable	-	1,818,691	1,922,486	1,937,409	1,990,737	2,054,407	2,104,167	2,181,647	2,236,217	2,289,867
Restricted	-	9,663,298	11,587,369	12,546,863	11,374,285	10,354,933	10,152,591	10,457,250	10,621,650	11,683,014
Committed	-	2,158,920	2,353,385	2,454,423	1,730,267	726,077	810,167	1,059,082	1,145,763	1,126,012
Unassigned	-	(386,980)	(352,708)	-	-	(1,032,124)	(1,049,976)	(529,710)	(417,725)	(3,036,302)
Total All Other Governmental Funds	<u>\$ 14,077,837</u>	<u>\$ 13,253,929</u>	<u>\$ 15,510,532</u>	<u>\$ 16,938,695</u>	<u>\$ 15,095,289</u>	<u>\$ 12,103,293</u>	<u>\$ 12,016,949</u>	<u>\$ 13,168,269</u>	<u>\$ 13,585,905</u>	<u>\$ 12,062,591</u>

Data Source: Audited Financial Statements

(1) 2011 balances reflect implementation of GASB 54.

(2) The negative unassigned fund balances (fiscal years 2011, 2012, 2015, 2016 and 2017) are, primarily, the result of capital project expenditures occurring before long term financing was in place.

(3) The fiscal year 2015 transfer of operations (school system) contributed to the decrease in committed and restricted fund balance - All Other Governmental Funds.

Town of Acton, Massachusetts  
Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Property Taxes	\$ 64,130,848	\$ 65,760,590	\$ 67,761,562	\$ 70,211,964	\$ 72,690,281	\$ 74,648,301	\$ 77,893,090	\$ 80,800,466	\$ 83,591,654	\$ 86,461,923
Tax Liens	372,152	248,123	427,398	78,900	203,679	208,954	414,436	281,044	168,307	183,120
Excises	2,514,503	2,702,506	2,587,467	2,829,935	2,918,815	3,253,222	3,319,183	3,366,434	3,419,007	3,832,537
Penalties and Interest	185,509	323,733	389,984	150,149	210,867	213,593	227,064	340,827	168,506	298,942
Licenses and Permits	196,224	183,246	196,664	285,253	215,238	306,958	631,213	933,312	1,308,583	1,188,926
Fees and Other Departmental	473,940	717,439	613,321	686,450	1,042,001	764,232	770,465	545,752	145,430	171,527
Intergovernmental	13,279,181	14,320,167	14,645,294	15,866,576	15,679,896	6,923,374	3,958,516	4,618,220	5,903,038	4,433,985
Charges for Services	3,307,675	2,839,146	2,864,964	2,390,181	2,779,428	1,785,919	1,875,482	2,204,973	3,102,548	3,168,914
Fines and Forfeits	152,218	129,828	110,102	119,031	90,672	135,009	125,975	105,022	113,816	95,275
Earnings on Investments	285,776	252,556	135,015	312,898	376,760	210,015	245,075	254,153	113,819	728,704
In Lieu of Taxes	11,934	11,771	12,441	12,046	15,233	15,316	15,006	42,283	48,451	46,476
Contributions	743,102	697,835	1,268,702	1,138,539	975,828	244,925	210,475	151,216	409,270	295,223
Miscellaneous	138,774	184,693	308,585	162,993	50,000	186,717	30,623	36,446	44,943	103,961
<b>Total Revenues</b>	<b>85,791,836</b>	<b>88,371,633</b>	<b>91,321,499</b>	<b>94,244,915</b>	<b>97,248,698</b>	<b>88,896,535</b>	<b>89,716,603</b>	<b>93,680,148</b>	<b>98,537,372</b>	<b>101,009,513</b>
<b>Expenditures</b>										
General Government	7,363,318	7,138,188	7,305,105	7,756,004	8,287,796	8,321,990	7,803,863	7,590,737	8,552,614	8,374,272
Public Safety	6,278,627	6,822,714	7,461,956	7,712,351	7,721,001	8,289,794	8,951,572	9,230,425	9,070,985	10,412,817
Education	55,439,657	56,382,116	58,309,808	59,294,289	61,865,952	53,013,169	54,096,552	56,544,752	58,820,900	61,285,774
Highways and Public Works	2,474,696	2,369,243	2,273,413	2,638,370	3,095,661	3,564,970	2,890,774	3,876,016	2,947,695	2,794,556
Human Services	1,423,963	1,462,501	1,753,193	2,609,785	2,560,767	2,641,779	3,372,756	3,401,308	3,108,989	3,458,245
Culture and Recreation	1,588,729	1,533,189	1,689,249	1,626,342	2,213,992	1,807,082	1,782,149	1,890,784	2,032,491	1,136,604
Intergovernmental	232,927	221,957	266,187	301,874	336,501	239,728	238,057	249,699	274,919	312,130
Employee Benefits	5,455,257	5,534,807	5,662,223	5,606,493	5,885,558	7,302,774	7,381,406	7,680,340	7,885,737	7,822,616
Capital Outlay	2,871,559	3,623,282	1,214,244	2,498,417	2,827,531	3,393,824	3,403,003	3,551,077	4,400,206	5,123,873
Debt Service										
Principal	1,859,282	2,009,876	2,029,920	1,900,257	2,129,617	2,104,038	2,065,990	2,059,771	2,080,030	1,903,464
Interest	998,511	981,263	911,464	967,482	702,826	604,430	553,739	491,006	426,761	372,964
Debt Issuance	-	-	-	-	127,521	-	-	-	-	-
<b>Total Expenditures</b>	<b>85,986,526</b>	<b>88,079,136</b>	<b>88,876,762</b>	<b>92,911,664</b>	<b>97,754,723</b>	<b>91,283,578</b>	<b>92,539,861</b>	<b>96,565,915</b>	<b>99,601,327</b>	<b>102,997,315</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(194,690)</b>	<b>292,497</b>	<b>2,444,737</b>	<b>1,333,251</b>	<b>(506,025)</b>	<b>(2,387,043)</b>	<b>(2,823,258)</b>	<b>(2,885,767)</b>	<b>(1,063,955)</b>	<b>(1,987,802)</b>
<b>Other Financing Sources (Uses):</b>										
Proceeds from Bonds	1,880,280	-	-	2,093,652	-	-	-	1,854,040	-	-
Premium	-	-	-	-	-	-	-	164,390	-	-
Issuance of Refunding Bonds	-	-	-	-	12,220,000	-	-	-	-	-
Premium from Refunding Bonds	-	-	-	-	768,190	-	-	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	(12,860,669)	-	-	-	-	-
Capital Lease Financing	-	-	-	-	-	-	313,362	-	185,261	-
Transfers In	775,463	1,530,157	1,007,258	440,619	1,127,738	2,226,401	1,591,916	505,549	511,671	680,841
Transfers (Out)	(780,413)	(687,657)	(433,364)	(585,619)	(1,751,398)	(982,912)	(591,916)	(505,549)	(511,671)	(680,841)
<b>Total Other Financing Sources (Uses)</b>	<b>1,875,330</b>	<b>842,500</b>	<b>573,894</b>	<b>1,948,652</b>	<b>(496,139)</b>	<b>1,243,489</b>	<b>1,313,362</b>	<b>2,018,430</b>	<b>185,261</b>	<b>-</b>
<b>Special Items</b>										
Loss on Disposal of School Operations	-	-	-	-	-	(706,850)	-	-	-	-
<b>Total Special Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(706,850)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>\$ 1,680,640</b>	<b>\$ 1,134,997</b>	<b>\$ 3,018,631</b>	<b>\$ 3,281,903</b>	<b>\$ (1,002,164)</b>	<b>\$ (1,850,404)</b>	<b>\$ (1,509,896)</b>	<b>\$ (867,337)</b>	<b>\$ (878,694)</b>	<b>\$ (1,987,802)</b>

**Debt Service as a Percentage of**

Noncapital Expenditures	3.4%	3.5%	3.4%	3.2%	3.0%	3.1%	2.9%	2.7%	2.6%	2.3%
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Notes:

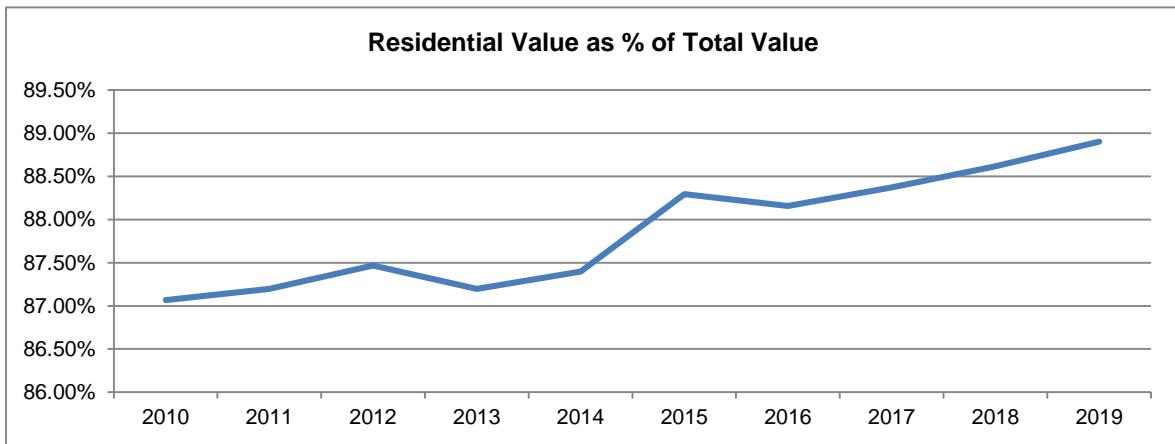
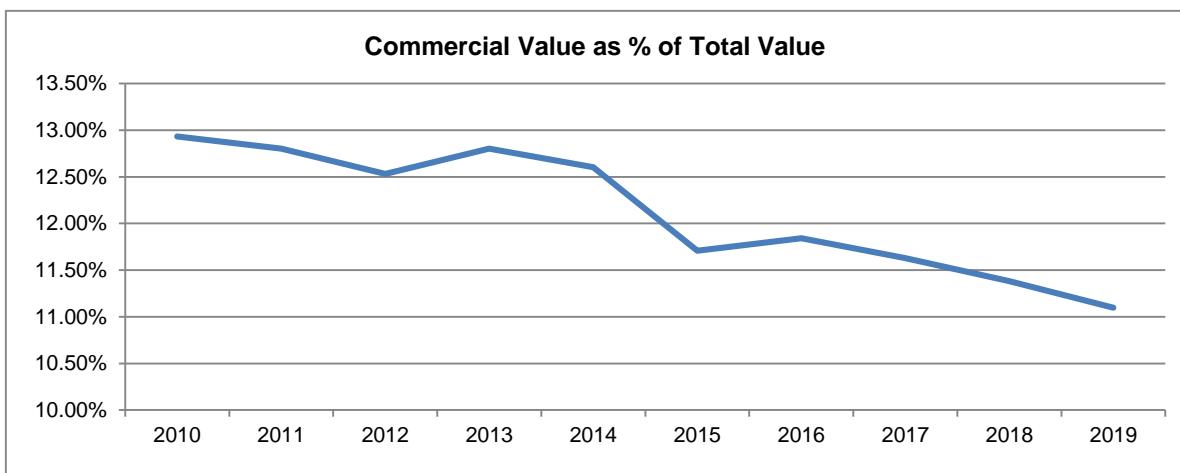
Beginning in fiscal year 2015, there was a transfer of operations of the Acton Public School System, Kindergarten to sixth grade, to the Acton-Boxborough Regional School District. Therefore, certain school related revenues (chapter 70 local aid, school grants and other special revenue funds) and expenditures ( school grants and other special revenue funds) are now revenues and expenditures of the Acton-Boxborough Regional School District. As a result, the fiscal year 2015 Education expenditures and the Education related revenues are substantially less than the prior fiscal year.

Beginning in fiscal year 2016, the Town was no longer in a special funding situation with the Massachusetts Teachers 'Retirement System (MTRS). The special funding situation from fiscal year 2016 forward was between the MTRS and the Acton-Boxborough Regional School District. Therefore, the Town did not report intergovernmental revenue or an Education expense related to a pension expense in a special funding situation in fiscal year 2016. The intergovernmental revenue/education expense reported in fiscal year 2015 was \$2,501,865.

In fiscal year 2015, the Nursing enterprise fund was closed to the general fund. Beginning in fiscal year 2016, the revenues and expenditures related the nursing activities are reported in the general fund. The Nursing expenditures are reported as Human Services and the Nursing revenues are reported as fees and other departmental.

Town of Acton, Massachusetts  
Assessed Value and Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year Ended <u>June 30,</u>	Residential %		Industrial		Personal		Total Commercial Property	Commercial % of Total Value	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	of Total Value	Commercial Property	Industrial Property	Personal Property					
2010	\$3,257,545,318	87.07%	\$321,119,694	\$97,872,285	\$64,884,117	\$483,876,096	12.93%	\$3,741,421,414	\$17.12	
2011	\$3,174,679,623	87.20%	\$309,194,597	\$90,955,570	\$65,944,035	\$466,094,202	12.80%	\$3,640,773,825	\$18.08	
2012	\$3,185,180,125	87.47%	\$299,215,620	\$91,837,570	\$65,316,803	\$456,369,993	12.53%	\$3,641,550,118	\$18.55	
2013	\$3,208,128,927	87.20%	\$312,904,977	\$94,158,445	\$63,924,158	\$470,987,580	12.80%	\$3,679,116,507	\$19.10	
2014	\$3,247,953,628	87.40%	\$305,863,245	\$92,840,385	\$69,608,967	\$468,312,597	12.60%	\$3,716,266,225	\$19.45	
2015	\$3,448,511,074	88.29%	\$303,720,173	\$91,365,090	\$62,157,821	\$457,243,084	11.71%	\$3,905,754,158	\$19.05	
2016	\$3,556,433,998	88.16%	\$316,225,705	\$91,392,100	\$70,131,545	\$477,749,350	11.84%	\$4,034,183,348	\$19.23	
2017	\$3,738,480,702	88.37%	\$321,116,548	\$91,159,455	\$79,697,808	\$491,973,811	11.63%	\$4,230,454,513	\$19.06	
2018	\$3,817,851,405	88.62%	\$315,596,342	\$90,811,000	\$83,929,260	\$490,336,602	11.38%	\$4,308,188,007	\$19.38	
2019	\$3,957,544,127	88.90%	\$325,522,106	\$91,685,100	\$76,750,242	\$493,957,448	11.10%	\$4,451,501,575	\$19.37	



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 of the Town. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls (new growth) 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.

Data Source:  
Board of Assessors & Town's tax recapitulation sheets

Town of Acton, Massachusetts  
Principal Property Taxpayers  
Current Year and Nine Years Ago

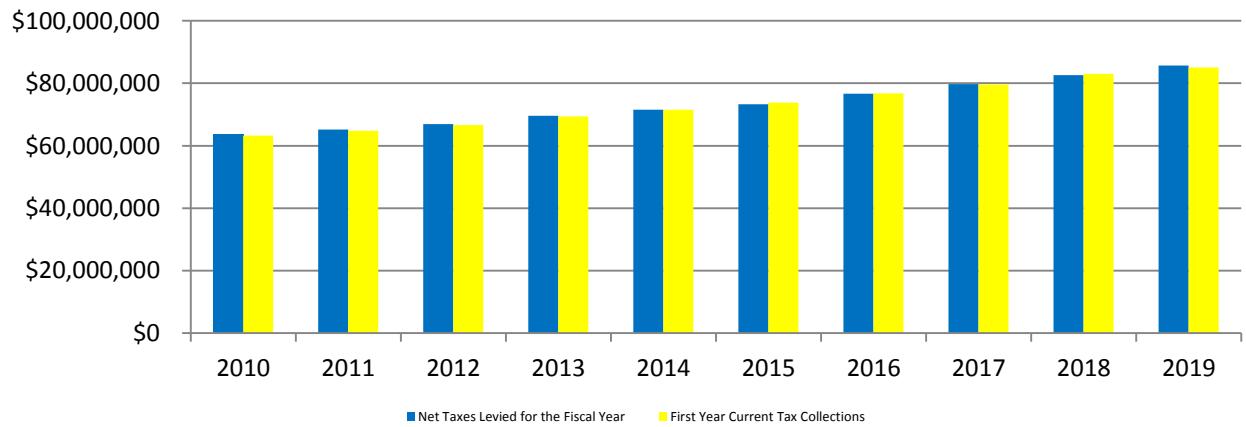
<u>Name</u>	<u>Nature of Business</u>	2019					2010				
		Percentage of Total Taxable				<u>Name</u>	<u>Nature of Business</u>	Percentage of Total Taxable			
		Assessed Valuation	Amount of Tax	Assessed Value	Rank			Assessed Valuation	Amount of Tax	Assessed Value	Rank
Avalon Acton Inc.	Rental Housing	\$ 42,413,000	\$ 821,540	0.94%	1	Avalon Acton Inc.	Rental Housing	\$ 34,230,200	\$ 586,021	0.93%	1
NSTAR Services (Eversource)	Utility	\$ 25,256,543	\$ 489,219	0.56%	2	Koll Bren LLP	Realty Investment	\$ 27,372,600	\$ 468,619	0.74%	2
Haartz Auto Fabric Co.	Manufacturer	\$ 20,152,500	\$ 390,354	0.45%	3	Verizon New England, Inc.	Telecommunications	\$ 22,210,000	\$ 380,235	0.60%	3
National Grid	Utility	\$ 13,997,891	\$ 271,139	0.31%	4	NSTAR Services	Utility	\$ 20,498,932	\$ 350,942	0.56%	4
E&A Northeast Ltd. Prtn.	Realty Investment	\$ 13,843,400	\$ 268,147	0.31%	5	Haartz Auto Fabric Co.	Manufacturer	\$ 19,085,800	\$ 326,749	0.52%	5
Powder Mill Powder LLC	Realty Investment	\$ 12,935,500	\$ 250,561	0.29%	6	LB February 2005 Nagog LLC	Realty Investment	\$ 12,896,400	\$ 220,786	0.35%	6
145 Great Rd LLC	Realty Investment	\$ 12,766,700	\$ 247,291	0.28%	7	E&A Northeast Ltd. Prtn.	Realty Investment	\$ 12,285,200	\$ 210,323	0.33%	7
31-43 Nagog Park LLC	Office/R&D	\$ 11,866,100	\$ 229,846	0.26%	8	TIAA Reality Inc.	Realty Investment	\$ 11,700,400	\$ 200,311	0.32%	8
Verizon New England, Inc.	Telecommunications	\$ 11,509,500	\$ 222,939	0.25%	9	Atlantic Acton Realty Trust	Realty Investment	\$ 9,978,400	\$ 170,830	0.27%	9
Nagog Knoll LLC	Retail/office	\$ 10,877,100	\$ 210,689	0.24%	10	Seachange International Inc.	Manufacturer	\$ 9,072,700	\$ 155,325	0.25%	10
		<u>\$ 175,618,234</u>	<u>\$ 3,401,725</u>	<u>3.88%</u>				<u>\$ 179,330,632</u>	<u>\$ 3,070,141</u>	<u>4.88%</u>	

Data Source:  
Board of Assessors

Town of Acton, Massachusetts  
 Property Tax Levies and Collections  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Less & Exemptions Provided		Taxes Levied for the Fiscal Year	First Year Current Tax Collections	Percentage of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percentage of Net Levy
		Net	(1) & (2)						
2010	\$64,053,135	(\$558,253)	\$63,494,882	\$63,223,631	99.57%	\$51,047	\$63,274,678	99.65%	
2011	\$65,825,191	(\$612,708)	\$65,212,483	\$64,819,703	99.40%	\$292,980	\$65,112,683	99.85%	
2012	\$67,550,755	(\$615,641)	\$66,935,114	\$66,629,784	99.54%	\$293,782	\$66,923,566	99.98%	
2013	\$70,271,125	(\$655,946)	\$69,615,179	\$69,362,198	99.64%	\$298,966	\$69,661,164	100.07%	
2014	\$72,281,378	(\$745,041)	\$71,536,337	\$71,589,738	100.07%	\$342,926	\$71,932,664	100.55%	
2015	\$74,404,617	(\$1,084,723)	\$73,319,894	\$73,813,295	100.67%	\$183,643	\$73,996,938	100.92%	
2016	\$77,577,346	(\$942,864)	\$76,634,482	\$76,771,612	100.18%	\$249,824	\$77,021,436	100.50%	
2017	\$80,632,463	(\$865,816)	\$79,766,647	\$79,598,879	99.79%	\$242,038	\$79,840,917	100.09%	
2018	\$83,492,684	(\$879,708)	\$82,612,976	\$82,984,950	100.45%	\$52,724	\$83,037,674	100.51%	
2019	\$86,225,586	(\$500,673)	\$85,724,913	\$85,058,652	99.22%	\$0	\$85,058,652	99.22%	

**Property Tax Levies vs. First Year Collections  
Last Ten Fiscal Years**



Data Source:

- (1) Tax recapitulation sheets
- (2) Massachusetts Division of Local Services website
- (3) Town's accounting system
- (4) If the actual abatements and exemptions issued are less than estimated, the Percentage of Net Levy can exceed 100%

Town of Acton, Massachusetts  
 Ratios of Outstanding Debt by Type and General Bonded Debt  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	(1) Population	(2)		(3) Assessed Valuation	Governmental Activities Debt					
		Personal Income			General Obligation		Per Capita	Percentage of Personal Income	Percentage of Assessed Value	
		Bonds	Leases							
2010	21,918	\$ 1,216,704,000	\$ 3,741,421,414	\$ 25,199,706	\$ -	\$ 1,150	2.07%	0.67%		
2011	22,071	\$ 1,245,096,000	\$ 3,640,773,825	\$ 23,189,830	\$ -	\$ 1,051	1.86%	0.64%		
2012	21,649	\$ 1,263,772,440	\$ 3,641,550,118	\$ 21,159,910	\$ -	\$ 977	1.67%	0.58%		
2013	21,564	\$ 1,282,729,027	\$ 3,679,116,507	\$ 21,353,305	\$ -	\$ 990	1.66%	0.58%		
2014	21,256	\$ 1,301,969,962	\$ 3,716,266,225	\$ 19,471,474	\$ -	\$ 916	1.50%	0.52%		
2015	21,366	\$ 1,182,757,662	\$ 3,905,754,158	\$ 17,249,750	\$ 87,685	\$ 811	1.47%	0.44%		
2016	22,031	\$ 1,219,570,067	\$ 4,034,183,348	\$ 15,063,024	\$ 263,706	\$ 696	1.26%	0.38%		
2017	21,445	\$ 1,326,351,805	\$ 4,230,454,513	\$ 14,898,290	\$ 166,974	\$ 703	1.14%	0.36%		
2018	21,581	\$ 1,286,529,734	\$ 4,308,188,007	\$ 12,551,086	\$ 212,962	\$ 591	0.99%	0.30%		
2019	21,463	\$ 1,266,574,556	\$ 4,451,501,575	\$ 10,380,450	\$ 145,204	\$ 490	0.83%	0.24%		

Fiscal Year Ended June 30,	Business-type Activities Debt			Total Primary Government					
	Sewer Fund	Sewer Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income		Percentage of Assessed Value		
2010	\$ 19,757,123	\$ -	\$ 44,956,829	\$ 2,051	3.69%	1.20%			
2011	\$ 19,047,400	\$ -	\$ 42,237,230	\$ 1,914	3.39%	1.16%			
2012	\$ 18,312,800	\$ -	\$ 39,472,710	\$ 1,823	3.12%	1.08%			
2013	\$ 17,586,000	\$ -	\$ 38,939,305	\$ 1,806	3.04%	1.06%			
2014	\$ 16,804,000	\$ -	\$ 36,275,474	\$ 1,707	2.79%	0.98%			
2015	\$ 16,000,200	\$ 72,141	\$ 33,409,776	\$ 1,564	2.82%	0.86%			
2016	\$ 15,164,400	\$ 48,738	\$ 30,539,868	\$ 1,386	2.50%	0.76%			
2017	\$ 14,301,600	\$ 24,586	\$ 29,391,450	\$ 1,371	2.22%	0.69%			
2018	\$ 13,411,800	\$ -	\$ 26,175,848	\$ 1,213	2.03%	0.61%			
2019	\$ 12,490,000	\$ -	\$ 23,015,654	\$ 1,072	1.82%	0.52%			

Data Source:

- (1) from Town Clerk
- (2) U. S. Census
- (3) Board of Assessors - Tax Recap Sheets

Town of Acton, Massachusetts  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2019

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>			
Acton Boxborough Regional School District	\$ 10,020,000	89.64%	<u>\$ 8,981,928</u>
Lease Obligations			145,204
General Government Debt			<u>10,380,450</u>
			<u>10,525,654</u>
<b>Total Direct and Overlapping Debt</b>			<b><u>\$ 19,507,582</u></b>

**Data Source:**

Acton Boxborough Regional School District - based on regional school agreement

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Town of Acton, Massachusetts. 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.

Town of Acton, Massachusetts  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 (Amounts in Thousands)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Equalized Valuation (1)	\$ 3,988,811	\$ 3,988,811	\$ 3,858,860	\$ 3,858,860	\$ 3,865,006	\$ 3,865,006	\$ 4,306,413	\$ 4,306,413	\$ 4,597,929	\$ 4,597,929
Debt Limit - 5% Equalized Valuation	199,441	199,441	192,943	192,943	193,250	193,250	215,321	215,321	229,896	229,896
Less:										
Outstanding Debt Applicable to Limit (2)	(29,267)	(27,487)	(25,708)	(26,194)	(24,152)	(22,382)	(20,615)	(20,700)	(18,800)	(17,049)
Authorized and Unissued Debt (2)	(2,265)	(2,265)	(4,317)	(1,499)	(1,345)	(1,345)	(1,345)	(1,547)	(3,499)	(4,930)
Total Debt Applicable to Limitation	<u>(31,532)</u>	<u>(29,752)</u>	<u>(30,025)</u>	<u>(27,693)</u>	<u>(25,497)</u>	<u>(23,727)</u>	<u>(21,960)</u>	<u>(22,247)</u>	<u>(22,299)</u>	<u>(21,979)</u>
Legal Debt Margin	\$ 167,909	\$ 169,689	\$ 162,918	\$ 165,250	\$ 167,753	\$ 169,523	\$ 193,361	\$ 193,074	\$ 207,597	\$ 207,917
Total Debt Applicable to the Limit as a Percentage of Debt Limit	15.81%	14.92%	15.56%	14.35%	13.19%	12.28%	10.20%	10.33%	9.70%	9.56%

Data Source:

(1) MA Division of Local Services (DataBank)

(2) Town's Finance Department

Town of Acton, Massachusetts  
 Demographic and Economic Statistics  
 Last Ten Fiscal Years

Year	Population	(2)		Capita Personal Income	Median Age	School Enrollment	(3)	
		Personal Income	Per Capita Personal Income				Unemployment Rate	
2010	21,918	\$ 1,216,704,000	\$ 55,512	41.90	5,075	5,075		5.90%
2011	22,071	\$ 1,245,096,000	\$ 56,413	40.80	5,051	5,051		5.50%
2012	21,649	\$ 1,263,772,440	\$ 58,376	40.80	4,968	4,968		4.30%
2013	21,564	\$ 1,282,729,027	\$ 59,485	40.80	4,928	4,928		4.50%
2014	21,256	\$ 1,301,969,962	\$ 61,252	40.80	4,822	4,822		3.90%
2015	21,366	\$ 1,182,757,662	\$ 55,357	40.80	4,779	4,779		3.20%
2016	22,031	\$ 1,219,570,067	\$ 55,357	41.90	4,676	4,676		2.80%
2017	21,445	\$ 1,326,351,805	\$ 61,849	43.10	4,854	4,854		2.90%
2018	21,581	\$ 1,286,529,734	\$ 59,614	43.40	4,849	4,849		3.00%
2019	21,463	\$ 1,266,574,556	\$ 59,012	43.60	4,799	4,799		2.40%

Data Source:

(1) Town Clerk

(2) Massachusetts Division of Local Services databank website and US census data and the Massachusetts Executive Office of Labor and Workforce

(3) IRS website, SOI statistic study & US Census data; Current median age based on most recent census data

(4) Massachusetts Department of Elementary and Secondary Education website and Acton Boxborough Regional School District

Town of Acton, Massachusetts  
Principal Employers  
Current Year and Nine Years Ago

2019				2010					
<u>Employers</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Town Employment</u>	<u>Employers</u>	<u>Nature of Business</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Town Employment</u>
Acton Boxborough Regional School (2)	Municipal School District	928	1	7.08%	Town of Acton (3)	Municipality	516	1	4.78%
Haartz Inc.	Manufacturing	385	2	2.94%	Haartz Inc.	Manufacturing	282	2	2.61%
Acton Medical	Health Care Services	250	3	1.91%	Roche Bros. Inc.	Retail Trade	260	3	2.41%
Town of Acton (3)	Municipality	215	4	1.64%	Acton Boxborough Regional School (2)	Municipal School District	218	4	2.02%
Lifecare Center of Acton	Nursing and Rehabilitation Services	175	5	1.34%	Acton Medical	Health Care Services	190	5	1.76%
Roche Bros. Inc.	Retail Trade	160	6	1.22%	Lifecare Center of Acton	Nursing and Rehabilitation Service	160	6	1.48%
Idylwilde Farm	Agricultural/Retail	120	7	0.92%	Idylwilde Farm	Agricultural/Retail	110	7	1.02%
Donelan's Market	Grocery	100	8	0.76%	Stop & Shop	Grocery	100	8	0.93%
Stop & Shop	Grocery	100	9	0.76%	Honeywell/Data Instruments	Manufacturing	67	9	0.62%
Honeywell/Data Instruments	Manufacturing	90	10	0.69%	L. M. I. Inc.	Manufacturing	57	10	0.53%
Total		<u>1,595</u>		Total			<u>1,444</u>		
Total Employment for the Town of Acton (1)		<u>13,101</u>					<u>10,803</u>		

Data Source:  
Official Statements

- (1) MA Division of Local Services DataBank and The Massachusetts Executive Office of Labor and Workforce Development (EOLWD)  
 (2) School Employees from Acton Boxborough Regional School District and Department of Elementary and Secondary Education website  
 (3) In fiscal year 2015, the Town's school system was regionalized. As a result, all Town of Acton's school employees became employees of the Acton-Boxborough Regional School District.

Town of Acton, Massachusetts  
 Full Time Equivalent Employees by Function  
 Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	38.95	37.95	39.34	39.34	40.43	28.36	28.15	43.10	47.85	49.40
Public Safety	91.98	92.18	92.18	91.78	97.18	97.40	97.40	101.18	101.28	101.28
Public Works	21.00	21.00	21.75	21.75	21.25	31.82	32.55	22.70	21.59	20.82
Education (1)	316.50	316.40	327.00	339.30	331.30	0.00	0.00	0.00	0.00	0.00
Human Services	21.02	21.70	23.34	23.61	23.86	16.90	16.71	21.29	20.58	20.78
Culture and Recreation	18.22	18.56	18.96	18.67	18.90	29.97	30.34	19.23	19.03	18.79
Nursing	7.75	7.23	6.48	6.25	6.28	5.97	5.97	6.28	6.28	6.27
Sewer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.20	0.80	1.20
Total	516.41	516.01	530.04	541.69	540.19	211.42	212.11	214.98	217.41	218.54

Data Source:

Town - Budget Documents

School - Department of Secondary and Elementary Education website and from the Acton Boxborough School District

- (1) In fiscal year 2015, the Town's school system was regionalized. As a result, all Town of Acton's school employees became employees of the Acton-Boxborough Regional School District.

Town of Acton, Massachusetts  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Finance										
Registered Voters	13,808	12,377	14,388	14,237	13,926	13,297	15,490	14,984	15,387	15,577
Taxable Property Parcels Assessed	8,604	8,701	8,719	8,745	8,834	9,067	9,136	9,131	9,174	9,257
Public Safety										
Police										
Physical Arrests	227	195	144	160	160	162	186	173	157	104
Traffic Violations	1,874	1,355	1,104	1,287	1,466	2,294	2,290	2,495	5,791	5,191
Fire and Rescue										
Emergency Responses	4,517	4,823	4,834	4,834	4,068	4,564	4,948	4,818	3,062	3,156
Fires Extinguished	93	87	90	71	35	39	51	38	26	49
Number of Inspections Conducted	720	729	722	944	772	755	960	826	940	901
Emergency Medical Responses	1,535	1,592	1,439	1,539	1,279	1,402	1,552	1,560	1,904	1,819
Building Inspection										
Building Permits	685	896	1,040	980	1,194	1,447	1,368	1,155	1,200	1,357
Estimated Construction Value (in Thousands)	24,824	33,345	39,005	40,228	51,262	36,730	35,706	34,003	92,051	62,652
Highways and Public Works										
Public Works										
Street Resurfacing (miles)	1	2	3	3	3	7	5	6	4	9
Salt Used (tons)	3,143	3,579	1,561	5,583	4,724	3,441	2,609	3,640	4,600	3,612
Sanitation										
Refuse Collected (tons)	3,784	3,672	3,640	3,513	3,535	3,408	2,411	2,163	2,232	2,236
Recycling (tons)	1,901	1,699	1,641	2,314	3,267	1,562	2,390	3,101	3,881	3,740
Sewage System										
Average Daily Sewage Treatment (Thousands of Gallons)	139,149	134,760	145,045	138,535	145,208	132,060	125,115	132,775	137,287	140,610
Number of House Connections	573	585	604	620	636	648	658	672	688	723
Human Services										
Senior Center										
Number of 60+ Residents per Town Census	3,717	3,938	4,060	4,210	4,344	4,489	4,815	4,870	5,046	5,150
Number of Elders Served	1,123	1,149	1,226	1,167	1,175	1,191	1,237	1,262	1,377	1,520
Number of Non-Seniors Served	210	112	94	61	21	29	49	51	46	52
Nursing Services										
Home Visits:										
Registered Nurse	1,714	1,623	1,489	1,673	1,207	1,258	1,887	1,582	1,012	1,031
Home Health Aide	1,545	2,190	1,983	2,073	1,586	1,547	1,621	806	1,306	1,215
Physical Therapy	1,360	1,158	1,192	1,194	534	481	581	537	497	755
Occupational Therapy	73	70	70	123	28	131	207	134	51	70
Speech Therapy	1	2	1	35	N/A	N/A	5	N/A	N/A	N/A
Medical Social Work	1	5	N/A							
Total Home Visits	4,694	5,048	4,735	5,098	3,355	3,417	4,300	3,059	-	3,071
Health Promotion Activities:										
TB Testing	31	26	15	6	N/A	15	8	8	15	10
Blood Pressure Checks	776	402	595	806	798	718	355	781	404	620
Podiatry Clinic	381	381	255	285	289	182	180	188	216	235
Influenza Vaccinations	1,540	1,326	845	1,690	1,006	618	1,200	1,405	956	1,099
Other Vaccinations	124	23	17	27	17	24	35	66	10	52
Culture and Recreation										
Public Library										
Volumes in Collections	167,872	166,734	179,188	192,073	191,500	200,573	244,952	263,927	280,170	243,200
Total Volumes Borrowed	686,737	679,790	658,938	634,492	580,323	562,385	559,544	539,528	497,760	535,186

Data Source:

Various Town Departments

N/A - Information not available

Town of Acton, Massachusetts  
 Capital Asset Statistics by Function/Program  
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Number of Buildings	17	17	17	15	15	15	17	17	17	17
Public Safety										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	5	5	5	5	5	5	6	6	6	13
Animal Control Facilities	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Trucks	12	12	12	12	12	12	12	12	12	7
Number of Ambulances	2	2	2	2	2	2	2	2	2	2
Education										
Number of Elementary Schools	4	4	4	4	4	0	0	0	0	0
Highway and Public Works										
Public Works										
Miles of Streets	107.5	108.3	108.3	108.4	108.4	108.4	108.4	108.4	108.4	114.64
Miles of Highways	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.7
Number of Cemeteries	2	2	2	2	2	2	2	3	3	3
Number of Snow Plows	13	13	13	13	13	13	13	20	20	39
Human Services										
Council on Aging - Senior Center	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Land (Acreage)	30.25	30.25	32.25	32.25	32.25	32.25	32.25	32.25	32.25	32.25
Number of Playgrounds	6	6	6	5	6	6	6	7	7	7
Number of Ball fields	10	10	12	12	12	12	12	12	12	11
Number of Tennis Courts	2	2	2	2	2	2	2	2	2	2
Number of Public Beaches/Pools	1	1	1	1	1	1	1	1	1	1
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Sanitation										
Landfill (Acreage)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Sewer										
Miles of Sanitary Sewers	10.21	10.21	10.21	10.21	10.21	10.21	10.21	10.21	10.21	10.21
	1	1	1	1	1	1	1	1	1	1

Data Source:  
 Finance Department

(1) In fiscal year 2015, the Town fully regionalized the school system. All of the school buildings were transferred to the Acton-Boxborough Regional School District.