# Town of Acton,

MASSACHUSETTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT


**For the Year Ended June 30, 2020**

John Mangiaratti, Town Manager
Stephen Barrett, Finance Director

Prepared by the Town of Acton Finance Department

**On the Cover –** Town Hall on a Winters Day February 2021

# TOWN OF ACTON, MASSACHUSETTS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended
June 30, 2020

**Prepared by:**

**Finance Department**

# TOWN OF ACTON, MASSACHUSETTS

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

# JUNE 30, 2020

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# *Introductory Section*


Town being Awarded $150,000 NARA Park Sports Pavilion Project

From Left to Right: Jon Benson, Board of Selectmen, Joan Gardner, Board of Selectmen, Lauren Richardt, Miracle League of MA, Andy Richardt, Miracle league of MA, Tami Gouveia, MA State Representative, Jamie Eldridge, MA State Senator, Dan Sena, MA State Representative, David Martin, Board of Selectmen, Jim Snyder Grant, Board of Selectmen, John Mangiaratti, Town Manager

# *Introductory Section*

Town of Acton
472 Main Street
Acton, MA 01720

(978) 929-6624 Telephone

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

**Letter of Transmittal**

February 19, 2021

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 conformity 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 the Comprehensive Annual Financial Report (CAFR) of the Town of Acton, Massachusetts, for the fiscal year ending June 30, 2020 for your review.

COVID-19 has impacted our Town and our citizens. There are many ways that a global pandemic can affect financial reporting, and the unique nature of governmental organizations (which are intertwined with most facets of our local and regional communities) can further compound and complicate the impacts.

For the year ended June 30, 2020, our main benchmark of financial support, the Town's property tax collection rate, remained stable at 99%. This revenue source represents 92% of total general fund revenues. Our remaining 7% of total general fund revenues (State Aid and Local Receipts) for fiscal year 2020 performed at or near budgeted levels despite the economic slowdown that started in the last quarter of our fiscal year.

Future areas of concern moving forward – Local Receipts

Investment income revenue estimates will come down as interest rates have fallen sharply. Although this is a concern, total estimated investment income projected in the future is slightly over $100,000.

Meals tax revenue estimates have come down slightly as consumer demand has been curtailed with COVID-19 restrictions in place. Although this is a concern, total estimated income projected in the future of $280,000 is only 9% lower than FY2020 actual income.

Permit/Fee revenue estimates may be impacted, although there are several housing projects approved and in process which may mitigate a potential slowdown in this area.

This CAFR consists of management's representations concerning the finances of the Town of Acton. Consequently, management assumes full responsibility for the completeness and reliability of all 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 Powers & Sullivan, LLC 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 year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Acton's financial statements for the year ended June 30, 2020 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.

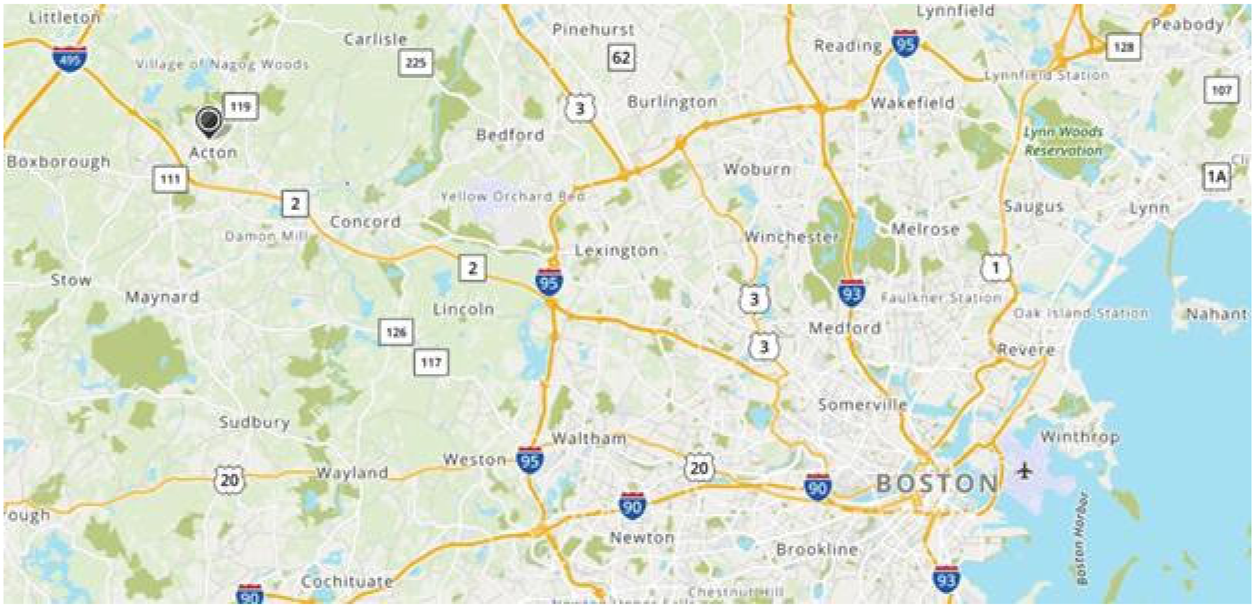
In previous years, the independent audit of the financial statements of the Town of Acton was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. Since regionalization in 2015, the Town has not been subject to a single audit. The standards 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 Auditor's 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 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town'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 21 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 22,162. 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 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 of 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 869 private businesses within its boundaries that employ approximately 8,121 employees. Businesses within the borders of Acton provide an estimated $837,987,000 in annual wages. Service industries comprise the vast majorities 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 ($141,665) is considerably higher than the average in Massachusetts ($82,215). 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 year to its highest value ever. The Building Department issued 1,400 building permits in the fiscal year 2020 worth an estimate construction value of over $127 million.  This includes $83 million for a new Elementary School.

The Town adopted the Community Preservation Act, in 2002 which allows for 1.5% surcharge on real estate tax bills and a Commonwealth of Massachusetts match. Since its passage, the Town has collected approximately $12 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 1.5% surcharge, in era of economic uncertainty, shows that the citizens remain committed to the viability of the program.

Quarterly tax billings and excellent tax 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, the property tax and intergovernmental revenues comprised the vast majority of governmental fund revenues. In fiscal year 2020, property taxes were 85.6% of the revenues. In the previous nine fiscal years, property taxes have presented between 74.2% and 86.8% of the governmental fund revenues. Intergovernmental revenues have fluctuated between 4.4% and 16.8% of the 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 of 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 four fiscal years, the contributions in excess of the actuarially determined contribution have been $55,750 (fiscal year 2020), $217,767 (fiscal year 2019), $617,277 (fiscal year 2018) and $528,512 (fiscal year 2017).  In fiscal year 2020, the Town continued to contribute to the OPEB Trust Fund ($633,742). The Town's OPEB trust fund has a balance of $5,968,797 at June 30, 2020. 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, 24.47% at June 30, 2019 and 27.07% at June 30, 2020. The aggressive funding and the earnings on investments on the OPEB Trust Fund caused a small current year decrease in the net OPEB liability ($35,311).

**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 year 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%. This does not include the $14,795,000 Bond Issue scheduled for a March 1, 2021 market offering.

The Town has been able to accomplish all of 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 staff development
- Investing in technology to ensure efficient operations
- Investing in infrastructure

Recent highlights or awards in the Town include:

- Massachusetts Department of Transportation committed to funding the remaining design work for Kelley's Corner Infrastructure as part of a $15 million investment;
- Successful passage of debt exclusion vote(s) for a New Elementary School, the North Acton Fire Station project as well as the Minuteman Vocational Technical High School Building project;
- Received a CARES Act funding allocation of $2.1 million;
- FEMA Disaster Assistance Grant was approved;
- Established a COVID-19 Town operated hotline;
- Installed a second electric vehicle (EV) charging station at Town Hall;
- State grant earmarks of $350,000 were received for Asa Parlin House rehabilitation, Miracle Field Sports Pavilion Facility improvements and transportation services;
- Received a Green Communities grant of $139,000;
- Received a DOT Dispatch services grant of $80,000;
- Received a Municipal Vulnerability Preparedness grant of $112,000 for River Street Dam;
- Received various police and dispatch grants totaling over $230,000;
- Received a MAPC grant of $45,000 for Powder Mill Road Corridor study

**Awards and Acknowledgements:** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. This was the sixth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the 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.

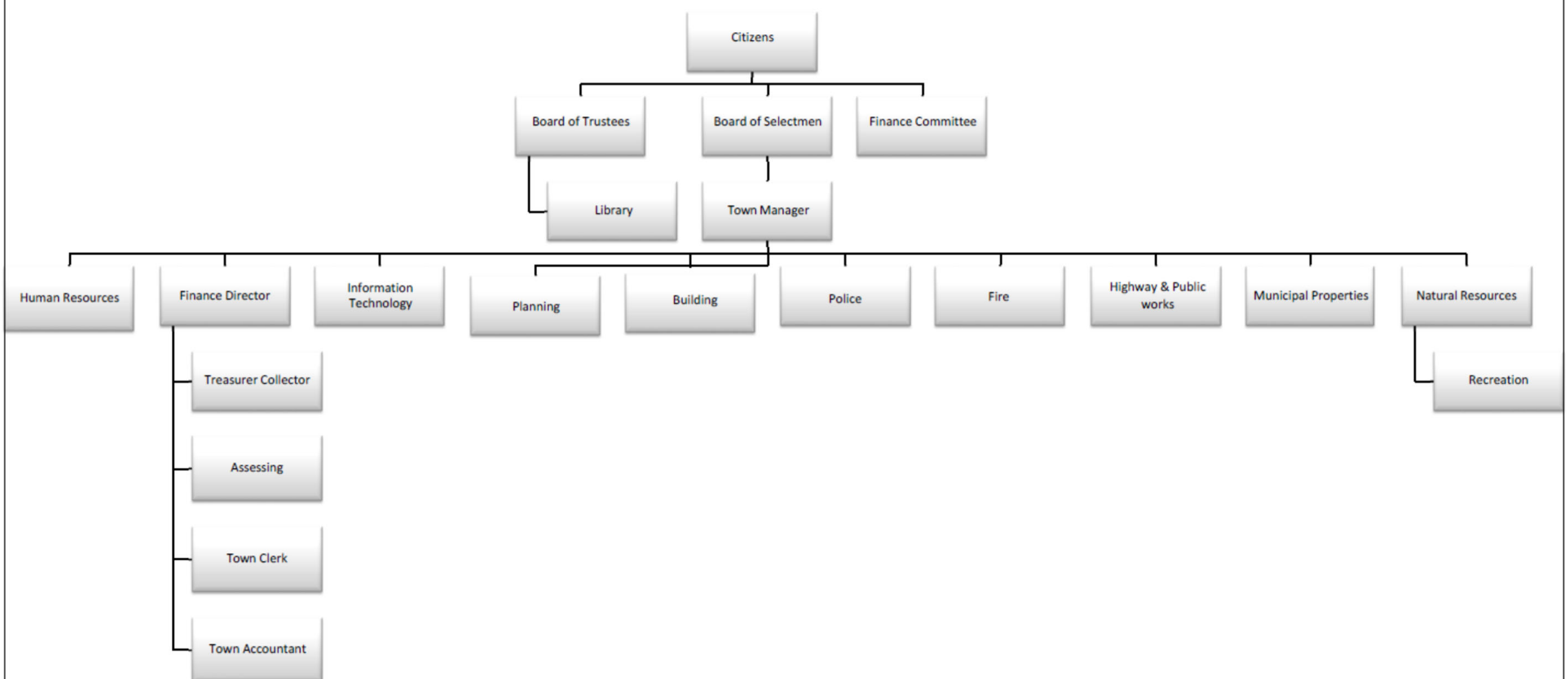
The publication of this CAFR represents an important achievement by the Town of Acton to provide enhanced financial information to its citizens, elected and appointed officials and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. Special thanks also go to the public accounting firm of Powers & Sullivan, LLC 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



# Principal Town Officials – As of June 30, 2020

| Office | Name | Manner of Selection and Term | Term Expires |
|---|---|---|---|
| Selectmen | Jon Benson, Chair | Elected/3 Years | 2021 |
| | Dean Charter, Vice Chair | Elected/3 Years | 2022 |
| | David Martin | Elected/3 Years | 2022 |
| | Joan Gardner | Elected/3 Years | 2023 |
| | Jim Synder-Grant | Elected/3 Years | 2023 |
| Town Manager | John S. Mangiaratti | Appointed/3 Years | 2022 |
| Treasurer/Tax Collector | Stephen G. Barrett | Appointed | Indefinite |
| Finance Director | Stephen G. Barrett | Appointed | Indefinite |
| Town Accountant | Lisa A. Wojick | Appointed/3 Years | 2021 |
| Town Clerk | Eva K. Szkaradek | Appointed/3 Years | 2023 |
| Town Counsel | Anderson & Kreiger | Appointed | Annually |

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, 2019

Christopher P. Morrill

Executive Director/CEO

# *Financial Section*


North Acton Fire Station Groundbreaking October 2020

# *Financial Section*

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Powers & Sullivan, LLC
Certified Public Accountants

100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

**Independent Auditor's Report**

To the Honorable Board of Selectmen
Town of Acton, Massachusetts

**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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. The financial statements of the Town of Acton, Massachusetts, as of June 30, 2019, were audited by other auditors whose report dated January 20, 2020, expressed an unmodified opinion on those statements. 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 discreetly presented component unit, each major fund, and the aggregate remaining fund information of the Town of Acton, Massachusetts, as of June 30, 2020, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Financial Statements for the Year Ended June 30, 2019*

As part of our audit of the 2020 financial statements, we also audited the adjustment described in NOTE 18 that was to restate the 2019 financial statements. In our opinion, the adjustment is appropriate and has been properly applied. We were not engaged to audit, review, or apply any procedures to the 2019 financial statements of the Town of Acton, Massachusetts, other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2019 comprehensive annual financial report as a whole.

*Required Supplementary Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Acton, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements, and 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 statements, as listed in the table of contents, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements 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 February 19, 2021, 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.

Powers & Sullivan, LLC

February 19, 2021

# *Management's Discussion and Analysis*

# *Management's Discussion and Analysis*

As management of the Town of Acton, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2020. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

**Financial Highlights**

- At the close of the current year, the Town's general fund reported an ending fund balance of $11.3 million which represents 11.8% of total general fund expenditures.
- For the government-wide financial statements, assets and deferred outflows exceeded liabilities and deferred inflows of resources at the close of the most recent year by $94.7 million (net position).
- The net pension liability increased by $3.5 million. This increase can be attributed to the change in the discount rate from 7.5% to 7.3%
- The total gross debt (short-term and long-term combined) increased by $6.1 million during the current year. This was due to the net effect of $7.7 million in principal payments on outstanding debt, and the issuance of an additional $13.6 million of debt.
- The Town contributed an additional $ 634,000 to the OPEB trust fund in 2020 and at year-end the trust fund had a net position of $6.0 million. Currently, the Town's OPEB trust is 27.07% of the total OPEB liability.

## *Overview of the Financial Statements*

This discussion and analysis are intended to serve as an introduction to the Town of Acton's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as *net position.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities).* The governmental activities include general government, public safety, education, highways and public works, health and human services, culture and recreation, community preservation, COVID-19, and interest. The business-type activities include the activities of sanitation and sewer services.

The government-wide financial statements include not only the Town of Acton itself (known as the *primary government*), but also a legally separate entity the Acton Community Housing Trust for which the Town of Acton is financially accountable. Financial information for this *component unit* is reported separately within the government wide financial statements.

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

***Governmental funds.*** The focus of the Town of Acton's 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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

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

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

***Proprietary funds.*** The Town maintains one type of proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sanitation and sewer activities.

***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 statement because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains three different types of fiduciary funds. The Other Postemployment Benefits Trust Fund is used to report resources held in trust for healthcare benefits for retirees and beneficiaries. The Private Purpose Trust Funds are used to report the Town's bequests. The Town's Agency Funds are used primarily to account for escrow deposits and amounts due to Acton Housing Corporation.

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

***Government-wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by $94.7 million at the close of 2020, which was a decrease of $355,000 from the prior year.

Net position of $116.3 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, $15.1 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* has a year-end deficit of $36.8 million. The primary reason for this deficit balance is the recognition of the Pension and OPEB liabilities.

At year-end, the Town is able to report positive balances in two of three categories of net position, for the Town as a whole and for its governmental activities. Its business-type activities report positive balances in both categories.

***Governmental Activities***

The Town of Acton's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $77.5 million at the close of 2020, which was an increase of $475,000 from the prior year.

| | 2020 | (As Restated) 2019 |
|---|---|---|
| **Assets:** | | |
| Current assets | $ 44,532,574 | $ 34,327,712 |
| Noncurrent assets (excluding capital) | 1,845,344 | 3,525,199 |
| Capital assets, non depreciable | 73,428,765 | 72,393,667 |
| Capital assets, net of accumulated depreciation | 50,038,453 | 50,473,108 |
| **Total assets** | **169,845,136** | **160,719,686** |
| **Deferred outflows of resources** | **7,204,874** | **8,595,833** |
| **Liabilities:** | | |
| Current liabilities (excluding debt) | 1,894,382 | 3,451,294 |
| Noncurrent liabilities (excluding debt) | 72,678,499 | 71,392,432 |
| Current debt | 15,891,580 | 6,801,308 |
| Noncurrent debt | 5,842,250 | 8,177,972 |
| **Total liabilities** | **96,306,711** | **89,823,006** |
| **Deferred inflows of resources** | **3,222,197** | **2,446,085** |
| **Net position:** | | |
| Net investment in capital assets | 114,437,140 | 115,720,787 |
| Restricted | 15,078,391 | 15,879,435 |
| Unrestricted | (51,994,429) | (54,553,794) |
| **Total net position** | $ **77,521,102** | $ **77,046,428** |

| | 2020 | (As Restated) 2019 |
|---|---|---|
| **Program Revenues:** | | |
| Charges for services | $ 4,289,686 | $ 4,588,362 |
| Operating grants and contributions | 1,824,020 | 1,723,559 |
| Capital grants and contributions | 881,842 | 549,391 |
| **General Revenues:** | | |
| Real estate and personal property taxes, net of tax refunds payable | 88,599,076 | 85,403,809 |
| Tax and other liens | 56,465 | 181,549 |
| Motor vehicle and other excise taxes | 3,824,056 | 3,882,329 |
| Community preservation tax | 1,392,351 | 1,031,924 |
| Penalties and interest on taxes | 187,070 | 341,694 |
| Payments in lieu of taxes | 42,083 | 46,477 |
| Grants and contributions not restricted to specific programs | 1,623,565 | 1,523,926 |
| Unrestricted investment income | 311,576 | 304,460 |
| Miscellaneous | 52,596 | 97,476 |
| **Total revenues** | **103,084,386** | **99,674,956** |
| **Expenses:** | | |
| General government | 11,055,911 | 11,698,079 |
| Public safety | 16,406,043 | 15,116,406 |
| Education | 62,690,935 | 61,353,874 |
| Highway and Public works | 4,494,512 | 4,807,871 |
| Health and human services | 4,456,893 | 4,172,318 |
| Culture and recreation | 2,631,082 | 2,195,579 |
| Community preservation | 456,744 | 725,398 |
| COVID-19 | 181,778 | - |
| Interest | 191,261 | 373,079 |
| **Total expenses** | **102,565,159** | **100,442,604** |
| **Excess (Deficiency) before transfers** | **519,227** | **(767,648)** |
| **Transfers** | **(44,553)** | **-** |
| **Change in net position** | **474,674** | **(767,648)** |
| **Net position, beginning of year (as restated)** | **77,046,428** | **77,814,076** |
| **Net position, end of year** | **$ 77,521,102** | **$ 77,046,428** |

The governmental expenses totaled $102.6 million, of which $7.0 million (6.8%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled $96.1 million, primarily coming from property taxes, motor vehicle excise and other excise taxes, and non-restricted state aid.

The governmental net position increased by $475,000 during the current year. This increase was mainly due to a an operating surplus in the community preservation fund of $874,000, a non-major surplus of $775,000 from the timing of the receipt and disbursement of grant and other special revenue funds, the receipt of $882,000 of capital grants and the Town’s ability to fund current year capital assets additions with current revenues. These increases were offset by a $3.5 million increase in the net Pension liability and its corresponding deferred outflows/inflows of resources of general fund reserves.

***Business-Type Activities***

For the Town's business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $17.1 million at the close of 2020.

| | | 2020 | | 2019 |
|---|---|---|---|---|
| **Assets:** | | | | |
| Current assets | $ | 8,347,874 | $ | 8,348,346 |
| Noncurrent assets (excluding capital) | | 7,203,493 | | 7,997,274 |
| Capital assets, non depreciable | | 534,769 | | 731,269 |
| Capital assets, net of accumulated depreciation | | 12,986,528 | | 13,572,768 |
| **Total assets** | | **29,072,664** | | **30,649,657** |
| **Liabilities:** | | | | |
| Current liabilities (excluding debt) | | 315,296 | | 190,322 |
| Noncurrent liabilities (excluding debt) | | 5,344 | | 2,974 |
| Current debt | | 905,000 | | 875,000 |
| Noncurrent debt | | 10,710,000 | | 11,615,000 |
| **Total liabilities** | | **11,935,640** | | **12,683,296** |
| **Net position:** | | | | |
| Net investment in capital assets | | 1,906,297 | | 1,814,037 |
| Unrestricted | | 15,230,727 | | 16,152,324 |
| **Total net position** | $ | **17,137,024** | $ | **17,966,361** |

| | | 2020 | | 2019 |
|---|---|---|---|---|
| **Program Revenues:** | | | | |
| Charges for services | $ | 1,538,012 | $ | 1,508,036 |
| Operating grants and contributions | | 432,104 | | 641,773 |
| Capital grants and contributions | | 171,001 | | 135,732 |
| **General Revenues:** | | | | |
| Unrestricted investment income | | 92,595 | | 106,672 |
| **Total revenues** | | **2,233,712** | | **2,392,213** |
| **Expenses:** | | | | |
| Sanitation | | 564,510 | | 593,053 |
| Sewer | | 2,543,092 | | 2,178,772 |
| **Total expenses** | | **3,107,602** | | **2,771,825** |
| **Excess (Deficiency) before transfers** | | **(873,890)** | | **(379,612)** |
| **Transfers** | | **44,553** | | **-** |
| **Change in net position** | | **(829,337)** | | **(379,612)** |
| **Net position, beginning of year** | | **17,966,361** | | **18,345,973** |
| **Net position, end of year** | $ | **17,137,024** | $ | **17,966,361** |

Business-type net position of $1.9 million (11.1%) represents the investment in capital assets while $15.2 million (88.9%) is unrestricted. The Town's business-type net position decreased by $829,000 in the current year.

The sewer department net position decreased by $840.000.  The decrease is due to an increase in repairs and maintenance, interest expense and various other operating cost categories.

The sanitation department net position increased by $10,700.  The increase is related to investment income generated.  The funds is working as designed where charges for services charged should be sufficient to run the operations of the fund.

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

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

***Governmental funds***.  The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources.  Such information is useful in assessing financing requirements.  In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the current year, governmental funds reported combined ending fund balances of $24.6 million, which is comprised of $11.3 million in the general fund, $7.0 million in the community preservation fund, a deficit of $461,000 in the fire station construction fund, and $6.8 million in the nonmajor governmental funds. Cumulatively there was an increase of $870,000 in fund balances from the prior year.

The general fund is the chief operating fund.  At the end of the current year, unassigned fund balance of the general fund was $6.9 million, while total fund balance was $11.3 million.  As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.  Unassigned fund balance represents 7.2% of total general fund budgetary expenditures, while total fund balance represents 11.8% of that same amount.  The general fund experienced a decrease of $325,000, which was due to a $155,000 decrease from the recognition of real estate and personal property tax revenue received within 60 days of year-end, and a $150,000 increase in the accrual for appellate tax board cases.

The Community Preservation Act 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.  The C.P.A. fund's expended $538,000 for approved projects and recognized state grant revenue of $247,000.  The fund has a balance of $7.0 million, which is due to the timing of the receipt and disbursement of tax surcharges and state aid.

The Fire Station Construction Fund is being used to account for the construction of the fire station.  The fund has a deficit balance of $461,000.  The Town issued a $10.0 million BAN in 2020, this will ultimately be permanently financed with long-term bonds at maturity.

### COVID-19

In 2020, the Federal Government approved the Coronavirus Aid, Relief, and Economic Security (CARES) Act which provides federal funding to assist communities in paying costs incurred between March 1, 2020, and December 30, 2020, that are directly related to the COVID-19 pandemic.  The Commonwealth of Massachusetts was awarded $2.7 billion which is to be allocated amongst local governments based on population.  The State has made a portion of these funds available as of June 30, 2020, and the Town was allocated a total of $2.1 million.  As of June 30, 2020, the Town received $30,000 of the total allocation and spent approximately $182,000. (See Note 17 for further information).

## *General Fund Budgetary Highlights*

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2020 approved budget authorized $101.4 million in appropriations and other amounts to be raised. During 2020, Town Meeting did not approved any supplemental appropriations.

## *Capital Asset and Debt Administration*

**Capital Assets.** In conjunction with the annual operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

Major capital events during the current year include the following:

- Governmental activities included additions to land, construction in progress, buildings, machinery and equipment, infrastructure and vehicles totaling $3.1 million.

- Business-type activities did not have any capital additions during 2020.

**Debt Administration.** The Town of Acton maintains a AAA Bond Rating with Standard & Poor's Investors Service and continues to maintain strong market access for both note and bond sales.

As of June 30, 2020, outstanding long-term debt for governmental activities totaled $7.8 million, and $286,000 of outstanding unamortized bond premiums.

The sewer enterprise fund has outstanding long-term debt totaling $11.6 million. The debt is fully supported by rates and does not rely on a general fund subsidy.

Please refer to notes 4, 6, 7, and 8 for further discussion of the major capital and debt activity.

## *Requests for Information*

This financial report is designed to provide a general overview of the Town of Acton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town Offices, 472 Main Street, Acton, Massachusetts 01720.

# *Basic Financial Statements*

## STATEMENT OF NET POSITION

JUNE 30, 2020

| | Primary Government | | | Component Units |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Acton Community Housing Corporation |
| **ASSETS** | | | | |
| CURRENT: | | | | |
| Cash and cash equivalents | $ 34,688,699 | $ 7,453,591 | $ 42,142,290 | $ 78,754 |
| Investments | 4,613,727 | - | 4,613,727 | - |
| Receivables, net of allowance for uncollectibles: | | | | |
| Real estate and personal property taxes | 1,145,704 | - | 1,145,704 | - |
| Tax liens | 551,342 | 31,431 | 582,773 | - |
| Community preservation fund surtax | 8,152 | - | 8,152 | - |
| Motor vehicle and other excise taxes | 298,165 | - | 298,165 | - |
| User charges | 229,127 | 87,378 | 316,505 | - |
| Departmental and other | 241,789 | - | 241,789 | - |
| Intergovernmental | 1,611,113 | - | 1,611,113 | - |
| Community preservation state share | 309,966 | - | 309,966 | - |
| Special assessments | 26,922 | 775,474 | 802,396 | - |
| Tax foreclosures | 807,868 | - | 807,868 | - |
| Due from Town of Acton | - | - | - | 770,785 |
| Total current assets | 44,532,574 | 8,347,874 | 52,880,448 | 849,539 |
| NONCURRENT: | | | | |
| Receivables, net of allowance for uncollectibles: | | | | |
| Intergovernmental | 1,845,344 | - | 1,845,344 | - |
| Special assessments | - | 7,203,493 | 7,203,493 | - |
| Capital assets, nondepreciable | 73,428,765 | 534,769 | 73,963,534 | - |
| Capital assets, net of accumulated depreciation | 50,038,453 | 12,986,528 | 63,024,981 | - |
| Total noncurrent assets | 125,312,562 | 20,724,790 | 146,037,352 | - |
| TOTAL ASSETS | 169,845,136 | 29,072,664 | 198,917,800 | 849,539 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Deferred outflows for refunding debt | 109,375 | - | 109,375 | - |
| Deferred outflows related to pensions | 6,323,967 | - | 6,323,967 | - |
| Deferred outflows related to other postemployment benefits | 771,532 | - | 771,532 | - |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 7,204,874 | - | 7,204,874 | - |
| **LIABILITIES** | | | | |
| CURRENT: | | | | |
| Warrants payable | 349,783 | 46,226 | 396,009 | - |
| Accrued payroll | 795,612 | 11,090 | 806,702 | - |
| Tax refunds payable | 150,000 | - | 150,000 | - |
| Due to Acton Housing Corporation | 60,000 | - | 60,000 | - |
| Accrued interest | 97,859 | 254,418 | 352,277 | - |
| Other liabilities | 140,364 | - | 140,364 | 5,824 |
| Capital lease obligations | 37,635 | - | 37,635 | - |
| Landfill closure | 2,500 | - | 2,500 | - |
| Compensated absences | 260,629 | 3,562 | 264,191 | - |
| Notes payable | 13,627,378 | - | 13,627,378 | - |
| Bonds payable | 2,264,202 | 905,000 | 3,169,202 | - |
| Total current liabilities | 17,785,962 | 1,220,296 | 19,006,258 | 5,824 |
| NONCURRENT: | | | | |
| Other liabilities | 1,164,413 | - | 1,164,413 | - |
| Capital lease obligations | 37,636 | - | 37,636 | - |
| Landfill closure | 35,000 | - | 35,000 | - |
| Compensated absences | 390,944 | 5,344 | 396,288 | - |
| Net pension liability | 54,966,604 | - | 54,966,604 | - |
| Net other postemployment benefits liability | 16,083,902 | - | 16,083,902 | - |
| Bonds payable | 5,842,250 | 10,710,000 | 16,552,250 | - |
| Total noncurrent liabilities | 78,520,749 | 10,715,344 | 89,236,093 | - |
| TOTAL LIABILITIES | 96,306,711 | 11,935,640 | 108,242,351 | 5,824 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Taxes paid in advance | 48,978 | - | 48,978 | - |
| Deferred inflows related to pensions | 2,687,536 | - | 2,687,536 | - |
| Deferred inflows related to other postemployment benefits | 485,683 | - | 485,683 | - |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 3,222,197 | - | 3,222,197 | - |
| **NET POSITION** | | | | |
| Net investment in capital assets | 114,437,140 | 1,906,297 | 116,343,437 | - |
| Restricted for: | | | | |
| Community preservation | 7,277,965 | - | 7,277,965 | - |
| Ambulance services | 997,938 | - | 997,938 | - |
| Permanent funds: | | | | |
| Expendable | 2,383,974 | - | 2,383,974 | - |
| Nonexpendable | 2,345,657 | - | 2,345,657 | - |
| Gifts and grants | 2,072,857 | - | 2,072,857 | - |
| Unrestricted | (51,994,429) | 15,230,727 | (36,763,702) | 843,715 |
| TOTAL NET POSITION | $ 77,521,102 | $ 17,137,024 | $ 94,658,126 | $ 843,715 |

See notes to basic financial statements.

## STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue |
|---|---|---|---|---|---|
| **Primary Government:** | | | | | |
| *Governmental Activities:* | | | | | |
| General government | $ 11,055,911 | $ 612,995 | $ 467,832 | $ 183,369 | $ (9,791,715) |
| Public safety | 16,406,043 | 2,227,514 | 258,870 | - | (13,919,659) |
| Education | 62,690,935 | - | - | - | (62,690,935) |
| Highways and public works | 4,494,512 | 68,668 | 74,957 | 698,473 | (3,652,414) |
| Health and human services | 4,456,893 | 987,772 | 487,721 | - | (2,981,400) |
| Culture and recreation | 2,631,082 | 392,737 | 105,670 | - | (2,132,675) |
| Community preservation | 456,744 | - | 247,192 | - | (209,552) |
| COVID-19 | 181,778 | - | 181,778 | - | - |
| Interest | 191,261 | - | - | - | (191,261) |
| Total Governmental Activities | 102,565,159 | 4,289,686 | 1,824,020 | 881,842 | **(95,569,611)** |
| *Business-Type Activities:* | | | | | |
| Sanitation | 564,510 | 565,258 | - | - | 748 |
| Sewer | 2,543,092 | 972,754 | 432,104 | 171,001 | (967,233) |
| Total Business-Type Activities | 3,107,602 | 1,538,012 | 432,104 | 171,001 | **(966,485)** |
| Total Primary Government | $ 105,672,761 | $ 5,827,698 | $ 2,256,124 | $ 1,052,843 | $ **(96,536,096)** |
| **Component Unit:** | | | | | |
| Acton Community Housing Corporation | $ 57,748 | $ - | $ 169,925 | $ - | $ **112,177** |

See notes to basic financial statements.

(Continued)

**STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2020

| | Primary Government | | | Component Units |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Acton Community Housing Corporation |
| **Changes in net position:** | | | | |
| Net (expense) revenue from previous page | $ **(95,569,611)** | $ **(966,485)** | $ **(96,536,096)** | $ **112,177** |
| *General revenues:* | | | | |
| Real estate and personal property taxes, net of tax refunds payable | 88,599,076 | - | 88,599,076 | - |
| Tax and other liens | 56,465 | - | 56,465 | - |
| Motor vehicle and other excise taxes | 3,824,056 | - | 3,824,056 | - |
| Community preservation tax | 1,392,351 | - | 1,392,351 | - |
| Penalties and interest on taxes | 187,070 | - | 187,070 | - |
| Payments in lieu of taxes | 42,083 | - | 42,083 | - |
| Grants and contributions not restricted to specific programs | 1,623,565 | - | 1,623,565 | - |
| Unrestricted investment income | 311,576 | 92,595 | 404,171 | 457 |
| Miscellaneous | 52,596 | - | 52,596 | - |
| *Transfers, net* | (44,553) | 44,553 | - | - |
| Total general revenues and transfers | 96,044,285 | 137,148 | 96,181,433 | 457 |
| Change in net position | 474,674 | (829,337) | (354,663) | 112,634 |
| *Net position:* | | | | |
| Beginning of year (as restated) | 77,046,428 | 17,966,361 | 95,012,789 | 731,081 |
| End of year | $ 77,521,102 | $ 17,137,024 | $ 94,658,126 | $ 843,715 |

See notes to basic financial statements. (Concluded)

## GOVERNMENTAL FUNDS
BALANCE SHEET

JUNE 30, 2020

| | General | Community Preservation Fund | Fire Station Construction | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 12,282,965 | $ 7,016,526 | $ 9,539,681 | $ 5,849,527 | $ 34,688,699 |
| Investments | - | - | - | 4,613,727 | 4,613,727 |
| Receivables, net of uncollectibles: | | | | | |
| Real estate and personal property taxes | 1,145,704 | - | - | - | 1,145,704 |
| Tax liens | 548,128 | 3,214 | - | - | 551,342 |
| Community preservation fund surtax | - | 8,152 | - | - | 8,152 |
| Motor vehicle and other excise taxes | 298,165 | - | - | - | 298,165 |
| User charges | - | - | - | 229,127 | 229,127 |
| Departmental and other | 125,165 | - | - | 116,624 | 241,789 |
| Intergovernmental - other | 2,768,017 | - | - | 688,440 | 3,456,457 |
| Community preservation state share | - | 309,966 | - | - | 309,966 |
| Special assessments | - | - | - | 26,922 | 26,922 |
| Tax foreclosures | 806,452 | 1,416 | - | - | 807,868 |
| Due from other funds | 22,394 | - | - | - | 22,394 |
| TOTAL ASSETS | $ 17,996,990 | $ 7,339,274 | $ 9,539,681 | $ 11,524,367 | $ 46,400,312 |
| **LIABILITIES** | | | | | |
| Warrants payable | $ 152,351 | $ - | $ 56,438 | $ 140,994 | $ 349,783 |
| Accrued payroll | 698,444 | 539 | - | 96,629 | 795,612 |
| Tax refunds payable | 150,000 | - | - | - | 150,000 |
| Due to other funds | - | - | - | 22,394 | 22,394 |
| Due to Acton Housing Corporation | - | 60,000 | - | - | 60,000 |
| Other liabilities | 25,347 | - | - | - | 25,347 |
| Notes payable | - | - | 9,944,548 | 3,682,830 | 13,627,378 |
| TOTAL LIABILITIES | 1,026,142 | 60,539 | 10,000,986 | 3,942,847 | 15,030,514 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Taxes paid in advance | 48,208 | 770 | - | - | 48,978 |
| Unavailable revenue | 5,599,354 | 322,748 | - | 818,025 | 6,740,127 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 5,647,562 | 323,518 | - | 818,025 | 6,789,105 |
| **FUND BALANCES** | | | | | |
| Nonspendable | - | - | - | 2,345,657 | 2,345,657 |
| Restricted | - | 6,955,217 | - | 7,682,280 | 14,637,497 |
| Committed | 1,958,118 | - | - | - | 1,958,118 |
| Assigned | 2,432,444 | - | - | - | 2,432,444 |
| Unassigned | 6,932,724 | - | (461,305) | (3,264,442) | 3,206,977 |
| TOTAL FUND BALANCES | 11,323,286 | 6,955,217 | (461,305) | 6,763,495 | 24,580,693 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 17,996,990 | $ 7,339,274 | $ 9,539,681 | $ 11,524,367 | $ 46,400,312 |

See notes to basic financial statements.

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

JUNE 30, 2020

| | | |
|---|---|---|
| Total governmental fund balances | | $ 24,580,693 |
| Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds | | 123,467,218 |
| Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds | | 6,740,127 |
| The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred | | 4,031,655 |
| In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due | | (97,859) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds: | | |
| Bonds payable | (8,106,452) | |
| Net pension liability | (54,966,604) | |
| Net other postemployment benefits liability | (16,083,902) | |
| Other liabilities | (1,279,430) | |
| Landfill closure | (37,500) | |
| Capital lease obligations | (75,271) | |
| Compensated absences | (651,573) | |
| Net effect of reporting long-term liabilities | | (81,200,732) |
| Net position of governmental activities | | $ 77,521,102 |

See notes to basic financial statements.

**GOVERNMENTAL FUNDS**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | General | Community Preservation Fund | Fire Station Construction | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| REVENUES: | | | | | |
| Real estate and personal property taxes, | | | | | |
| net of tax refunds | $ 88,267,197 | $ - | $ - | $ - | $ 88,267,197 |
| Tax liens | 100,236 | 984 | - | - | 101,220 |
| Motor vehicle and other excise taxes | 3,624,411 | - | - | - | 3,624,411 |
| Charges for services | 234,983 | - | - | 2,376,439 | 2,611,422 |
| Penalties and interest on taxes | 185,218 | 1,260 | - | 5,188 | 191,666 |
| Payments in lieu of taxes | 42,083 | - | - | - | 42,083 |
| Licenses and permits | 859,479 | - | - | 375,571 | 1,235,050 |
| Fines and forfeitures | 80,206 | - | - | 12,511 | 92,717 |
| Intergovernmental - School Building Authority | 922,673 | - | - | - | 922,673 |
| Intergovernmental - other | 1,700,015 | - | - | 1,620,944 | 3,320,959 |
| Intergovernmental - COVID-19 relief | - | - | - | 181,778 | 181,778 |
| Departmental and other | 253,609 | - | - | 295 | 253,904 |
| Community preservation taxes | - | 1,081,402 | - | - | 1,081,402 |
| Community preservation state match | - | 247,192 | - | - | 247,192 |
| Contributions and donations | - | - | - | 427,846 | 427,846 |
| Investment income | 156,778 | 81,468 | - | 73,330 | 311,576 |
| Miscellaneous | 44,104 | - | - | 8,492 | 52,596 |
| TOTAL REVENUES | 96,470,992 | 1,412,306 | - | 5,082,394 | 102,965,692 |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government | 7,291,590 | - | - | 1,058,281 | 8,349,871 |
| Public safety | 9,258,183 | - | 454,353 | 1,222,672 | 10,935,208 |
| Education | 62,690,935 | - | - | - | 62,690,935 |
| Highways and public works | 2,988,041 | - | - | 649,430 | 3,637,471 |
| Health and human services | 2,071,658 | - | - | 1,123,539 | 3,195,197 |
| Culture and recreation | 1,350,839 | - | - | 406,575 | 1,757,414 |
| Community preservation | - | 456,744 | - | - | 456,744 |
| COVID-19 | - | - | - | 181,778 | 181,778 |
| Pension benefits | 4,236,342 | - | - | - | 4,236,342 |
| Employee benefits | 3,760,093 | - | - | - | 3,760,093 |
| State and county charges | 322,515 | - | - | - | 322,515 |
| Debt service: | | | | | |
| Principal | 1,883,464 | 60,000 | - | 160,380 | 2,103,844 |
| Interest | 373,736 | 21,600 | - | 28,246 | 423,582 |
| TOTAL EXPENDITURES | 96,227,396 | 538,344 | 454,353 | 4,830,901 | 102,050,994 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 243,596 | 873,962 | (454,353) | 251,493 | 914,698 |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | 109,900 | - | - | 754,829 | 864,729 |
| Transfers out | (678,167) | - | - | (231,115) | (909,282) |
| TOTAL OTHER FINANCING SOURCES (USES) | (568,267) | - | - | 523,714 | (44,553) |
| NET CHANGE IN FUND BALANCES | (324,671) | 873,962 | (454,353) | 775,207 | 870,145 |
| FUND BALANCES AT BEGINNING OF YEAR | 11,647,957 | 6,081,255 | (6,952) | 5,988,288 | 23,710,548 |
| FUND BALANCES AT END OF YEAR | $ 11,323,286 | $ 6,955,217 | $ (461,305) | $ 6,763,495 | $ 24,580,693 |

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds | | $ 870,145 |
| 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 | 3,081,012 | |
| Capital asset deletions | (65,589) | |
| Depreciation expense | (2,414,980) | |
| Net effect of reporting capital assets | | 600,443 |
| Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue | | 144,136 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities. | | |
| Principal payments on capital leases | 69,933 | |
| Net amortization of premium from issuance of bonds | 170,154 | |
| Net change in deferred charge on refunding | (80,208) | |
| Debt service principal payments | 2,103,844 | |
| Net effect of reporting long-term debt | | 2,263,723 |
| 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. | | |
| Net change in compensated absences accrual | (92,795) | |
| Net change in accrued interest on long-term debt | 28,427 | |
| Net change in deferred outflow/(inflow) of resources related to pensions | (2,066,272) | |
| Net change in net pension liability | (1,420,853) | |
| Net change in deferred outflow/(inflow) of resources related to other postemployment benefits | 21,307 | |
| Net change in net other postemployment benefits liability | 35,311 | |
| Net change in other long-term liabilities | 88,602 | |
| Net change in landfill closure | 2,500 | |
| Net effect of recording long-term liabilities | | (3,403,773) |
| Change in net position of governmental activities | | $ 474,674 |

See notes to basic financial statements.

**PROPRIETARY FUNDS**

STATEMENT OF NET POSITION

JUNE 30, 2020

| | Business-type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation | Sewer | Total |
| **ASSETS** | | | |
| CURRENT: | | | |
| Cash and cash equivalents | $ 823,518 | $ 6,630,073 | $ 7,453,591 |
| Receivables, net of allowance for uncollectibles: | | | |
| Liens - user charges | - | 31,431 | 31,431 |
| User charges | - | 87,378 | 87,378 |
| Special assessments | - | 775,474 | 775,474 |
| Total current assets | 823,518 | 7,524,356 | 8,347,874 |
| NONCURRENT: | | | |
| Receivables, net of allowance for uncollectibles: | | | |
| Special assessments | - | 7,203,493 | 7,203,493 |
| Capital assets, non depreciable | 435,300 | 99,469 | 534,769 |
| Capital assets, net of accumulated depreciation | 186,989 | 12,799,539 | 12,986,528 |
| Total noncurrent assets | 622,289 | 20,102,501 | 20,724,790 |
| TOTAL ASSETS | 1,445,807 | 27,626,857 | 29,072,664 |
| **LIABILITIES** | | | |
| CURRENT: | | | |
| Warrants payable | 3,648 | 42,578 | 46,226 |
| Accrued payroll | 8,377 | 2,713 | 11,090 |
| Accrued interest | - | 254,418 | 254,418 |
| Compensated absences | 3,562 | - | 3,562 |
| Bonds payable | - | 905,000 | 905,000 |
| Total current liabilities | 15,587 | 1,204,709 | 1,220,296 |
| NONCURRENT: | | | |
| Compensated absences | 5,344 | - | 5,344 |
| Bonds payable | - | 10,710,000 | 10,710,000 |
| TOTAL LIABILITIES | 20,931 | 11,914,709 | 11,935,640 |
| **NET POSITION** | | | |
| Net investment in capital assets | 622,289 | 1,284,008 | 1,906,297 |
| Unrestricted | 802,587 | 14,428,140 | 15,230,727 |
| TOTAL NET POSITION | $ 1,424,876 | $ 15,712,148 | $ 17,137,024 |

See notes to basic financial statements.

**PROPRIETARY FUNDS**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEAR ENDED JUNE 30, 2020

| | Business-Type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation | Sewer | Total |
| OPERATING REVENUES: | | | |
| Charges for services | $ 565,258 | $ 972,754 | $ 1,538,012 |
| OPERATING EXPENSES: | | | |
| Cost of services and administration | 328,785 | 931,748 | 1,260,533 |
| Salaries and wages | 183,707 | 69,077 | 252,784 |
| Depreciation | 52,018 | 730,722 | 782,740 |
| TOTAL OPERATING EXPENSES | 564,510 | 1,731,547 | 2,296,057 |
| OPERATING INCOME (LOSS) | 748 | (758,793) | (758,045) |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Investment income | 9,999 | 82,596 | 92,595 |
| Interest expense | - | (811,545) | (811,545) |
| Intergovernmental - subsidy | - | 432,104 | 432,104 |
| TOTAL NONOPERATING REVENUES (EXPENSES), NET | 9,999 | (296,845) | (286,846) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 10,747 | (1,055,638) | (1,044,891) |
| CAPITAL CONTRIBUTIONS | - | 171,001 | 171,001 |
| TRANSFERS: | | | |
| Transfers in | - | 44,553 | 44,553 |
| CHANGE IN NET POSITION | 10,747 | (840,084) | (829,337) |
| NET POSITION AT BEGINNING OF YEAR | 1,414,129 | 16,552,232 | 17,966,361 |
| NET POSITION AT END OF YEAR | $ 1,424,876 | $ 15,712,148 | $ 17,137,024 |

See notes to basic financial statements.

**PROPRIETARY FUNDS**
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

| | Business-Type Activities - Enterprise Funds | | |
|---|---|---|---|
| | Sanitation | Sewer | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers and users | $ 565,258 | $ 980,716 | $ 1,545,974 |
| Payments to vendors | (350,461) | (968,566) | (1,319,027) |
| Payments to employees | (178,473) | (67,632) | (246,105) |
| NET CASH FROM OPERATING ACTIVITIES | 36,324 | (55,482) | (19,158) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Transfers in | - | 44,553 | 44,553 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Capital contributions | - | 883,543 | 883,543 |
| Principal payments on bonds and notes | - | (703,999) | (703,999) |
| Interest expense | - | (200,283) | (200,283) |
| NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES | - | (20,739) | (20,739) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Investment income | 9,999 | 82,596 | 92,595 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 46,323 | 50,928 | 97,251 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 777,195 | 6,579,145 | 7,356,340 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | $ 823,518 | $ 6,630,073 | $ 7,453,591 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES: | | | |
| Operating income (loss) | $ 748 | $ (758,793) | $ (758,045) |
| Adjustments to reconcile operating income to net cash from operating activities: | | | |
| Depreciation | 52,018 | 730,722 | 782,740 |
| Changes in assets and liabilities: | | | |
| Liens - user charges | - | 719 | 719 |
| User charges | - | 7,243 | 7,243 |
| Warrants payable | (21,676) | (36,818) | (58,494) |
| Accrued payroll | 3,762 | 1,445 | 5,207 |
| Compensated absences | 1,472 | - | 1,472 |
| Total adjustments | 35,576 | 703,311 | 738,887 |
| NET CASH FROM OPERATING ACTIVITIES | $ 36,324 | $ (55,482) | $ (19,158) |
| NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES: | | | |
| Intergovernmental subsidy of debt service | $ - | $ 603,105 | $ 603,105 |

See notes to basic financial statements.

**FIDUCIARY FUNDS**

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

| | Other Postemployment Benefit Trust Fund | Private Purpose Trust Funds | Agency Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents…………………………………… | $ - | $ - | $ 1,769,144 |
| Investments: | | | |
| Investments in Pension Reserve Investment Trust………… | 5,968,797 | - | - |
| Government sponsored enterprises…………………………… | - | 321,280 | - |
| Receivables, net of allowance for uncollectibles: | | | |
| Departmental and other………………………………………… | - | - | 938 |
| TOTAL ASSETS………………………………………………………… | 5,968,797 | 321,280 | 1,770,082 |
| **LIABILITIES** | | | |
| Liabilities due depositors………………………………………… | - | - | 1,059,297 |
| Due to Acton Housing Corporation…...................................... | - | - | 710,785 |
| TOTAL LIABILITIES…………………………………………………… | - | - | 1,770,082 |
| **NET POSITION** | | | |
| Restricted for other postemployment benefits………………… | 5,968,797 | - | - |
| Held in trust for other purposes………………………………… | - | 321,280 | - |
| TOTAL NET POSITION………………………………………………… | $ 5,968,797 | $ 321,280 | $ - |

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2020

| | Other Postemployment Benefit Trust Fund | Private Purpose Trust Funds |
|---|---|---|
| ADDITIONS: | | |
| Contributions: | | |
| Employer contributions to the Trust | $ 633,742 | $ - |
| Employer contributions for other postemployment benefit payments | 1,099,633 | - |
| Total contributions | 1,733,375 | - |
| Net investment income: | | |
| Investment income | 113,664 | 4,302 |
| TOTAL ADDITIONS | 1,847,039 | 4,302 |
| DEDUCTIONS: | | |
| Other postemployment benefit payments | 1,099,633 | - |
| Scholarships | - | 2,825 |
| TOTAL DEDUCTIONS | 1,099,633 | 2,825 |
| NET INCREASE (DECREASE) IN NET POSITION | 747,406 | 1,477 |
| NET POSITION AT BEGINNING OF YEAR | 5,221,391 | 319,803 |
| NET POSITION AT END OF YEAR | $ 5,968,797 | $ 321,280 |

See notes to basic financial statements.

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Acton, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

### A. Reporting Entity

The Town is a municipal corporation that is governed by an five member elected Board of Selectmen (Board).

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* – The following component unit is discretely presented as a component unit of the primary government due to the nature and significance of the relationship between the Town and the component unit.

The Acton Community Housing Corporation (ACHC) is considered a component unit and included in the accompanying basic financial statements. The ACHC was created by the Special Legislation enacted in 1996 “for the purpose of investigating and implementing alternatives for the provision of and to provide 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) are 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 can be obtained by contacting the ACHC at Town Hall, 472 Main Street, Acton, Massachusetts 01720.

### Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated and governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in the following joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

*Acton-Boxborough Regional School District*

The Town is a participant in the Acton-Boxborough Regional School District, which is located at 15 Charter Road, Acton, MA 01720. The District is made up of the Towns of Acton and Boxborough and is governed by an eleven - member school committee, which consists of elected members from the District for a term of three years. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. The Town’s fiscal year 2020 assessment totaled $61,235,254 and the Town does not have an equity interest in the joint venture. Financial statements may be obtained from the joint venture by contacting them directly.

*Minutemen Regional Vocational Technical School District*

The Town is a participant in the Minuteman Regional Vocational Technical School District, which is located at 758 Marrett Road, Lexington, MA 02421. The District is made up of the Towns of Acton, Arlington, Bolton, Concord, Dover, Lancaster, Lexington, Needham, and Stow, and is governed by a three - member school committee, which consists of elected members from the District for a term of one year. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. The Town's fiscal year 2020 assessment totaled $1,455,681 and the Town does not have an equity interest in the joint venture. Financial statements may be obtained from the joint venture by contacting them directly.

B. Government-Wide and Fund Financial Statements

*Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

*Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

*Fund Financial Statements*

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

*Major Fund Criteria*

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

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

- If the total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

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

Fiduciary Funds are reported by fund type.

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

*Government-Wide Financial Statements*

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

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

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.

- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

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

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

Fund Financial Statements

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

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

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met, and the amount is received during the period or within the availability period for this revenue source.

The following major governmental funds are reported:

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

The *community preservation* fund is a special revenue fund used to account for funds held for uses restricted by law for community preservation purposes. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

The *fire station construction* fund is used to account for resources and costs associated with construction of the fire station.

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 fund financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to 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 following major proprietary funds are reported:

The *sanitation enterprise fund* is used to account for activities related to trach collection.

The *sewer enterprise fund* is used to account for the sewer activities.

***Fiduciary*** fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, except for agency funds which have no measurement focus. 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 following fiduciary fund types are reported:

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

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings. The Town maintains private purpose trust funds for several charitable trust funds.

The *agency fund* is used to account for assets held in a purely custodial capacity. The Town agency funds consist primarily of escrow deposits and amounts due to Acton Community Housing Corporation.

D. Cash and Investments

*Government-Wide and Fund Financial Statements*

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value.

Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

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

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

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

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

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

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

F. Accounts Receivable

*Government-Wide and Fund Financial Statements*

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

***Real Estate, Personal Property Taxes, and Tax Liens***

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

Real estate tax liens are processed as of July 1 after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

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

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

***Motor Vehicle Excise***

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

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

***Sanitation User Fees***

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. Water and Sanitation liens are processed in December of every year and are included as a lien on the property owner's tax bill. Water and Sanitation charges and liens are recorded as receivables in the year of the levy.

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

***Departmental and Other***

Departmental and other receivables consist primarily of nursing program receivables and Veterans Aid receivables and are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

***Special Assessments***

Special assessments consist of sewer betterments levied on properties that have benefited by capital improvements to the Town's sewer system. The sewer betterment assessment is a one-time tax that can be paid in one lump sum or apportioned up to a maximum of twenty (20) years and is primarily designed to pay back all or a portion of the debt service associated with the sewer project.

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

***Intergovernmental***

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

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

G. Inventories

*Government-Wide and Fund Financial Statements*

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets

*Government-Wide and Proprietary Fund Financial Statements*

Capital assets, which include land, buildings and improvements, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available.

Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of $10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. Capital assets (excluding land and construction-in-progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

| Capital Asset Type | Estimated Useful Life (in years) |
|---|---|
| Land improvements | 10-20 |
| Buildings and improvements | 10-40 |
| Machinery and equipment | 5-15 |
| Vehicles | 5-15 |
| Infrastructure | 40 |

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

*Governmental Fund Financial Statements*

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

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

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

Governmental Fund Financial Statements

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

## J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

*Government-Wide Financial Statements*

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as “internal balances”.

*Fund Financial Statements*

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as “Due from other funds” or “Due to other funds” on the balance sheet.

## K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

*Government-Wide Financial Statements*

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as “Transfers, net”.

*Fund Financial Statements*

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

## L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

## M. Net Position and Fund Equity

*Government-Wide Financial Statements (Net Position)*

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state’s school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

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

“Ambulance services” represents amounts restricted for Ambulance related purposes.

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Grants and gifts” represents assets that have restrictions placed on them from outside parties.

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

*Fund Financial Statements (Fund Balances)*

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an article, which constitutes the most binding restraint, prior to the end of the year, to commit fund balance. Once adopted, the limitation imposed by the article remains in place until a similar action is taken to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Board of Selectmen, Town Administrator, and the Town Accountant have the authority to assign funds. The Board of Selectmen, Town Administrator, and the Town Accountant may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

"Unassigned" fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The Town's spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

N. Long-term debt

*Government-Wide and Proprietary Fund Financial Statements*

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported gross of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

*Governmental Fund Financial Statements*

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

O. 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 Contributory Retirement System and additions to/deductions from the System's 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.

P. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Q. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Compensated absences are reported in governmental funds only if they have matured.

*Government-Wide and Proprietary Fund Financial Statements*

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

*Governmental Fund Financial Statements*

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

R. Fund Deficits

There were various major and nonmajor capital project funds that were in a deficit position at June 30, 2020. These deficits will be funded through, available funds, and bond proceeds in future years.

S. Use of Estimates

*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

T. Total Column

*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

*Fund Financial Statements*

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

## NOTE 2 - CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents". The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit (CD’s), repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The Town participates in the State Retiree Benefits Trust Fund (SRBTF). The Town's other postemployment benefits trust assets are invested by the SRBTF in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Acton's deposits may not be recovered. At year-end, the carrying amount of deposits totaled $42,319,557 and the bank balance totaled $42,754,860. Of the bank balance, $10,141,036 was covered by Federal Depository Insurance, $22,454,659 was covered by Depositors Insurance Fund, and $8,230,417 was collateralized, and $1,928,748 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town does not have a formal investment policy regarding custodial credit risk on deposits.

As of June 30, 2020, the Town of Acton had the following investments:

| | | Maturities | | | |
|---|---|---|---|---|---|
| **Investment Type** | **Fair value** | **Under 1 Year** | **1-5 Years** | **6-10 Years** | **Over 10 Years** |
| Debt securities: | | | | | |
| U.S. treasury notes | $ 481,916 | $ 225,691 | $ 256,225 | $ - | $ - |
| Government sponsored enterprises | 764,056 | - | 764,056 | - | - |
| Corporate bonds | 1,255,281 | 305,292 | 822,023 | 127,966 | - |
| Total debt securities | 2,501,253 | $ 530,983 | $ 1,842,304 | $ 127,966 | $ - |
| Other investments: | | | | | |
| Equity securities | 2,380,531 | | | | |
| Fixed income mutual funds | 53,223 | | | | |
| Money market mutual funds | 115,906 | | | | |
| Pension Reserve Investment Trust (PRIT) | 5,968,797 | | | | |
| MMDT - Cash portfolio | 1,475,971 | | | | |
| Total investments | $ 12,495,681 | | | | |

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the investments of $764,056 in government sponsored enterprises, $1,255,281 in corporate bonds and $2,380,531 in equity securities, the Town has a custodial credit risk exposure of $4,399,868 because the related securities are uninsured, unregistered and held by the counterparty. The Town does not have a formal policy regarding custodial credit risk on investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses due to interest rate changes.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

The Town participates in PRIT. The effective weighted duration rate for PRIT investments ranged from .14 to 16.03 years.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2020, the Town's investments were rated as follows:

| Quality Rating | U.S. Treasury Notes | Government Sponsored Enterprises | Corporate Bonds |
|---|---|---|---|
| AAA............... | $ 481,916 | $ - | $ - |
| AA+................ | - | 764,056 | - |
| AA-................ | - | - | 150,015 |
| BAA............... | - | - | 127,004 |
| BA................. | - | - | 428,462 |
| BBB............... | | - | 549,800 |
| Total.............. | $ 481,916 | $ 764,056 | $ 1,255,281 |

Additionally, the Town had investments in money market mutual funds, all of which are unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have a formal policy regarding the concentration of credit risk. As of June 30, 2020, no more than 5 percent of the Town's investments are invested in any one issuer.

Fair Value of Investments

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

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

The Town has the following recurring fair value measurements as of June 30, 2020:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| Investment Type | June 30, 2020 | Quoted Prices in Active Markets for Identicle Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| **Investments measured at fair value:** | | | | |
| Debt securities: | | | | |
| U.S. treasury bonds | $ 481,916 | $ 481,916 | $ - | $ - |
| Government sponsored enterprises | 764,056 | 764,056 | - | - |
| Corporate bonds | 1,255,281 | - | 1,255,281 | - |
| Total debt securities | 2,501,253 | 1,245,972 | 1,255,281 | - |
| Other investments: | | | | |
| Equity securities | 2,380,531 | 2,380,531 | - | - |
| Fixed income mutual funds | 53,223 | 53,223 | - | - |
| Money market mutual funds | 115,906 | 115,906 | - | - |
| Total other investments | 2,549,660 | 2,549,660 | - | - |
| Total investments measured at fair value | 5,050,913 | $ 3,795,632 | $ 1,255,281 | $ - |
| **Investments measured at amortized cost:** | | | | |
| MMDT - Cash portfolio | 1,475,971 | | | |
| **Investments measured at net asset value:** | | | | |
| Pension Reserve Investment Trust (PRIT) | 5,968,797 | | | |
| Total investments | $ 12,495,681 | | | |

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

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

PRIT Investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

**NOTE 3 – RECEIVABLES**

At June 30, 2020, receivables for the individual major and non-major governmental funds including the applicable allowances for uncollectible accounts are as follows:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|---|---|---|---|
| Receivables: | | | |
| Real estate and personal property taxes | $ 1,180,131 | $ (34,427) | $ 1,145,704 |
| Tax liens | 551,342 | - | 551,342 |
| Community preservation fund surtax | 8,152 | - | 8,152 |
| Motor vehicle and other excise taxes | 375,214 | (77,049) | 298,165 |
| User charges | 229,127 | - | 229,127 |
| Departmental and other | 241,789 | - | 241,789 |
| Intergovernmental - other | 3,456,457 | - | 3,456,457 |
| Community preservation state share | 309,966 | - | 309,966 |
| Special assessments | 26,922 | - | 26,922 |
| Total | $ 6,379,100 | $ (111,476) | $ 6,267,624 |

At June 30, 2020, receivables for the sanitation and sewer enterprise consist of the following:

| | Gross Amount | Allowance for Uncollectibles | Net Amount |
|---|---|---|---|
| Receivables: | | | |
| Sewer liens - user charges | $ 31,431 | $ - | $ 31,431 |
| Sewer user charges | 87,378 | - | 87,378 |
| Sewer special assessments | 7,978,967 | - | 7,978,967 |
| Total | $ 8,097,776 | $ - | $ 8,097,776 |

Governmental funds report *unavailable revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenues* reported in the governmental funds were as follows:

| | General Fund | Other Governmental Funds | Total |
|---|---|---|---|
| Receivables: | | | |
| Real estate and personal property taxes | $ 1,053,426 | $ - | $ 1,053,426 |
| Tax liens | 548,128 | 3,214 | 551,342 |
| Motor vehicle and other excise taxes | 298,165 | - | 298,165 |
| User charges | - | 229,127 | 229,127 |
| Departmental and other | 125,166 | 46,969 | 172,135 |
| Intergovernmental - School Building Authority | 2,768,017 | - | 2,768,017 |
| Intergovernmental - other | - | 515,007 | 515,007 |
| Community preservation state share and surtax | - | 318,118 | 318,118 |
| Special assessments | - | 26,922 | 26,922 |
| Tax foreclosures | 806,452 | 1,416 | 807,868 |
| Total | $ 5,599,354 | $ 1,140,773 | $ 6,740,127 |

## NOTE 4 – CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 70,416,752 | $ 10,900 | $ - | $ 70,427,652 |
| Construction in progress | 1,976,915 | 1,413,432 | (389,234) | 3,001,113 |
| Total capital assets not being depreciated | 72,393,667 | 1,424,332 | (389,234) | 73,428,765 |
| Capital assets being depreciated: | | | | |
| Land improvements | 2,874,301 | 186,169 | - | 3,060,470 |
| Buildings | 16,969,912 | 268,526 | - | 17,238,438 |
| Machinery and equipment | 9,990,672 | 101,651 | - | 10,092,323 |
| Vehicles | 3,167,278 | 1,005,222 | - | 4,172,500 |
| Infrastructure | 52,297,206 | 484,346 | (224,372) | 52,557,180 |
| Total capital assets being depreciated | 85,299,369 | 2,045,914 | (224,372) | 87,120,911 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (2,003,181) | (79,327) | - | (2,082,508) |
| Buildings | (7,230,031) | (423,464) | - | (7,653,495) |
| Machinery and equipment | (6,195,072) | (573,743) | - | (6,768,815) |
| Vehicles | (2,155,709) | (1,027,023) | - | (3,182,732) |
| Infrastructure | (17,242,268) | (311,423) | 158,783 | (17,394,908) |
| Total accumulated depreciation | (34,826,261) | (2,414,980) | 158,783 | (37,082,458) |
| Total capital assets being depreciated, net | 50,473,108 | (369,066) | (65,589) | 50,038,453 |
| Total governmental activities capital assets, net | $ 122,866,775 | $ 1,055,266 | $ (454,823) | $ 123,467,218 |

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business Type:** | | | | |
| Capital assets not being depreciated: | | | | |
| Land | $ 534,769 | $ - | $ - | $ 534,769 |
| Construction in progress | 196,500 | - | (196,500) | - |
| Total capital assets not being depreciated | 731,269 | - | (196,500) | 534,769 |
| Capital assets being depreciated: | | | | |
| Land improvements | 48,796 | - | - | 48,796 |
| Buildings | 10,185,166 | - | - | 10,185,166 |
| Machinery and equipment | 1,252,448 | - | - | 1,252,448 |
| Vehicles | 23,300 | - | - | 23,300 |
| Infrastructure | 15,760,086 | 196,500 | - | 15,956,586 |
| Total capital assets being depreciated | 27,269,796 | 196,500 | - | 27,466,296 |
| Less accumulated depreciation for: | | | | |
| Land improvements | (24,603) | (2,440) | - | (27,043) |
| Buildings | (5,878,476) | (340,847) | - | (6,219,323) |
| Machinery and equipment | (1,079,669) | (47,836) | - | (1,127,505) |
| Vehicles | (23,300) | - | - | (23,300) |
| Infrastructure | (6,690,980) | (391,617) | - | (7,082,597) |
| Total accumulated depreciation | (13,697,028) | (782,740) | - | (14,479,768) |
| Total capital assets being depreciated, net | 13,572,768 | (586,240) | - | 12,986,528 |
| Total sewer activities capital assets, net | $ 14,304,037 | $ (586,240) | $ (196,500) | $ 13,521,297 |

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

| | | |
|---|---|---|
| **Governmental Activities:** | | |
| General government | $ | 142,576 |
| Public safety | | 702,934 |
| Highways and public works | | 1,313,837 |
| Health and human services | | 56,561 |
| Culture and recreation | | 199,072 |
| Total depreciation expense - governmental activities | $ | 2,414,980 |
| **Business-Type Activities:** | | |
| Sewer | $ | 730,722 |
| Sanitation | | 52,018 |
| Total depreciation expense - business-type activities | $ | 782,740 |

**NOTE 5 – INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES**

At June 30, 2020, the Town had an interfund receivable/payable of $22,394 between the general fund and the highway construction fund to meet temporary cash flow needs.

At June 30, 2020, the Town has a due to Acton Housing Corporation of $770,785. These funds are drawn down as needed by the Housing Corporation.

During fiscal year 2009, in connection with a court settlement related to a sewer betterment abatement for W.R. Grace & Co., the Town has assumed payment of $1.5 million of a $3.7 million abatement granted. The Town has been paying this down each year with current revenues or other available funds and has nine years and $780,000 remaining on the agreement.

Interfund transfers for the year ended June 30, 2020, are summarized as follows:

| | Transfers In: | | | | |
|---|---|---|---|---|---|
| Transfers Out: | General fund | Nonmajor governmental funds | Sewer enterprise fund | Total | |
| General fund | $ - | $ 633,614 | $ 44,553 | $ 678,167 | (1) |
| Nonmajor governmental funds | 109,900 | 121,215 | - | 231,115 | (2) |
| Total | $ 109,900 | $ 754,829 | $ 44,553 | $ 909,282 | |

(1) Transfers from the general fund to capital project funds for current year capital articles, and a transfer to the sewer fund for their share of betterment principal.
(2) Transfers to the general fund from other available funds as well as transfers between nonmajor funds.

**NOTE 6 – CAPITAL LEASES**

The Town has entered into a lease agreement for the purchase of various pieces of equipment. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

| | | Governmental Activities |
|---|---|---|
| Asset: | | |
| Machinery and equipment | $ | 351,011 |
| Less: accumulated depreciation | | (136,035) |
| Total | $ | 214,976 |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

| Years ending June 30: | | Governmental Activities |
|---|---|---|
| 2021 | $ | 39,548 |
| 2022 | | 39,548 |
| Total minimum lease payments | | 79,096 |
| Less: amounts representing interest | | (3,825) |
| Present value of minimum lease payments | $ | 75,271 |

**NOTE 7 – SHORT-TERM FINANCING**

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

Details related to the short-term debt activity for the year ended June 30, 2020, is as follows:

| Type | Purpose | Rate (%) | Due Date | Balance at June 30, 2019 | Renewed/ Issued | Retired/ Redeemed | Balance at June 30, 2020 |
|---|---|---|---|---|---|---|---|
| **Governmental Funds:** | | | | | | | |
| BAN | Municipal Purpose.............. | 2.13% | 06/12/20 | $ 4,598,830 | $ - | $ (4,598,830) | $ - |
| BAN | Municipal Purpose.............. | 1.25% | 03/16/21 | - | 13,627,378 | - | 13,627,378 |
| | Total Governmental Funds........................................ | | | $ 4,598,830 | $ 13,627,378 | $ (4,598,830) | $ 13,627,378 |

**NOTE 8 - LONG-TERM DEBT**

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

Details related to the outstanding indebtedness at June 30, 2020, and the debt service requirements are as follows:

**Bonds Payable Schedule – Governmental Funds**

| Project | Maturities Through | Original Loan Amount | Interest Rate (%) | Outstanding at June 30, 2020 |
|---|---|---|---|---|
| **General Obligation Bonds Payable:** | | | | |
| Municipal Purpose Refunding Bonds of 2013... | 2023 | $ 12,220,000 | 2.0-4.0 | $ 3,940,000 |
| Municipal Purpose Bonds of 2004........................ | 2024 | 6,400,000 | 3.5-4.5 | 1,145,000 |
| Municipal Purpose Bonds of 2010........................ | 2024 | 1,880,280 | 2.0-3.3 | 520,000 |
| Municipal Purpose Bonds of 2012........................ | 2028 | 2,093,652 | 1.375-3.0 | 780,000 |
| Municipal Purpose Bonds of 2016........................ | 2032 | 1,854,040 | 2.0-4.0 | 1,290,000 |
| Total General Obligation Bonds Payable.................................................................. | | | | 7,675,000 |
| **Direct Borrowing Bonds Payable:** | | | | |
| MWPAT- Water study............................................... | 2023 | 218,403 | 5.00 | 44,516 |
| MWPAT- Water study............................................... | 2023 | 154,350 | 0.00 | 30,872 |
| MWPAT- Title V......................................................... | 2028 | 174,305 | 0.00 | 69,725 |
| Total Direct Borrowings Bonds Payable.................................................................. | | | | 145,113 |
| Add: Unamortized premium on bonds.................................................................. | | | | 286,339 |
| Total Bonds Payable, net.................................................................................... | | | | $ 8,106,452 |

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

| | General Obligation Bonds | | | Direct Borrowings and Placements | | | |
|---|---|---|---|---|---|---|---|
| Year | Principal | Interest | Total | Principal | Interest | Total | Grand Total |
| 2021................ | $ 2,105,000 | $ 246,406 | $ 2,351,406 | $ 33,844 | $ 1,503 | $ 35,347 | $ 2,386,753 |
| 2022................ | 2,085,000 | 167,271 | 2,252,271 | 33,845 | 1,113 | 34,958 | 2,287,229 |
| 2023................ | 2,005,000 | 101,718 | 2,106,718 | 33,844 | 371 | 34,215 | 2,140,933 |
| 2024................ | 505,000 | 37,665 | 542,665 | 8,716 | - | 8,716 | 551,381 |
| 2025................ | 200,000 | 19,078 | 219,078 | 8,716 | - | 8,716 | 227,794 |
| 2026................ | 200,000 | 13,734 | 213,734 | 8,716 | - | 8,716 | 222,450 |
| 2027................ | 200,000 | 9,640 | 209,640 | 8,716 | - | 8,716 | 218,356 |
| 2028................ | 135,000 | 6,197 | 141,197 | 8,716 | - | 8,716 | 149,913 |
| 2029................ | 60,000 | 4,200 | 64,200 | - | - | - | 64,200 |
| 2030................ | 60,000 | 3,000 | 63,000 | - | - | - | 63,000 |
| 2031................ | 60,000 | 1,800 | 61,800 | - | - | - | 61,800 |
| 2032................ | 60,000 | 600 | 60,600 | - | - | - | 60,600 |
| Total................ | $ 7,675,000 | $ 611,309 | $ 8,286,309 | $ 145,113 | $ 2,987 | $ 148,100 | $ 8,434,409 |

## Bonds Payable Schedule – Enterprise Funds

| Project | Maturities Through | Original Loan Amount | Interest Rate (%) | Outstanding at June 30, 2020 |
|---|---|---|---|---|
| **General Obligation Bonds Payable:** | | | | |
| Sewer…...................................................................... | 2024 | $ 694,000 | 3.5-4.5 | $ 140,000 |
| Total General Obligation Bonds Payable………………………........................................................... | | | | 140,000 |
| **Direct Borrowing Bonds Payable:** | | | | |
| MWPAT- Sewer…..................................................... | 2031 | 1,852,634 | 5.2-5.5 | 995,000 |
| MWPAT- Sewer…..................................................... | 2031 | 7,800,326 | 5.06-5.5 | 4,165,000 |
| MWPAT- Sewer…..................................................... | 2031 | 12,159,555 | 4.58-5.12 | 6,315,000 |
| Total Direct Borrowing Bonds Payable……………………........................................................... | | | | 11,475,000 |
| Total Bonds Payable, net……………………………………………………………………………… | | | | $ 11,615,000 |

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

| | General Obligation Bonds | | | Direct Borrowings and Placements | | | |
|---|---|---|---|---|---|---|---|
| Year | Principal | Interest | Total | Principal | Interest | Total | Grand Total |
| 2021 | $ 35,000 | $ 5,916 | $ 40,916 | $ 870,000 | $ 544,111 | $ 1,414,111 | $ 1,455,027 |
| 2022 | 35,000 | 4,498 | 39,498 | 905,000 | 497,433 | 1,402,433 | 1,441,931 |
| 2023 | 35,000 | 3,044 | 38,044 | 935,000 | 483,799 | 1,418,799 | 1,456,843 |
| 2024 | 35,000 | 1,576 | 36,576 | 970,000 | 324,294 | 1,294,294 | 1,330,870 |
| 2025 | - | - | - | 1,005,000 | 194,353 | 1,199,353 | 1,199,353 |
| 2026 | - | - | - | 1,035,000 | 347,074 | 1,382,074 | 1,382,074 |
| 2027 | - | - | - | 1,075,000 | 291,337 | 1,366,337 | 1,366,337 |
| 2028 | - | - | - | 1,110,000 | 234,012 | 1,344,012 | 1,344,012 |
| 2029 | - | - | - | 1,155,000 | 174,700 | 1,329,700 | 1,329,700 |
| 2030 | - | - | - | 1,195,000 | 113,007 | 1,308,007 | 1,308,007 |
| 2031 | - | - | - | 1,220,000 | 49,464 | 1,269,464 | 1,269,464 |
| Total | $ 140,000 | $ 15,034 | $ 155,034 | $ 11,475,000 | $ 3,253,584 | $ 14,728,584 | 14,883,618 |

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2020, the Town had the following authorized and unissued debt:

| Purpose | Amount |
|---|---|
| Kelley's Corner | $ 212,386 |

## Changes in Long-term Liabilities

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

| | Beginning Balance | Bonds and Notes Issued | Bonds and Notes Redeemed | Other Increases | Other Decreases | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | | | |
| Long-term bonds payable | $ 9,923,957 | $ - | $ (2,103,844) | $ - | $ - | $ 7,820,113 | $ 2,138,844 |
| Add: Unamortized premium on bonds | 456,493 | - | (170,154) | - | - | 286,339 | 125,358 |
| Total bonds payable | 10,380,450 | - | (2,273,998) | - | - | 8,106,452 | 2,264,202 |
| Capital lease obligations | 145,204 | - | - | - | (69,933) | 75,271 | 37,635 |
| Landfill closure | 40,000 | - | - | - | (2,500) | 37,500 | 2,500 |
| Compensated absences | 558,778 | - | - | 316,306 | (223,511) | 651,573 | 260,629 |
| Other liabilities | 1,393,379 | | | - | (88,602) | 1,304,777 | 140,364 |
| Net pension liability | 53,545,751 | - | - | 5,657,195 | (4,236,342) | 54,966,604 | - |
| Net other postemployment benefits liability | 16,119,213 | - | - | 1,698,064 | (1,733,375) | 16,083,902 | - |
| Total governmental activity long-term liabilities | $ 82,182,775 | $ - | $ (2,273,998) | $ 7,671,565 | $ (6,354,263) | $ 81,226,079 | $ 2,705,330 |
| **Business-Type Activities:** | | | | | | | |
| Long-term bonds payable | $ 12,490,000 | $ - | $ (875,000) | $ - | $ - | $ 11,615,000 | $ 905,000 |
| Compensated absences | 7,434 | - | - | 5,932 | (4,460) | 8,906 | 3,562 |
| Total business-type activity long-term liabilities | $ 12,497,434 | $ - | $ (875,000) | $ 5,932 | $ (4,460) | $ 11,623,906 | $ 908,562 |

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

## NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.

- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority.

- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.

- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch. 40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. At year-end, the balance of the general stabilization fund totaled $2,027,223 and is reported as unassigned fund balance within the General Fund.

As of June 30, 2020, the governmental fund balances consisted of the following:

| | General | Community Preservation Fund | Fire Station Construction | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Cemetery | $ - | $ - | $ - | $ 2,163,517 | $ 2,163,517 |
| Library | | | | 94,239 | 94,239 |
| Other | | | | 87,901 | 87,901 |
| Restricted for: | | | | | |
| Town Gifts | - | - | - | 1,438,263 | 1,438,263 |
| Town Grants | - | - | - | 634,594 | 634,594 |
| Town Revolving | - | - | - | 1,023,647 | 1,023,647 |
| Community Preservation | - | 6,955,217 | - | - | 6,955,217 |
| Other special Revenue | - | - | - | 2,201,802 | 2,201,802 |
| Cemetery | - | - | - | 1,499,312 | 1,499,312 |
| Library | - | - | - | 566,943 | 566,943 |
| Permanent Other | - | - | - | 317,719 | 317,719 |
| Committed to: | | | | | |
| Articles and continuing appropriations: | | | | | |
| Kelley's Corner improvements | 546,390 | - | - | - | 546,390 |
| Parking Meters | 43,278 | - | - | - | 43,278 |
| Commuter Lot improvements | 558,506 | - | - | - | 558,506 |
| Digitize Records | 58,681 | - | - | - | 58,681 |
| Emergency Planning | 57,180 | - | - | - | 57,180 |
| Library Roof | 74,510 | - | - | - | 74,510 |
| Railroad Crossing safety | 140,000 | - | - | - | 140,000 |
| Network System | 42,043 | - | - | - | 42,043 |
| Sidewalks | 322,806 | - | - | - | 322,806 |
| Other | 114,724 | - | - | - | 114,724 |
| Assigned to: | | | | | |
| General government | 835,413 | - | - | - | 835,413 |
| Public safety | 205,670 | - | - | - | 205,670 |
| Highway and Public works | 372,408 | - | - | - | 372,408 |
| Health and human services | 16,450 | - | - | - | 16,450 |
| Culture and recreation | 3,765 | - | - | - | 3,765 |
| Free cash used for subsequent year budget | 998,738 | - | - | - | 998,738 |
| Unassigned | 6,932,724 | - | (461,305) | (3,264,442) | 3,206,977 |
| Total Fund Balances | $ 11,323,286 | $ 6,955,217 | $ (461,305) | $ 6,763,495 | $ 24,580,693 |

## NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts, theft, damage to and/or destruction of assets, errors and omissions, injuries to employees, employees' health and life insurance, as well as natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

The Town is insured for general liability, however, Chapter 258 of the Massachusetts General Laws limit's 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. These claims are charged to the general fund.

The Town participates in the Acton Health Insurance Trust for health care benefits pursuant to Chapter 32B, Section 12 and Chapter 40, Section 3A of the Massachusetts General Laws. The Trust includes the Town of Acton and the Acton-Boxborough Regional School District. The claims administration contract holds all participants jointly and severely liable for claims. The Trust provides healthcare coverage for all active and retired employees that qualify for and select healthcare coverage as an employee benefit.

Active and retired employees participating in the trust pay a percentage of a health insurance premium. The contribution percentage for active employees is 25% for HMO plans and 50% for indemnity plans. All retirees pay 50% of the health insurance premium. All participants are obligated to pay the group its required premiums and, in the event the Trust is terminated, its pro-rata share of a deficit should one exist.

## NOTE 11 – PENSION PLAN

Plan Description

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

*Benefits Provided*

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

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

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There were no changes in pension benefits since the last measurement date.

*Contributions*

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding $30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town’s proportionate share of the required contribution for the year ended June 30, 2020 was $4,229,480, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town’s actual contribution for the year ended June 30, 2020 was $4,236,342, or 28.80% of covered payroll.

*Pension Liabilities*

At June 30, 2020, the Town reported a liability of $54,966,604 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportion was 3.44%; which equaled its proportion measured at December 31, 2018.

*Pension Expense*

For the year ended June 30, 2020, the Town recognized pension expense of $7,723,467. At June 30, 2020, the Town reported deferred outflows of resources related to pensions of $6,323,967 and deferred inflows of resources related to pensions of $2,687,536. The balances of deferred outflows and inflows at June 30, 2020 consist of the following:

| Deferred Category | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
|---|---|---|---|
| Differences between expected and actual experience................ | $ 1,337,455 | $ (124,487) | $ 1,212,968 |
| Difference between projected and actual earnings, net............. | - | (1,426,379) | (1,426,379) |
| Changes in assumptions.................................................... | 3,785,335 | - | 3,785,335 |
| Changes in proportion and proportionate share of contributions... | 1,201,177 | (1,136,670) | 64,507 |
| Total deferred outflows/(inflows) of resources........................... | $ 6,323,967 | $ (2,687,536) | $ 3,636,431 |

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

| Year ended June 30: | |
|---|---|
| 2021............................................................. | $ 1,492,083 |
| 2022............................................................. | 1,213,723 |
| 2023............................................................. | 934,713 |
| 2024............................................................. | (4,088) |
| Total deferred outflows/(inflows) of resources.......... | $ 3,636,431 |

*Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation as of January 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2019:

| | |
|---|---|
| Valuation date…………………………… | Janurary 1, 2020 |
| Actuarial cost method……………………… | Entry Age Normal Cost Method |
| Amortization method………………………. | Prior year's total contribution increased by 6.50% for fiscal 2020 through fiscal 2027, and thereafter the remaining unfunded liability will be amortized on a 4.00% annual increasing basis; ERI liability amortized in level payments. |
| Remaining amortization period…………… | 17 years from July 1, 2018 from non-ERI liability, 1 year from July 1, 2018 for 2002 ERI, 2 years from July 1, 2018 for 2033 ERI, and 4 years from July 1, 2018 for 2010 ERI. |
| Asset valuation method…………………… | 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 the market value. |
| Investment rate of return…………………… | 7.30%, net of pension plan investment expense, including inflation, (previously 7.50%) |
| Discount rate……………………………… | 7.30% |
| Inflation rate……………………………… | 3.25% |
| Projected salary increases………………… | 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 |
| Cost of living adjustments………………… | 3.00% of the first $16,000 retirement income, as of July 1, 2019 |
| Mortality rates: | |
| Pre-Retirement………………………… | The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017. |
| Health Retiree………………………… | The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017. |
| Diasbled Retiree………………………… | The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017. |

*Investment policy*

The pension plan's policy in regard to the allocation of invested assets is established by Pension Reserve Investment Trust (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.

Best estimates of the arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2020, are summarized in the following table:

| Asset Class | Long-Term Expected Asset Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity | 21.00% | 6.15% |
| International developed markets equity | 13.00% | 6.78% |
| International emerging markets equity | 5.00% | 8.65% |
| Core fixed income | 15.00% | 1.11% |
| High-yield fixed income | 8.00% | 3.51% |
| Commodities | 4.00% | 4.13% |
| Hedge funds, GTAA, risk parity | 11.00% | 3.19% |
| Private equity | 13.00% | 9.99% |
| Real estate | 10.00% | 4.33% |
| Total | 100.00% | |

*Rate of return*

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Discount rate*

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net position liability to changes in the discount rate*

The following presents the net position liability, calculated using the discount rate of 7.30%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

| | 1% Decrease (6.30%) | Current Discount (7.30%) | 1% Increase (8.30%) |
|---|---|---|---|
| The Town's proportionate share of the net pension liability | $ 67,549,603 | $ 54,966,604 | $ 44,378,333 |

*Changes of Assumptions*

- The net investment return assumption was lowered from 7.50% to 7.30%.

*Changes in Plan Provisions*

- As permitted by Section 19 of Chapter 188 of the Acts of 2010, the Cost of Living Adjustment base was increased from $14,000 to $16,000 as of July 1, 2019.

**NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

*Plan Description* – The Town of Acton administers a single-employer defined benefit healthcare plan (Plan). The plan provides lifetime healthcare insurance, dental insurance, and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report. During 2017, the Town determined that costs related to the Town's other postemployment benefits liability will no longer be charged to the business-type funds. The Town has no intention to charge these funds in the future. As a result, the OPEB liability, expense, deferred outflows and deferred inflows of resources are not allocated to the business-type funds. In addition, the component unit, the Acton Community Housing Corporation, has no employees eligible for OPEB benefits, and as a result no amounts have been allocated to it as well. The plan does not issue a publicaly available financial report.

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

*Funding Policy* – The contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes a variable portion of the cost of current-year premiums, which varies by plan, for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs. For the year ended June 30, 2020, the Town's average contribution rate was 9.58% of covered-employee payroll.

The Commonwealth of Massachusetts passed legislation that has allowed the Town to establish the postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2020, the town pre-funded future OPEB liabilities totaling $633,742 by contributing funds to the OPEB Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2020, the net position of the OPEB trust fund totaled $5,968,797.

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

*Employees Covered by Benefit Terms* – The following table represents the Plan's membership at December 31, 2018:

| | |
|---|---|
| Active members | 149 |
| Inactive members currently receiving benefits | 333 |
| Total | 482 |

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

| | |
|---|---|
| Total OPEB liability | $ 22,052,699 |
| Less: OPEB plan's fiduciary net position | (5,968,797) |
| Net OPEB liability | $ 16,083,902 |
| The OPEB plan's fiduciary net position as a percentage of the total OPEB liability | 27.07% |

*Significant Actuarial Methods and Assumptions* – The total OPEB liability in the December 31, 2018, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement date that was updated to June 30, 2020:

| | |
|---|---|
| Valuation date | December 31, 2018 |
| Actuarial cost method | Entry age normal- Level percentage of payroll |
| Amortization method | Level percentage of payroll |
| Asset valuation method | Market value |
| Investment rate of return | 7.25% |
| Discount rate | 7.25% |
| Inflation rate | 3.25% |
| Projected salary increases | Groups 1 and 2: 6.00% decreasing to 4.25% based on service.<br>Group 4: 7.00% to decreasing to 4.75% based on service. |
| Health care cost trend rates | Non-Medicare cost trend rate: -3.00% then 6.75% graded by 0.25% for 9 years to an ultimate level of 4.50%<br><br>Contributions: Retiree contributions are expected to increase with the medical trend. |

| | |
|---|---|
| Mortality rates………………………………… | Pre-Retirement: RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2017.<br><br>Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2017.<br><br>Disabled Retiree (non-Teachers): RP-2014 Blue Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2017.<br><br>Healthy Retiree (Teachers): RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2016.<br><br>Disabled Retiree (Teachers): RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016. |

*Rate of Return* – For the year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments was 1.96%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

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 returns are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and by subtracting expected investment expenses and a risk margin. Best estimates of arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2020, are summarized in the following table.

| Asset Class | Long-Term Expected Asset Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic equity………………………………… | 21.00% | 6.15% |
| International developed markets equity…….. | 13.00% | 6.78% |
| International emerging markets equity……… | 5.00% | 8.65% |
| Core fixed income……………………………… | 15.00% | 1.11% |
| High-yield fixed income……………………… | 8.00% | 3.51% |
| Real estate…………………………………… | 10.00% | 4.33% |
| Commodities…………………………………… | 4.00% | 4.13% |
| Hedge fund, GTAA, Risk parity……………… | 11.00% | 3.19% |
| Private equity…………………………………… | 13.00% | 9.99% |
| Total…………………………………………… | 100.00% | |

*Discount rate* – The discount rate used to measure the total OPEB liability was 7.25% as of June 30, 2020, which was the same as the prior year. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments to 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 the Net OPEB Liability*

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances at June 30, 2019 | $ 21,340,604 | $ 5,221,391 | $ 16,119,213 |
| Changes for the year: | | | |
| Service cost | 440,281 | - | 440,281 |
| Interest | 1,539,252 | - | 1,539,252 |
| Changes in assumptions and other inputs | (167,805) | - | (167,805) |
| Benefit payments | (1,099,633) | (1,099,633) | - |
| Contributions - employer | - | 1,733,375 | (1,733,375) |
| Net investment income | - | 113,664 | (113,664) |
| Net change | 712,095 | 747,406 | (35,311) |
| Balances at June 30, 2020 | $ 22,052,699 | $ 5,968,797 | $ 16,083,902 |

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* – The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.25%, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate.

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---|---|---|
| Net OPEB liability | $ 18,719,981 | $ 16,083,902 | $ 13,874,021 |

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

| | 1% Decrease (3.50%) | Current Trend (4.50%) | 1% Increase (5.50%) |
|---|---|---|---|
| Net OPEB liability | $ 13,455,185 | $ 16,083,902 | $ 19,283,016 |

*OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB* – For the year ended June 30, 2020, the Town recognized OPEB expense of $1,676,757. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| Deferred Category | Deferred Outflows of Resources | Deferred Inflows of Resources | Total |
|---|---|---|---|
| Differences between expected and actual experience | $ - | $ (359,830) | $ (359,830) |
| Difference between projected and actual earnings, net | 238,910 | - | 238,910 |
| Changes in assumptions | 532,622 | (125,853) | 406,769 |
| Total deferred outflows/(inflows) of resources | $ 771,532 | $ (485,683) | $ 285,849 |

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

| Year ended June 30: | |
|---|---|
| 2021 | $ 98,749 |
| 2022 | 98,747 |
| 2023 | 30,781 |
| 2024 | 57,572 |
| Total deferred outflows/(inflows) of resources | $ 285,849 |

*Changes of Assumptions* –

- The impact of the excise tax on high cost health plans (part of the Patient Protection and Affordable Care Act) was removed, as the tax was repealed effective December 20, 2019.

*Changes in Plan Provisions* – None.

## NOTE 13 – LANDFILL CLOSURE AND 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 post closure care costs to be $37,500 at June 30, 2020, in the government-wide financial statements governmental activities. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

## NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2020, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2020.

The Town has entered into or is planning to enter into contracts totaling $212,000 for renovation of Kelley's Corner.

The Town has $3.4 million of encumbrances and continuing appropriations in the general fund and has $4.4 million with the Community Preservation fund.

## NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2021, which is the date the financial statements were available to be issued.

## NOTE 16 – TAX ABATEMENT PROGRAM

The Town enters into tax increment financing (TIF) agreements with local businesses under Chapter 40, Section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The exemptions may be granted to any business located within or promising to relocate to the Town. Currently there are 2 agreements in place, one agreement ended in 2020, the other extends out until 2037. For the fiscal year ended 2020, the Town exempted property taxes totaling $236,325 under these agreements.

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

## NOTE 17 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely.

These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses.

The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

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

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 31, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

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

## NOTE 18 – RESTATEMENT OF NET POSITION

The previous year's governmental net position has been restated to reflect the full accrual recognition of tax foreclosure receivables. The changes to beginning net position are noted in the following chart:

| | 06/30/2019 Previously Reported Balances | Recognize Tax Foreclosures on a Full Accrual Basis | 06/30/2019 Revised Balances |
|---|---|---|---|
| ***Government-Wide Financial Statements*** | | | |
| Governmental activities | $ 76,397,764 | $ 648,664 | $ 77,046,428 |

## NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncements were implemented:

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

The following GASB pronouncements will be implemented in the future:

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

- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.

- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.

- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.

- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.

- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.

- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.

- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.

- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.

- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

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

# *Required Supplementary Information*

# *General Fund*
# *Budgetary Comparison Schedule*

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

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

YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts | | | | | |
|---|---|---|---|---|---|---|
| | Amounts Carried Forward From Prior Year | Original Budget | Final Budget | Actual Budgetary Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
| REVENUES: | | | | | | |
| Real estate and personal property taxes, | | | | | | |
| net of tax refunds | $ - | $ 89,006,214 | $ 89,006,214 | $ 88,428,671 | $ - | $ (577,543) |
| Tax liens | - | - | - | 100,236 | - | 100,236 |
| Motor vehicle and other excise taxes | - | 3,738,000 | 3,738,000 | 3,767,678 | - | 29,678 |
| Charges for services | - | 160,000 | 160,000 | 184,677 | - | 24,677 |
| Penalties and interest on taxes | - | 160,000 | 160,000 | 185,218 | - | 25,218 |
| Payments in lieu of taxes | - | 45,000 | 45,000 | 42,083 | - | (2,917) |
| Licenses and permits | - | 800,000 | 800,000 | 859,479 | - | 59,479 |
| Fines and forfeitures | - | 92,000 | 92,000 | 80,206 | - | (11,794) |
| Intergovernmental - School Building Authority | - | 922,673 | 922,673 | 922,673 | - | - |
| Intergovernmental - other | - | 1,685,390 | 1,685,390 | 1,694,706 | - | 9,316 |
| Departmental and other | - | 450,000 | 450,000 | 303,915 | - | (146,085) |
| Investment income | - | 117,000 | 117,000 | 129,310 | - | 12,310 |
| Miscellaneous | - | - | - | 44,104 | - | 44,104 |
| TOTAL REVENUES | - | 97,176,277 | 97,176,277 | 96,742,956 | - | (433,321) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | | | | | | |
| Moderator | | | | | | |
| Expenses | - | 36,800 | 36,800 | 12,519 | 15,319 | 8,962 |
| Town Manager | | | | | | |
| Salaries | - | 1,023,755 | 654,470 | 679,415 | - | (24,945) |
| Expenses | 190,101 | 985,251 | 985,250 | 840,612 | 211,753 | (67,115) |
| Total | 190,101 | 2,009,006 | 1,639,720 | 1,520,027 | 211,753 | (92,060) |
| Green Advisory Board | | | | | | |
| Salaries | - | 14,404 | 14,404 | 13,869 | - | 535 |
| Expenses | - | 462 | 462 | - | - | 462 |
| Total | - | 14,866 | 14,866 | 13,869 | - | 997 |
| Finance Committee | | | | | | |
| Expenses | - | 280 | 280 | 280 | - | - |
| Finance Director | | | | | | |
| Salaries | - | 295,807 | 301,437 | 205,415 | - | 96,022 |
| Expenses | 191,481 | 454,056 | 454,056 | 383,891 | 121,250 | (51,085) |
| Total | 191,481 | 749,863 | 755,493 | 589,306 | 121,250 | 44,937 |
| Comptroller | | | | | | |
| Salaries | - | 333,834 | 340,471 | 332,718 | - | 7,753 |
| Expenses | - | 1,000 | 1,000 | 1,842 | 169 | (1,011) |
| Total | - | 334,834 | 341,471 | 334,560 | 169 | 6,742 |
| Board of Assessors | | | | | | |
| Salaries | - | 276,345 | 281,554 | 284,299 | - | (2,745) |
| Expenses | 3,088 | 81,088 | 81,088 | 15,837 | 78,318 | (13,067) |
| Total | 3,088 | 357,433 | 362,642 | 300,136 | 78,318 | (15,812) |
| Collector | | | | | | |
| Salaries | - | 130,231 | 133,530 | 132,623 | - | 907 |
| Expenses | 4,000 | 21,500 | 21,500 | 4,644 | - | 16,856 |
| Total | 4,000 | 151,731 | 155,030 | 137,267 | - | 17,763 |
| Human Resource | | | | | | |
| Salaries | - | 265,584 | 269,674 | 250,733 | - | 18,941 |
| Expenses | 19,517 | 198,787 | 198,787 | 159,497 | 15,035 | 24,255 |
| Total | 19,517 | 464,371 | 468,461 | 410,230 | 15,035 | 43,196 |
| Information Technology | | | | | | |
| Salaries | - | 453,823 | 462,899 | 428,633 | - | 34,266 |
| Expenses | 366,357 | 1,518,607 | 1,518,609 | 1,048,143 | 415,433 | 55,033 |
| Total | 366,357 | 1,972,430 | 1,981,508 | 1,476,776 | 415,433 | 89,299 |

(continued)

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

YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts | | | | | |
|---|---|---|---|---|---|---|
| | Amounts Carried Forward From Prior Year | Original Budget | Final Budget | Actual Budgetary Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
| Town Clerk | | | | | | |
| Salaries | - | 162,544 | 165,795 | 133,066 | - | 32,729 |
| Expenses | - | 4,625 | 4,625 | 3,035 | - | 1,590 |
| Total | - | 167,169 | 170,420 | 136,101 | - | 34,319 |
| Elections | | | | | | |
| Salaries | - | 59,300 | 59,300 | 38,249 | - | 21,051 |
| Expenses | - | 38,400 | 38,400 | 31,699 | 171 | 6,530 |
| Total | - | 97,700 | 97,700 | 69,948 | 171 | 27,581 |
| Planning | | | | | | |
| Salaries | - | 269,712 | 275,106 | 261,866 | - | 13,240 |
| Expenses | 32,290 | 562,833 | 562,833 | 69,472 | 550,944 | (57,583) |
| Total | 32,290 | 832,545 | 837,939 | 331,338 | 550,944 | (44,343) |
| Land Use | | | | | | |
| Salaries | - | 269,910 | 275,308 | 271,717 | - | 3,591 |
| Expenses | 7,035 | 29,585 | 29,585 | 15,742 | 424 | 13,419 |
| Total | 7,035 | 299,495 | 304,893 | 287,459 | 424 | 17,010 |
| Municipal Properties | | | | | | |
| Salaries | - | 788,196 | 566,317 | 549,733 | - | 16,584 |
| Expenses | 198,977 | 1,154,441 | 1,154,441 | 837,920 | 275,284 | 41,237 |
| Total | 198,977 | 1,942,637 | 1,720,758 | 1,387,653 | 275,284 | 57,821 |
| Total General Government | 1,012,846 | 9,431,160 | 8,887,981 | 7,007,469 | 1,684,100 | 196,412 |
| Public safety | | | | | | |
| Police | | | | | | |
| Salaries | - | 4,420,959 | 4,571,024 | 4,518,454 | - | 52,570 |
| Expenses | 130,744 | 423,744 | 423,743 | 350,111 | 101,969 | (28,337) |
| Total | 130,744 | 4,844,703 | 4,994,767 | 4,868,565 | 101,969 | 24,233 |
| Fire | | | | | | |
| Salaries | - | 3,159,748 | 3,166,562 | 3,126,137 | - | 40,425 |
| Expenses | 38,336 | 238,536 | 238,536 | 240,580 | 92,669 | (94,713) |
| Total | 38,336 | 3,398,284 | 3,405,098 | 3,366,717 | 92,669 | (54,288) |
| Dispatch | | | | | | |
| Salaries | - | 603,797 | 634,520 | 657,682 | - | (23,162) |
| Expenses | - | 6,500 | 6,500 | 3,741 | 593 | 2,166 |
| Total | - | 610,297 | 641,020 | 661,423 | 593 | (20,996) |
| Building Inspector | | | | | | |
| Salaries | - | 235,355 | 240,062 | 241,684 | - | (1,622) |
| Expenses | 574 | 9,008 | 9,007 | 5,745 | 758 | 2,504 |
| Total | 574 | 244,363 | 249,069 | 247,429 | 758 | 882 |
| Emergency Management | | | | | | |
| Salaries | - | 23,000 | 23,000 | 23,885 | - | (885) |
| Expenses | 14,400 | 37,850 | 37,850 | 15,956 | 9,680 | 12,214 |
| Total | 14,400 | 60,850 | 60,850 | 39,841 | 9,680 | 11,329 |
| Dog Officer | | | | | | |
| Salaries | - | - | - | - | - | - |
| Expenses | - | 23,000 | 23,000 | 20,520 | - | 2,480 |
| Total | - | 23,000 | 23,000 | 20,520 | - | 2,480 |
| Total Public Safety | 184,054 | 9,181,497 | 9,373,804 | 9,204,495 | 205,669 | (36,360) |
| Education | | | | | | |
| Acton Boxborough Reg Assmt | - | 61,235,254 | 61,235,254 | 61,235,254 | - | - |
| Minuteman Tech- Assmt | - | 1,455,682 | 1,455,682 | 1,455,681 | - | 1 |
| Total Education | - | 62,690,936 | 62,690,936 | 62,690,935 | - | 1 |

(continued)

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

YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts: Amounts Carried Forward From Prior Year | Budgeted Amounts: Original Budget | Budgeted Amounts: Final Budget | Actual Budgetary Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
|---|---|---|---|---|---|---|
| Highway and Public works | | | | | | |
| Engineering | | | | | | |
| Salaries | - | 160,675 | 163,889 | 119,873 | - | 44,016 |
| Expenses | 260,925 | 297,842 | 297,842 | 204,756 | 284,735 | (191,649) |
| Total | 260,925 | 458,517 | 461,731 | 324,629 | 284,735 | (147,633) |
| Highway | | | | | | |
| Salaries | - | 1,157,631 | 1,441,265 | 1,269,071 | - | 172,194 |
| Expenses | 621,950 | 877,324 | 877,324 | 230,947 | 1,010,829 | (364,452) |
| Total | 621,950 | 2,034,955 | 2,318,589 | 1,500,018 | 1,010,829 | (192,258) |
| Roads | | | | | | |
| Expenses | 40,379 | 290,358 | 290,358 | 190,025 | 51,133 | 49,200 |
| Snow and Ice | | | | | | |
| Salaries | - | 149,437 | 152,237 | 167,577 | - | (15,340) |
| Expenses | - | 413,106 | 413,106 | 209,513 | 35,490 | 168,103 |
| Total | - | 562,543 | 565,343 | 377,090 | 35,490 | 152,763 |
| Gas and Diesel | | | | | | |
| Expenses | - | 237,715 | 237,715 | 169,355 | - | 68,360 |
| Machinery | | | | | | |
| Expenses | 31,937 | 329,737 | 329,737 | 234,235 | 21,617 | 73,885 |
| Special Projects | | | | | | |
| Expenses | 80,142 | 270,870 | 270,870 | 192,689 | 78,036 | 145 |
| Total Highway and Public Works | 1,035,333 | 4,184,695 | 4,474,343 | 2,988,041 | 1,481,840 | 4,462 |
| Health and human services | | | | | | |
| Board of Health | | | | | | |
| Salaries | - | 43,619 | 44,442 | 42,526 | - | 1,916 |
| Expenses | 2,374 | 71,674 | 71,674 | 43,557 | 3,380 | 24,737 |
| Total | 2,374 | 115,293 | 116,116 | 86,083 | 3,380 | 26,653 |
| Nursing Service | | | | | | |
| Salaries | - | 500,434 | 509,216 | 434,359 | - | 74,857 |
| Expenses | 5,247 | 181,389 | 181,390 | 138,126 | 11,393 | 31,871 |
| Total | 5,247 | 681,823 | 690,606 | 572,485 | 11,393 | 106,728 |
| Council on Aging | | | | | | |
| Salaries | - | 330,082 | 336,253 | 329,528 | - | 6,725 |
| Expenses | 775 | 25,761 | 25,761 | 15,096 | 218 | 10,447 |
| Total | 775 | 355,843 | 362,014 | 344,624 | 218 | 17,172 |
| Veterans Services | | | | | | |
| Salaries | - | 84,258 | 85,943 | 78,408 | - | 7,535 |
| Expenses | 457 | 103,557 | 103,557 | 86,379 | 251 | 16,927 |
| Total | 457 | 187,815 | 189,500 | 164,787 | 251 | 24,462 |
| Commission on Disabilities | | | | | | |
| Expenses | 47 | 2,047 | 2,047 | 333 | - | 1,714 |
| Natural Resources | | | | | | |
| Salaries | - | 814,593 | 834,991 | 779,386 | - | 55,605 |
| Expenses | 89,442 | 163,942 | 163,942 | 123,960 | 1,208 | 38,774 |
| Total | 89,442 | 978,535 | 998,933 | 903,346 | 1,208 | 94,379 |
| Total Health and Human Services | 98,342 | 2,321,356 | 2,359,216 | 2,071,658 | 16,450 | 271,108 |

(continued)

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

YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts: Amounts Carried Forward From Prior Year | Budgeted Amounts: Original Budget | Budgeted Amounts: Final Budget | Actual Budgetary Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
|---|---|---|---|---|---|---|
| Culture and recreation | | | | | | |
| Cultural Council | | | | | | |
| Expenses | - | 2,000 | 2,000 | 600 | - | 1,400 |
| Memorial Library | | | | | | |
| Salaries | - | 1,124,812 | 1,147,161 | 994,457 | - | 152,704 |
| Expenses | 62,925 | 346,014 | 346,014 | 291,442 | 3,050 | 51,522 |
| Total | 62,925 | 1,470,826 | 1,493,175 | 1,285,899 | 3,050 | 204,226 |
| Citizens Library | | | | | | |
| Salaries | - | 53,211 | 54,226 | 51,970 | - | 2,256 |
| Expenses | - | 9,655 | 9,655 | 5,785 | - | 3,870 |
| Total | - | 62,866 | 63,881 | 57,755 | - | 6,126 |
| Historic Commission | | | | | | |
| Expenses | - | 376 | 376 | - | - | 376 |
| Celebrations | | | | | | |
| Expenses | - | 8,900 | 8,900 | 6,585 | 715 | 1,600 |
| Total | - | 8,900 | 8,900 | 6,585 | 715 | 1,600 |
| Total Culture and Recreation | 62,925 | 1,544,968 | 1,568,332 | 1,350,839 | 3,765 | 213,728 |
| Employee Benefits and Insurances | | | | | | |
| Pension Assessment | - | 4,229,480 | 4,229,480 | 4,236,342 | - | (6,862) |
| Medicare | - | 210,000 | 210,000 | 234,612 | - | (24,612) |
| Insurances and Other Benefits | 25,000 | 4,204,239 | 4,204,239 | 3,809,589 | - | 394,650 |
| Total Employee Benefits and Insurances | 25,000 | 8,643,719 | 8,643,719 | 8,280,543 | - | 363,176 |
| State and county charges | | | | | | |
| State and county charges | - | 324,959 | 324,959 | 322,515 | - | 2,444 |
| Debt service: | | | | | | |
| Principal | - | 1,961,017 | 1,916,464 | 1,879,659 | - | 36,805 |
| Interest | - | 681,527 | 487,913 | 372,232 | - | 115,681 |
| Total Debt Service | - | 2,642,544 | 2,404,377 | 2,251,891 | - | 152,486 |
| TOTAL EXPENDITURES | 2,418,500 | 100,965,834 | 100,727,667 | 96,168,386 | 3,391,824 | 1,167,457 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (2,418,500) | (3,789,557) | (3,551,390) | 574,570 | (3,391,824) | 734,136 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Use of prior year reserves | 2,418,500 | 2,418,500 | 2,418,500 | - | - | (2,418,500) |
| Use of free cash | - | 1,701,157 | 1,701,157 | - | - | (1,701,157) |
| Transfers in | - | 109,900 | 109,900 | 109,900 | - | - |
| Transfers out | - | (440,000) | (678,167) | (678,167) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 2,418,500 | 3,789,557 | 3,551,390 | (568,267) | - | (4,119,657) |
| NET CHANGE IN FUND BALANCE | - | - | - | 6,303 | (3,391,824) | (3,385,521) |
| BUDGETARY FUND BALANCE, Beginning of year | - | 9,401,170 | 9,401,170 | 9,401,170 | - | - |
| BUDGETARY FUND BALANCE, End of year | $ - | $ 9,401,170 | $ 9,401,170 | $ 9,407,473 | $ (3,391,824) | $ (3,385,521) |

(concluded)

See notes to required supplementary information.

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# Community Preservation Fund Budgetary Comparison Schedule

The Community Preservation Fund is a special revenue fund used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, affordable housing, and recreation. Funding is provided primarily by a property tax surcharge of up to 3%, along with state matching funds.

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

YEAR ENDED JUNE 30, 2020

| | Budgeted Amounts | | | | | |
|---|---|---|---|---|---|---|
| | Amounts Carried Forward From Prior Year | Original Budget | Final Budget | Actual Budgetary Amounts | Amounts Carried Forward To Next Year | Variance to Final Budget |
| REVENUES: | | | | | | |
| Community preservation taxes | $ - | $ 1,074,946 | $ 1,074,946 | $ 1,081,402 | $ - | $ 6,456 |
| Community preservation state match | - | 145,355 | 145,355 | 247,192 | - | 101,837 |
| Tax liens | - | - | - | 984 | - | 984 |
| Penalties and interest | - | 2,353 | 2,353 | 1,260 | - | (1,093) |
| Investment income | - | 85,000 | 85,000 | 81,467 | - | (3,533) |
| TOTAL REVENUES | - | 1,307,654 | 1,307,654 | 1,412,305 | - | 104,651 |
| EXPENDITURES: | | | | | | |
| Community preservation | 3,284,717 | 4,973,871 | 4,973,871 | 456,744 | 4,367,263 | 149,864 |
| Debt service: | | | | | | |
| Principal | - | 60,000 | 60,000 | 60,000 | - | - |
| Interest | - | 21,600 | 21,600 | 21,600 | - | - |
| TOTAL EXPENDITURES | 3,284,717 | 5,055,471 | 5,055,471 | 538,344 | 4,367,263 | 149,864 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,284,717) | (3,747,817) | (3,747,817) | 873,961 | (4,367,263) | 254,515 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Use of prior year reserves | - | 3,284,717 | 3,284,717 | - | - | (3,284,717) |
| Use of retained earnings | - | 184,600 | 184,600 | - | - | (184,600) |
| PY article close outs | - | 278,500 | 278,500 | - | - | (278,500) |
| Transfers in | - | - | - | 1,643,828 | - | 1,643,828 |
| Transfers out | - | - | - | (1,643,827) | - | (1,643,827) |
| NET CHANGE IN FUND BALANCE | (3,284,717) | - | - | 873,962 | (4,367,263) | (3,493,301) |
| BUDGETARY FUND BALANCE, Beginning of year | - | 6,081,255 | 6,081,255 | 6,081,255 | - | - |
| BUDGETARY FUND BALANCE, End of year | $ (3,284,717) | $ 6,081,255 | $ 6,081,255 | $ 6,955,217 | $ (4,367,263) | $ (3,493,301) |

See notes to required supplementary information.

# *Pension Plan Schedules – Town*

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

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

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

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

| Year | Proportion of the net pension liability (asset) | Proportionate share of the net pension liability (asset) | Covered payroll | Net pension liability as a percentage of covered payroll | Plan fiduciary net position as a percentage of the total pension liability |
|---|---|---|---|---|---|
| December 31, 2019.......... | 3.44% | $ 54,966,604 | $ 14,564,884 | 377.39% | 49.45% |
| December 31, 2018.......... | 3.43% | 53,545,751 | 14,701,201 | 364.23% | 46.40% |
| December 31, 2017.......... | 3.40% | 48,182,609 | 14,091,030 | 341.94% | 49.27% |
| December 31, 2016.......... | 3.22% | 45,680,759 | 13,020,403 | 350.84% | 45.49% |
| December 31, 2015.......... | 3.44% | 44,369,446 | 13,048,335 | 340.04% | 46.13% |
| December 31, 2014.......... | 3.42% | 41,050,336 | 12,546,476 | 327.19% | 47.65% |

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

See notes to required supplementary information.

## SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MIDDLESEX COUNTY RETIREMENT SYSTEM

| Year | | Statutory required contribution | | Contributions in relation to the actuarially determined contribution | | Contribution deficiency (excess) | | Covered payroll | Contributions as a percentage of covered payroll |
|---|---|---|---|---|---|---|---|---|---|
| June 30, 2020..................... | $ | 4,229,480 | $ | (4,236,342) | $ | (6,862) | $ | 14,710,533 | 28.80% |
| June 30, 2019..................... | | 3,685,376 | | (3,690,854) | | (5,478) | | 14,655,597 | 25.18% |
| June 30, 2018..................... | | 3,454,129 | | (3,454,129) | | - | | 14,393,933 | 24.00% |
| June 30, 2017..................... | | 3,462,510 | | (3,462,510) | | - | | 13,020,403 | 26.59% |
| June 30, 2016..................... | | 3,243,883 | | (3,243,883) | | - | | 13,048,335 | 24.86% |
| June 30, 2015..................... | | 2,512,579 | | (2,512,579) | | - | | 12,546,476 | 20.03% |

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

See notes to required supplementary information.

# *Other Postemployment Benefits Plan Schedules*

Other Postemployment Benefits Plan Schedules

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

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

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

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

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

| | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 |
|---|---|---|---|---|
| **Total OPEB Liability** | | | | |
| Service Cost | $ 242,070 | $ 250,543 | $ 259,312 | $ 440,281 |
| Interest | 1,428,369 | 1,468,290 | 1,507,086 | 1,539,252 |
| Differences between expected and actual experience | - | - | (719,659) | - |
| Changes of assumptions | - | - | 1,065,245 | (167,805) |
| Benefit payments | (1,108,518) | (1,186,114) | (1,213,102) | (1,099,633) |
| Net change in total OPEB liability | 561,921 | 532,719 | 898,882 | 712,095 |
| Total OPEB liability - beginning | 19,347,082 | 19,909,003 | 20,441,722 | 21,340,604 |
| Total OPEB liability - ending (a) | $ 19,909,003 | $ 20,441,722 | $ 21,340,604 | $ 22,052,699 |
| **Plan fiduciary net position** | | | | |
| Employer contributions | $ 1,708,518 | $ 1,806,114 | $ 1,846,844 | $ 1,733,375 |
| Net investment income | 361,110 | 365,201 | 271,663 | 113,664 |
| Benefit payments | (1,108,518) | (1,186,114) | (1,213,102) | (1,099,633) |
| Net change in plan fiduciary net position | 961,110 | 985,201 | 905,405 | 747,406 |
| Plan fiduciary net position - beginning of year | 2,369,675 | 3,330,785 | 4,315,986 | 5,221,391 |
| Plan fiduciary net position - end of year (b) | $ 3,330,785 | $ 4,315,986 | $ 5,221,391 | $ 5,968,797 |
| **Net OPEB liability - ending (a)-(b)** | $ 16,578,218 | $ 16,125,736 | $ 16,119,213 | $ 16,083,902 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 16.73% | 21.11% | 24.47% | 27.07% |
| Covered-employee payroll | $ 15,000,000 | $ 16,000,000 | $ 18,800,000 | $ 18,100,000 |
| Net OPEB liability as a percentage of covered-employee payroll | 110.52% | 100.79% | 85.74% | 88.86% |

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

See notes to required supplementary information.

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

| Year | Actuarially determined contribution | Contributions in relation to the actuarially determined contribution | Contribution deficiency (excess) | Covered-employee payroll | Contributions as a percentage of covered-employee payroll |
|---|---|---|---|---|---|
| June 30, 2020................ | $ 1,677,625 | $ 1,733,375 | $ (55,750) | $ 18,100,000 | 9.58% |
| June 30, 2019................ | 1,629,077 | 1,846,844 | (217,767) | 18,800,000 | 9.82% |
| June 30, 2018................ | 1,188,837 | 1,806,114 | (617,277) | 16,000,000 | 11.29% |
| June 30, 2017................ | 1,180,006 | 1,708,518 | (528,512) | 15,000,000 | 11.39% |

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

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS**
OTHER POSTEMPLOYMENT BENEFIT PLAN

| Year | Annual money-weighted rate of return, net of investment expense |
|---|---|
| June 30, 2020………………………… | 1.96% |
| June 30, 2019………………………… | 5.61% |
| June 30, 2018………………………… | 9.50% |
| June 30, 2017………………………… | 12.61% |

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

See notes to required supplementary information.

## NOTE A - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting. Budget requests are prepared by individual department heads and submitted to the Selectmen and Finance Committee for review during the first three months of each calendar year. The Selectmen and Finance Committee have until the Annual Town Meeting in April to review and propose any changes to departmental requests prior to Town Meeting.

The Town authorizes a bottom-line budget to provide inherent flexibility within the budget process. The budget is 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 fund departmental deficits are not required.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Board.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2020 approved budget authorized approximately $101.4 million in appropriations and other amounts to be raised, this amount was not changed and also agrees with the Towns final budget.

2. Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2020, is presented below:

| | | |
|---|---|---|
| Net change in fund balance - budgetary basis................ | $ | 6,303 |
| Perspective differences: | | |
| Activity of the stabilization fund recorded in the general fund for GAAP........................................ | | 27,468 |
| Activity of the municipal building insurance fund recorded in the general fund for GAAP................... | | |
| Basis of accounting differences: | | |
| Net change in recording tax refunds payable............. | | (150,000) |
| Net change in recording 60 day receipts.................. | | (154,741) |
| Net change in recording accrued payroll.................. | | (53,701) |
| Net change in fund balance - GAAP basis.................... | $ | (324,671) |

## NOTE B – PENSION PLAN

***Pension Plan Schedules***

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

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

B. Schedule of the Town's Contributions

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

C. Changes of Assumptions

- The net investment return assumption was lowered from 7.50% to 7.30%.

D. Changes in Plan Provisions

- As permitted by Section 19 of Chapter 188 of the Acts of 2010, the Cost of Living Adjustment base was increased from $14,000 to $16,000 as of July 1, 2019.

## NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single-employer defined benefit healthcare plan Plan. The plan provides lifetime healthcare insurance, dental insurance, and life insurance for eligible retirees and their spouses through the Town's group health and life insurance plans, which covers both active and retired members.

***The Other Postemployment Benefit Plan***

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

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

B. Schedule of the Town's Contributions

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

C. Schedule of Investment Returns

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

D. Changes of Assumptions

- The impact of the excise tax on high cost health plans (part of the Patient Protection and Affordable Care Act) was removed, as the tax was repealed effective December 20, 2019.

E. Changes in Plan Provisions

None.

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# Combining and Individual Fund Statements

The combining and individual fund financial statements provide a more detailed view of the "Basic Financial Statements" presented in the preceding subsection.

Combining statements are presented when there are more than one fund of a given fund type.

# *Nonmajor Governmental Funds*

Fund Description

***Special Revenue Funds***

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

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

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

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

***Highway Projects Fund*** – This fund us used to account for costs incurred with the construction and reconstruction of Town owned roadways. Costs charged to this fund are subject to reimbursement by the Commonwealth of Massachusetts.

***Other Special Revenue*** – This fund is used to account for other small special revenue funds which are not categorized within any of the other funds.

***Capital Projects Funds***

Capital projects funds are used to account for financial resources to be used for the acquisition, construction, improvement of major capital assets (other than those financed by enterprise funds). Such resources are derived principally from proceeds of general obligation bonds and grants. The Town's grouping for nonmajor capital project funds is as described as follows: of major capital facilities other than those financed by proprietary funds and trust funds.

***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 Projects*** – This fund is used to account for smaller capital acquisition and construction projects. These projects will be funded through the issuance of long-term bonds and notes and other available funds.

***Permanent Funds***

Permanent funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs. The Town's grouping for non-major permanent funds is as described as follows:

***Cemetery*** – This fund is used to account for cemetery contributions and bequests in which the earnings may be expended for cemetery purposes.

***Library*** – This fund is used to account for library contributions and bequests in which only the earnings may be expended to benefit the Town's libraries.

***Other*** – This fund accounts for all non-library and cemetery related contributions and bequests in which only the earnings may be expended for purposes specified by the donor in relation to other Town activities.

**NONMAJOR GOVERNMENTAL FUNDS**
COMBINING BALANCE SHEET

JUNE 30, 2020

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Town Gifts | Town Grants | Town Revolving | Highway Projects | Other Special Revenue | Subtotal |
| **ASSETS** | | | | | | |
| Cash and cash equivalents | $ 1,439,208 | $ 521,777 | $ 1,069,037 | $ 1,740 | $ 2,283,473 | $ 5,315,235 |
| Investments | - | - | - | - | - | - |
| Receivables, net of uncollectibles: | | | | | | |
| User charges | - | - | - | - | 229,127 | 229,127 |
| Departmental and other | - | - | 34,800 | - | 81,824 | 116,624 |
| Intergovernmental - other | - | 151,039 | - | 537,401 | - | 688,440 |
| Special assessments | - | - | - | - | 26,922 | 26,922 |
| TOTAL ASSETS | $ 1,439,208 | $ 672,816 | $ 1,103,837 | $ 539,141 | $ 2,621,346 | $ 6,376,348 |
| **LIABILITIES** | | | | | | |
| Warrants payable | $ 945 | $ 36,835 | $ 28,360 | $ 1,740 | $ 73,114 | $ 140,994 |
| Accrued payroll | - | 1,387 | 17,030 | - | 78,212 | 96,629 |
| Due to other funds | - | - | - | 22,394 | - | 22,394 |
| Notes payable | - | - | - | - | - | - |
| TOTAL LIABILITIES | 945 | 38,222 | 45,390 | 24,134 | 151,326 | 260,017 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue | - | - | 34,800 | 515,007 | 268,218 | 818,025 |
| **FUND BALANCES** | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 1,438,263 | 634,594 | 1,023,647 | - | 2,201,802 | 5,298,306 |
| Unassigned | - | - | - | - | - | - |
| TOTAL FUND BALANCES | 1,438,263 | 634,594 | 1,023,647 | - | 2,201,802 | 5,298,306 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | $ 1,439,208 | $ 672,816 | $ 1,103,837 | $ 539,141 | $ 2,621,346 | $ 6,376,348 |

(continued)

| Capital Project Funds | | | | Permanent Funds | | | | |
|---|---|---|---|---|---|---|---|---|
| Vehicles & Equipment | Land Acquisition | Other | Subtotal | Cemetery | Library | Other | Subtotal | Total Nonmajor Governmental Funds |
| $ - | $ - | $ 418,388 | $ 418,388 | $ - | $ - | $ 115,904 | $ 115,904 | $ 5,849,527 |
| - | - | - | - | 3,662,829 | 654,844 | 296,054 | 4,613,727 | 4,613,727 |
| - | - | - | - | - | - | - | - | 229,127 |
| - | - | - | - | - | - | - | - | 116,624 |
| - | - | - | - | - | - | - | - | 688,440 |
| - | - | - | - | - | - | - | - | 26,922 |
| $ - | $ - | $ 418,388 | $ 418,388 | $ 3,662,829 | $ 654,844 | $ 411,958 | $ 4,729,631 | $ 11,524,367 |
| $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 140,994 |
| - | - | - | - | - | - | - | - | 96,629 |
| - | - | - | - | - | - | - | - | 22,394 |
| 610,000 | 1,100,000 | 1,972,830 | 3,682,830 | - | - | - | - | 3,682,830 |
| 610,000 | 1,100,000 | 1,972,830 | 3,682,830 | - | - | - | - | 3,942,847 |
| - | - | - | - | - | - | - | - | 818,025 |
| - | - | - | - | 2,163,517 | 87,901 | 94,239 | 2,345,657 | 2,345,657 |
| - | - | - | - | 1,499,312 | 566,943 | 317,719 | 2,383,974 | 7,682,280 |
| (610,000) | (1,100,000) | (1,554,442) | (3,264,442) | - | - | - | - | (3,264,442) |
| (610,000) | (1,100,000) | (1,554,442) | (3,264,442) | 3,662,829 | 654,844 | 411,958 | 4,729,631 | 6,763,495 |
| $ - | $ - | $ 418,388 | $ 418,388 | $ 3,662,829 | $ 654,844 | $ 411,958 | $ 4,729,631 | $ 11,524,367 |

(concluded)

**NONMAJOR GOVERNMENTAL FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

| | Special Revenue Funds | | | | | |
|---|---|---|---|---|---|---|
| | Town Gifts | Town Grants | Town Revolving | Highway Projects | Other Special Revenue | Subtotal |
| REVENUES: | | | | | | |
| Charges for services | $ - | $ - | $ 515,161 | $ - | $ 1,805,488 | $ 2,320,649 |
| Penalties and interest on taxes | - | - | - | - | 5,188 | 5,188 |
| Licenses and permits | - | - | 375,571 | - | - | 375,571 |
| Fines and forfeitures | - | - | - | - | 12,511 | 12,511 |
| Intergovernmental - other | - | 1,070,140 | 1,324 | 537,247 | 12,233 | 1,620,944 |
| Intergovernmental - COVID-19 relief | - | 181,778 | - | - | - | 181,778 |
| Departmental and other | - | - | - | - | 295 | 295 |
| Contributions and donations | 344,246 | - | 83,600 | - | - | 427,846 |
| Investment income | - | - | - | - | 10,920 | 10,920 |
| Miscellaneous | - | - | - | - | 8,492 | 8,492 |
| TOTAL REVENUES | 344,246 | 1,251,918 | 975,656 | 537,247 | 1,855,127 | 4,964,194 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 68,030 | 448,989 | - | - | 11,303 | 528,322 |
| Public safety | 8,103 | 69,456 | 187,548 | - | 954,189 | 1,219,296 |
| Highways and public works | 30,903 | 8,719 | 3,901 | 605,122 | - | 648,645 |
| Health and human services | 15,806 | 194,890 | 184,637 | - | 710,143 | 1,105,476 |
| Culture and recreation | 69,785 | 2,964 | 333,826 | - | - | 406,575 |
| COVID-19 | - | 181,778 | | | | 181,778 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 160,380 | 160,380 |
| Interest | - | - | - | - | 28,246 | 28,246 |
| TOTAL EXPENDITURES | 192,627 | 906,796 | 709,912 | 605,122 | 1,864,261 | 4,278,718 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 151,619 | 345,122 | 265,744 | (67,875) | (9,134) | 685,476 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Premium from issuance of bonds | - | - | - | - | - | - |
| Transfers in | 215 | - | - | - | 561,000 | 561,215 |
| Transfers out | (215) | - | - | - | (230,900) | (231,115) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | 330,100 | 330,100 |
| NET CHANGE IN FUND BALANCES | 151,619 | 345,122 | 265,744 | (67,875) | 320,966 | 1,015,576 |
| FUND BALANCES AT BEGINNING OF YEAR | 1,286,644 | 289,472 | 757,903 | 67,875 | 1,880,836 | 4,282,730 |
| FUND BALANCES AT END OF YEAR | $ 1,438,263 | $ 634,594 | $ 1,023,647 | $ - | $ 2,201,802 | $ 5,298,306 |

(continued)

| Capital Project Funds | | | | Permanent Funds | | | | |
|---|---|---|---|---|---|---|---|---|
| Vehicles & Equipment | Land Acquisition | Other | Subtotal | Cemetery | Library | Other | Subtotal | Total Nonmajor Governmental Funds |
| $ - | $ - | $ - | $ - | $ 55,790 | $ - | $ - | $ 55,790 | $ 2,376,439 |
| - | - | - | - | - | - | - | - | 5,188 |
| - | - | - | - | - | - | - | - | 375,571 |
| - | - | - | - | - | - | - | - | 12,511 |
| - | - | - | - | - | - | - | - | 1,620,944 |
| - | - | - | - | - | - | - | - | 181,778 |
| - | - | - | - | - | - | - | - | 295 |
| - | - | - | - | - | - | - | - | 427,846 |
| - | - | - | - | 48,303 | 8,649 | 5,458 | 62,410 | 73,330 |
| - | - | - | - | - | - | - | - | 8,492 |
| - | - | - | - | 104,093 | 8,649 | 5,458 | 118,200 | 5,082,394 |
| - | - | 528,959 | 528,959 | - | - | 1,000 | 1,000 | 1,058,281 |
| 876 | - | - | 876 | - | - | 2,500 | 2,500 | 1,222,672 |
| - | - | 785 | 785 | - | - | - | - | 649,430 |
| - | - | - | - | 18,063 | - | - | 18,063 | 1,123,539 |
| - | - | - | - | - | - | - | - | 406,575 |
| | | | | | | | | 181,778 |
| - | - | - | - | - | - | - | - | 160,380 |
| - | - | - | - | - | - | - | - | 28,246 |
| 876 | - | 529,744 | 530,620 | 18,063 | - | 3,500 | 21,563 | 4,830,901 |
| (876) | - | (529,744) | (530,620) | 86,030 | 8,649 | 1,958 | 96,637 | 251,493 |
| - | - | - | - | - | - | - | - | - |
| 90,000 | - | 103,614 | 193,614 | - | - | - | - | 754,829 |
| - | - | - | - | - | - | - | - | (231,115) |
| 90,000 | - | 103,614 | 193,614 | - | - | - | - | 523,714 |
| 89,124 | - | (426,130) | (337,006) | 86,030 | 8,649 | 1,958 | 96,637 | 775,207 |
| (699,124) | (1,100,000) | (1,128,312) | (2,927,436) | 3,576,799 | 646,195 | 410,000 | 4,632,994 | 5,988,288 |
| $ (610,000) | $ (1,100,000) | $ (1,554,442) | $ (3,264,442) | $ 3,662,829 | $ 654,844 | $ 411,958 | $ 4,729,631 | $ 6,763,495 |

(concluded)

# *Agency Fund*

This fund is primarily used to account for contactors security deposits, police escrow funds, and payroll clearing liability accounts.

**AGENCY FUND**
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2020

| | June 30, 2019 | Additions | Deletions | June 30, 2020 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| CURRENT: | | | | |
| Cash and cash equivalents | $ 1,592,346 | $ 316,092 | $ (139,294) | $ 1,769,144 |
| Receivables, net of allowance for uncollectibles: | | | | |
| Departmental and other | 1,581 | - | (643) | 938 |
| TOTAL ASSETS | $ 1,593,927 | $ 316,092 | $ (139,937) | $ 1,770,082 |
| **LIABILITIES** | | | | |
| Warrants payable | $ 2,430 | $ - | $ (2,430) | $ - |
| Liabilities due depositors | 1,050,637 | 146,167 | (137,507) | 1,059,297 |
| Due to Acton Housing Corporation | 540,860 | 169,925 | - | 710,785 |
| TOTAL LIABILITIES | $ 1,593,927 | $ 316,092 | $ (139,937) | $ 1,770,082 |

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# *Statistical Section*


Summer 2020 Outside Town Meeting Area

# *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 Trends*

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

### *Revenue Capacity*

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

### *Debt Capacity*

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

### *Demographic and Economic Information*

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

### *Operating Information*

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

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

## Net Position By Component

### Last Ten Years

| | 2011 | 2012 | 2013 | 2014 | 2015 (1) | 2016 | 2017 | 2018 (2) | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | $ 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 | $ 114,437,140 |
| Restricted | 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 | 15,078,391 |
| Unrestricted | 121,396 | (2,014,908) | (822,724) | (1,182,386) | (42,376,959) | (44,607,074) | (50,353,593) | (52,867,092) | (54,553,794) | (51,994,429) |
| Total governmental activities net position | $ 139,830,958 | $ 138,769,764 | $ 143,761,316 | $ 142,065,061 | $ 81,433,965 | $ 81,697,106 | $ 77,785,273 | $ 77,165,412 | $ 77,046,428 | $ 77,521,102 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | $ 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 | $ 1,906,297 |
| Unrestricted | 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 | 15,230,727 |
| Total business-type activities net position | $ 24,342,232 | $ 22,967,786 | $ 22,718,137 | $ 22,212,875 | $ 20,263,118 | $ 18,682,967 | $ 18,290,218 | $ 18,345,973 | $ 17,966,361 | $ 17,137,024 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | $ 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 | $ 116,343,437 |
| Restricted | 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 | 15,078,391 |
| Unrestricted | 23,069,673 | 19,830,200 | 20,773,096 | 19,917,954 | (23,325,205) | (27,206,284) | (33,426,164) | (36,025,643) | (38,401,470) | (36,763,702) |
| Total primary government net position | $ 164,173,190 | $ 161,737,550 | $ 166,479,453 | $ 164,277,936 | $ 101,697,083 | $ 100,380,073 | $ 96,075,491 | $ 95,511,385 | $ 95,012,789 | $ 94,658,126 |

Data Source: Audited Financial Statements

Notes:

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, etc.) were transferred to the Acton-Boxborough Regional School District. This caused a significant reduction in Net Investment in Capital Assets.

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #68.
(2)= Unrestricted net position has been revised to reflect the implementation of GASB Statement #75.

## Changes in Net Position

### Last Ten Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Expenses** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | $ 7,273,227 | $ 8,418,369 | $ 7,676,655 | $ 6,880,926 | $ 9,709,582 | $ 9,071,147 | $ 9,509,693 | $ 10,260,271 | $ 10,643,968 | $ 11,055,911 |
| Public safety | 9,516,336 | 10,270,629 | 9,585,594 | 9,720,134 | 12,989,633 | 13,770,279 | 14,108,658 | 14,526,777 | 16,284,831 | 16,406,043 |
| Education | 61,118,474 | 62,727,531 | 63,960,709 | 67,090,001 | 53,013,169 | 54,096,552 | 56,544,752 | 58,820,900 | 61,285,774 | 62,690,935 |
| Highways and Public works | 3,834,617 | 3,766,478 | 4,034,370 | 4,605,839 | 5,644,560 | 4,894,749 | 5,918,950 | 5,055,579 | 5,051,464 | 4,494,512 |
| Health and human services | 1,970,926 | 2,300,836 | 2,963,213 | 2,930,611 | 3,535,372 | 4,198,313 | 4,352,366 | 4,133,924 | 4,367,598 | 4,456,893 |
| Culture and recreation | 2,021,694 | 2,161,339 | 2,007,788 | 2,285,572 | 2,500,599 | 2,592,743 | 2,628,843 | 2,908,055 | 1,949,812 | 2,631,082 |
| Community preservation | 1,276,195 | 462,170 | 1,117,716 | 2,754,102 | 846,522 | 1,055,936 | 443,658 | 1,174,456 | 725,398 | 456,744 |
| COVID-19 | - | - | - | - | - | - | - | - | - | 181,778 |
| Interest on Long-term Debt | 853,934 | 784,868 | 853,957 | 867,672 | 519,120 | 462,504 | 422,135 | 180,162 | 133,759 | 191,261 |
| Total government activities expenses | 87,865,403 | 90,892,220 | 92,200,002 | 97,134,857 | 88,758,557 | 90,142,223 | 93,929,055 | 97,060,124 | 100,442,604 | 102,565,159 |
| Business-type activities: | | | | | | | | | | |
| Sanitation | 657,036 | 727,553 | 663,877 | 647,494 | 614,092 | 608,863 | 550,847 | 596,104 | 593,053 | 564,510 |
| Sewer | 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 | 2,543,092 |
| Nursing | 728,750 | 614,531 | 568,026 | 519,188 | 514,637 | - | - | - | - | - |
| Total business-type activities expenses | 3,786,701 | 3,708,847 | 3,584,789 | 3,422,437 | 3,444,151 | 2,890,499 | 2,725,296 | 2,707,450 | 2,771,825 | 3,107,602 |
| Total primary government expenses | $ 91,652,104 | $ 94,601,067 | $ 95,784,791 | $ 100,557,294 | $ 92,202,708 | $ 93,032,722 | $ 96,654,351 | $ 99,767,574 | $ 103,214,429 | $ 105,672,761 |
| **Program Revenues** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General Government | $ 385,134 | $ 395,755 | $ 358,437 | $ 419,124 | $ 491,725 | $ 537,334 | $ 605,942 | $ 630,638 | $ 577,035 | $ 612,995 |
| Public Safety | 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 | 2,227,514 |
| Education | 1,230,379 | 1,139,880 | 882,912 | 1,029,595 | 7,491 | - | - | - | - | - |
| Highways and Public Works | 25,994 | 9,420 | 6,013 | 3,092 | 15,651 | 2,229 | 200 | 4,560 | 4,850 | 68,668 |
| Health and human services | 284,098 | 413,646 | 442,286 | 493,348 | 128,292 | 899,655 | 1,015,097 | 977,455 | 1,041,742 | 987,772 |
| Culture and recreation | 383,932 | 427,867 | 396,163 | 389,820 | 384,469 | 438,890 | 483,316 | 486,564 | 471,317 | 392,737 |
| Operating grants and contributions | 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 | 1,824,020 |
| Capital grant and contributions | 523,327 | - | 4,524,343 | 542,488 | 446,212 | 152,695 | 571,149 | 1,066,379 | 549,391 | 881,842 |
| Total government activities program revenues | 16,586,431 | 17,206,248 | 22,264,530 | 17,888,424 | 8,469,080 | 5,896,840 | 6,180,577 | 7,087,935 | 6,861,312 | 6,995,548 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Sanitation | 617,081 | 680,418 | 671,029 | 668,705 | 639,436 | 540,682 | 575,290 | 596,817 | 592,808 | 565,258 |
| Sewer | 1,147,946 | 880,224 | 930,586 | 892,959 | 949,261 | 872,133 | 838,244 | 871,044 | 915,228 | 972,754 |
| Nursing | 544,337 | 524,637 | 540,600 | 315,630 | 234,523 | - | - | - | - | - |
| Operating Grants and Contributions | 809,808 | 957,512 | 927,166 | 904,881 | 883,849 | 849,216 | 828,103 | 818,969 | 641,773 | 432,104 |
| Capital Grants and Contributions | 303,725 | 87,530 | 100,759 | - | - | 48,317 | 29,192 | 476,375 | 135,731 | 171,001 |
| Total business-type activities program revenues | 3,422,897 | 3,130,321 | 3,170,140 | 2,782,175 | 2,707,069 | 2,310,348 | 2,270,829 | 2,763,205 | 2,285,540 | 2,141,117 |
| Total primary government program revenues | $ 20,009,328 | $ 20,336,569 | $ 25,434,670 | $ 20,670,599 | $ 11,176,149 | $ 8,207,188 | $ 8,451,406 | $ 9,851,140 | $ 9,146,852 | $ 9,136,665 |
| **Net (Expense)/Revenue** | | | | | | | | | | |
| Governmental activities | $ (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) | $ (95,569,611) |
| Business-type activities | (363,804) | (578,526) | (414,649) | (640,262) | (737,082) | (580,151) | (454,467) | 55,755 | (486,285) | (966,485) |
| Total primary government net expense | $ (71,642,776) | $ (74,264,498) | $ (70,350,121) | $ (79,886,695) | $ (81,026,559) | $ (84,825,534) | $ (88,202,945) | $ (89,916,434) | $ (94,067,577) | $ (96,536,096) |
| **General Revenues and other Changes in Net Position** | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Real estate and personal property taxes, net of tax refunds payable | $ 65,346,272 | $ 67,182,874 | $ 69,690,825 | $ 72,139,789 | $ 74,200,007 | $ 77,208,031 | $ 80,151,640 | $ 82,677,373 | $ 85,574,352 | $ 88,599,076 |
| Tax and other liens | - | - | - | - | - | - | - | - | - | 56,465 |
| Motor vehicle and other excise taxes | 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 | 3,824,056 |
| Community preservation tax | 757,134 | 784,816 | 809,920 | 838,498 | 874,948 | 910,368 | 954,516 | 991,032 | 1,032,032 | 1,392,351 |
| Penalties and interest on taxes | 323,733 | 389,984 | 150,149 | 210,867 | 213,593 | 227,064 | 340,827 | 168,505 | 298,942 | 187,070 |
| Payments in lieu of taxes | 11,771 | 12,441 | 12,046 | 15,233 | 15,316 | 15,006 | 42,283 | 48,451 | 46,477 | 42,083 |
| Grants and contributions not restricted to specific programs | 1,363,196 | 1,380,732 | 1,350,147 | 1,302,663 | 1,356,385 | 1,592,198 | 1,784,085 | 1,840,417 | 1,577,576 | 1,623,565 |
| Unrestricted investment income | 130,319 | 100,921 | 96,587 | 87,867 | 104,468 | 74,847 | 70,314 | 131,004 | 304,460 | 311,576 |
| Other Revenue | 181,397 | 73,305 | 162,993 | 182,296 | 175,929 | 36,623 | 38,746 | 48,843 | 97,476 | 52,596 |
| Gain (loss) on sale of capital assets | (21,977) | (442,384) | (24,000) | (11,500) | - | - | - | - | - | - |
| Reassignment of Assets | - | - | - | - | 169,113 | - | | - | - | - |
| (Reassignment ) Assumption of Other Postemployment Benefits (asset) obligation | - | - | - | - | - | - | (61,718) | - | - | - |
| Assumption of long-term liabilities | - | - | - | - | (199,927) | - | - | - | - | - |
| Special Item - loss on disposal of school operations | - | - | - | - | (22,473,561) | - | - | - | - | - |
| Transfers | 842,500 | 573,894 | (145,000) | (135,000) | 1,243,489 | 1,000,000 | - | - | - | (44,553) |
| Total governmental activities | 71,547,112 | 72,624,778 | 74,927,024 | 77,550,178 | 58,919,307 | 84,508,524 | 86,580,087 | 89,352,328 | 92,813,644 | 96,044,285 |
| Business-type activities: | | | | | | | | | | |
| Gain (loss) on disposal of capital assets | - | - | 20,000 | - | - | - | - | - | - | - |
| Reassignment of Assets | - | - | - | - | (169,113) | - | - | - | - | - |
| (Reassignment ) Assumption of Other Postemployment Benefits (asset) obligation | - | - | - | - | - | - | 61,718 | - | - | - |
| Assumption of long-term liabilities | - | - | - | - | 199,927 | - | - | - | - | - |
| Investment income | - | - | - | - | - | - | - | - | 106,673 | 92,595 |
| Transfers | (842,500) | (795,920) | 145,000 | 135,000 | (1,243,489) | (1,000,000) | - | - | - | 44,553 |
| Total business-type activities | (842,500) | (795,920) | 165,000 | 135,000 | (1,212,675) | (1,000,000) | 61,718 | - | 106,673 | 137,148 |
| Total primary government | $ 70,704,612 | $ 71,828,858 | $ 75,092,024 | $ 77,685,178 | $ 57,706,632 | $ 83,508,524 | $ 86,641,805 | $ 89,352,328 | $ 92,920,317 | $ 96,181,433 |
| **Changes in Net Position** | | | | | | | | | | |
| Governmental activities | $ 268,140 | $ (1,061,194) | $ 4,991,552 | $ (1,696,255) | $ (21,370,170) | $ 263,141 | $ (1,168,391) | $ (619,861) | $ (767,648) | $ 474,674 |
| Business-type activities | (1,206,304) | (1,374,446) | (249,649) | (505,262) | (1,949,757) | (1,580,151) | (392,749) | 55,755 | (379,612) | (829,337) |
| Total primary government | $ (938,164) | $ (2,435,640) | $ 4,741,903 | $ (2,201,517) | $ (23,319,927) | $ (1,317,010) | $ (1,561,140) | $ (564,106) | $ (1,147,260) | $ (354,663) |

Data Source: Audited Financial Statements

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 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 to the nursing activities are reported in 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).

**Fund Balances, Governmental Funds**

**Last Ten Years**

| | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | | 2019 | | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| General Fund | | | | | | | | | | | | | | | | | | | | |
| 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 | $ | 1,958,118 |
| 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 | | 2,432,444 |
| 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 | | 6,932,724 |
| Total general fund | $ | 12,252,382 | $ | 13,014,410 | $ | 14,868,150 | $ | 15,709,392 | $ | 16,850,984 | $ | 15,427,432 | $ | 13,408,775 | $ | 12,112,445 | $ | 11,647,957 | $ | 11,323,286 |
| All Other Governmental Funds | | | | | | | | | | | | | | | | | | | | |
| 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 | $ | 2,345,657 |
| 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 | | 14,637,497 |
| 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) | | (3,725,747) |
| Total all other governmental funds | $ | 13,253,929 | $ | 15,510,532 | $ | 16,938,695 | $ | 15,095,289 | $ | 12,103,293 | $ | 12,016,949 | $ | 13,168,269 | $ | 13,585,905 | $ | 12,062,591 | $ | 13,257,407 |

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 occuring 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.

## Changes in Fund Balances, Governmental Funds

### Last Ten Years

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| Real estate and personal property taxes, | | | | | | | | | | |
| net of tax refunds | $ 65,003,456 | $ 66,976,746 | $ 69,402,044 | $ 71,851,785 | $ 73,773,353 | $ 76,982,722 | $ 79,845,950 | $ 82,600,622 | $ 85,429,891 | $ 88,267,197 |
| Tax liens | 248,123 | 427,398 | 78,900 | 203,679 | 208,954 | 414,436 | 281,044 | 168,307 | 183,120 | 101,220 |
| Motor vehicle and other excise taxes | 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 | 3,624,411 |
| Charges for services | 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 | 2,611,422 |
| Penalties and interest on taxes | 323,733 | 389,984 | 150,149 | 210,867 | 213,593 | 227,064 | 340,827 | 168,506 | 298,942 | 191,666 |
| Payments in lieu of taxes | 11,771 | 12,441 | 12,046 | 15,233 | 15,316 | 15,006 | 42,283 | 48,451 | 46,476 | 42,083 |
| Licenses and permits | 183,246 | 196,664 | 285,253 | 215,238 | 306,958 | 631,213 | 933,312 | 1,308,583 | 1,188,926 | 1,235,050 |
| Fines and forfeitures | 129,828 | 110,102 | 119,031 | 90,672 | 135,009 | 125,975 | 105,022 | 113,816 | 95,275 | 92,717 |
| Intergovernmental - School Building Authority | 1,009,309 | 1,009,309 | 1,009,310 | 1,009,310 | 922,673 | 922,673 | 922,673 | 922,673 | 922,673 | 922,673 |
| Intergovernmental - Teachers Retirement | 3,957,877 | 3,990,879 | 4,133,039 | 4,538,838 | - | - | - | - | - | - |
| Intergovernmental - other | 9,150,102 | 9,442,793 | 10,515,290 | 9,707,713 | 5,736,760 | 2,776,354 | 3,507,674 | 4,815,834 | 3,322,726 | 3,320,959 |
| Intergovernmental - COVID-19 relief | - | - | - | - | - | - | - | - | - | 181,778 |
| Departmental and other | 717,439 | 613,321 | 686,450 | 1,042,001 | 764,232 | 770,465 | 545,752 | 145,430 | 171,527 | 253,904 |
| Community preservation taxes | 757,134 | 784,816 | 809,920 | 838,496 | 874,948 | 910,368 | 954,516 | 991,032 | 1,032,032 | 1,081,402 |
| Community preservation state match | 202,879 | 202,313 | 208,937 | 424,035 | 263,941 | 259,489 | 187,873 | 164,531 | 188,586 | 247,192 |
| Contributions and donations | 697,835 | 1,268,702 | 1,138,539 | 975,828 | 244,925 | 210,475 | 151,216 | 409,270 | 295,223 | 427,846 |
| Investment income | 252,556 | 135,015 | 312,898 | 376,760 | 210,015 | 245,075 | 254,153 | 113,819 | 728,704 | 311,576 |
| Miscellaneous | 184,693 | 308,585 | 162,993 | 50,000 | 186,717 | 30,623 | 36,446 | 44,943 | 103,961 | 52,596 |
| Total revenues | 88,371,633 | 91,321,499 | 94,244,915 | 97,248,698 | 88,896,535 | 89,716,603 | 93,680,148 | 98,537,372 | 101,009,513 | 102,965,692 |
| Expenditures: | | | | | | | | | | |
| General government | 5,870,557 | 6,873,666 | 6,653,487 | 6,034,539 | 7,588,859 | 6,859,522 | 7,259,545 | 7,443,361 | 7,975,247 | 8,169,901 |
| Public safety | 6,822,566 | 7,461,956 | 7,709,687 | 7,720,958 | 8,289,794 | 8,951,572 | 9,230,425 | 9,070,985 | 10,412,817 | 9,847,521 |
| Education | 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 | 62,690,935 |
| Highway and Public works | 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 | 1,824,667 |
| Health and human services | 1,460,183 | 1,753,193 | 2,599,190 | 2,541,094 | 2,603,085 | 3,270,359 | 3,366,914 | 3,048,012 | 3,222,100 | 3,195,197 |
| Culture and recreation | 1,527,091 | 1,658,518 | 1,624,402 | 1,860,384 | 1,732,385 | 1,772,951 | 1,812,712 | 2,028,265 | 1,046,376 | 1,756,864 |
| Community preservation | 1,276,195 | 462,170 | 1,117,716 | 2,754,102 | 846,522 | 1,055,936 | 443,658 | 1,174,456 | 725,398 | 456,744 |
| COVID-19 | - | - | - | - | - | - | - | - | - | 181,778 |
| Pension benefits | 2,498,120 | 2,629,169 | 2,755,584 | 2,787,273 | 2,512,579 | 3,243,883 | 3,462,510 | 3,454,129 | 3,690,854 | 4,236,342 |
| Employee benefits | 3,036,687 | 3,033,054 | 2,850,909 | 3,098,285 | 4,790,195 | 4,137,523 | 4,217,830 | 4,431,608 | 4,131,762 | 3,760,093 |
| State and county charges | 221,957 | 266,187 | 301,874 | 336,501 | 239,728 | 238,057 | 249,699 | 274,919 | 312,130 | 322,515 |
| Capital outlay | 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 | 3,081,012 |
| Debt service: | | | | | | | | | | |
| Principal | 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 | 2,103,844 |
| Interest | 981,263 | 911,464 | 967,482 | 702,826 | 604,430 | 553,739 | 491,006 | 426,761 | 372,964 | 423,582 |
| Total expenditures | 88,079,136 | 88,876,762 | 92,911,664 | 97,754,723 | 91,283,578 | 92,539,861 | 96,565,915 | 99,601,327 | 102,997,315 | 102,050,995 |
| Excess (deficiency) of revenues over (under) expenditures | 292,497 | 2,444,737 | 1,333,251 | (506,025) | (2,387,043) | (2,823,258) | (2,885,767) | (1,063,955) | (1,987,802) | 914,697 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Issuance of bonds | - | - | 2,093,652 | - | - | - | 1,854,040 | - | - | - |
| Issuance of refunding bonds | - | - | - | 12,220,000 | - | - | - | - | - | - |
| Premium from issuance of bonds and notes | - | - | - | - | - | - | 164,390 | - | - | - |
| Premium from issuance of refunding bonds | - | - | - | 768,190 | - | - | - | - | - | - |
| Payments to refunded bond escrow agent | - | - | - | (12,860,669) | - | - | - | - | - | - |
| Capital lease financing | - | - | - | - | - | 313,362 | - | 185,261 | - | - |
| Loss on Disposal of School Operations | - | - | - | - | (706,850) | - | - | - | - | - |
| Transfers in | 1,530,157 | 1,007,258 | 440,619 | 1,127,738 | 2,226,401 | 1,591,916 | 505,549 | 511,671 | 680,841 | 864,729 |
| Transfers out | (687,657) | (433,364) | (585,619) | (1,751,398) | (982,912) | (591,916) | (505,549) | (511,671) | (680,841) | (909,282) |
| Total other financing sources (uses) | 842,500 | 573,894 | 1,948,652 | (496,139) | 536,639 | 1,313,362 | 2,018,430 | 185,261 | - | (44,553) |
| Net change in fund balance | $ 1,134,997 | $ 3,018,631 | $ 3,281,903 | $ (1,002,164) | $ (1,850,404) | $ (1,509,896) | $ (867,337) | $ (878,694) | $ (1,987,802) | $ 870,144 |
| Debt service as a percentage of noncapital expenditures | 3.54% | 3.36% | 3.17% | 2.98% | 3.08% | 2.94% | 2.74% | 2.63% | 2.33% | 2.55% |

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.

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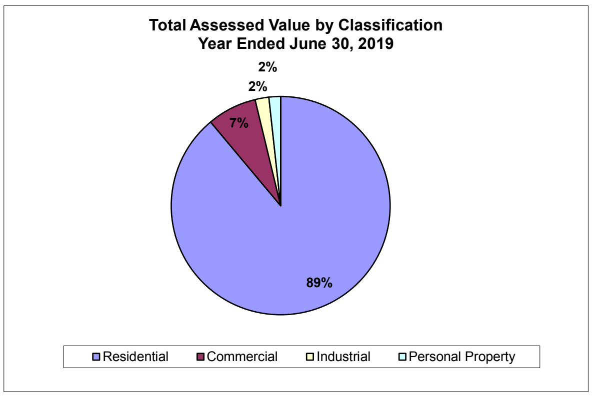
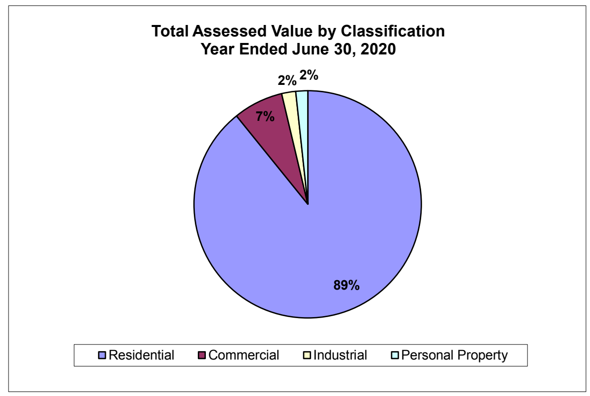
**Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates**

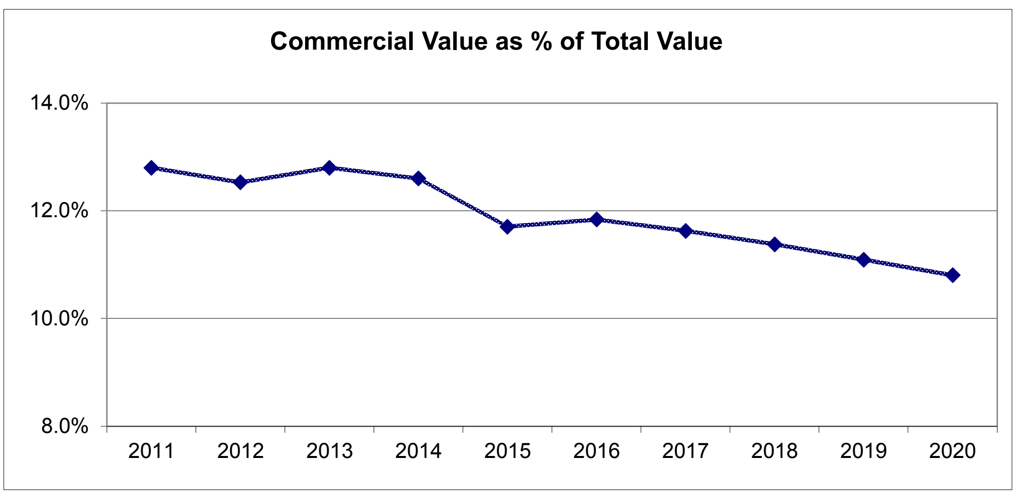
**Last Ten Years**

| Year | Residential/ Open Space Value | Residential/ Open Space Tax Rate | Commercial Value | Industrial Value | Personal Property | Total Commercial Value | Commercial Tax Rate | Total Direct Rate | Total Town Value |
|---|---|---|---|---|---|---|---|---|---|
| 2011 | $ 3,174,679,623 | 87.20% | $ 309,194,597 | $ 90,955,570 | $ 65,944,035 | $ 466,094,202 | 12.80% | $ 18.08 | $ 3,640,773,825 |
| 2012 | $ 3,185,180,125 | 87.47% | $ 299,215,620 | $ 91,837,570 | $ 65,316,803 | $ 456,369,993 | 12.53% | $ 18.55 | $ 3,641,550,118 |
| 2013 | $ 3,208,128,927 | 87.20% | $ 312,904,977 | $ 94,157,445 | $ 63,924,158 | $ 470,986,580 | 12.80% | $ 19.10 | $ 3,679,115,507 |
| 2014 | $ 3,247,953,628 | 87.40% | $ 305,863,245 | $ 92,840,385 | $ 69,608,967 | $ 468,312,597 | 12.60% | $ 19.45 | $ 3,716,266,225 |
| 2015 | $ 3,448,511,074 | 88.29% | $ 303,720,173 | $ 91,365,090 | $ 62,157,821 | $ 457,243,084 | 11.71% | $ 19.05 | $ 3,905,754,158 |
| 2016 | $ 3,556,433,998 | 88.16% | $ 316,225,705 | $ 91,392,100 | $ 70,131,545 | $ 477,749,350 | 11.84% | $ 19.23 | $ 4,034,183,348 |
| 2017 | $ 3,738,480,702 | 88.37% | $ 321,116,548 | $ 91,159,455 | $ 79,697,808 | $ 491,973,811 | 11.63% | $ 19.06 | $ 4,230,454,513 |
| 2018 | $ 3,817,851,405 | 88.62% | $ 315,596,342 | $ 90,811,000 | $ 83,929,260 | $ 490,336,602 | 11.38% | $ 19.38 | $ 4,308,188,007 |
| 2019 | $ 3,957,544,127 | 88.90% | $ 325,522,106 | $ 91,685,100 | $ 76,750,242 | $ 493,957,448 | 11.10% | $ 19.37 | $ 4,451,501,575 |
| 2020 | $ 4,152,078,981 | 89.19% | $ 331,517,374 | $ 92,761,200 | $ 78,744,248 | $ 503,022,822 | 10.81% | $ 19.24 | $ 4,655,101,803 |

Note: the printed header groups all value and rate columns under "Assessed and Actual Values and Tax Rates".



## Principal Taxpayers

## Current Year and Nine Years Ago

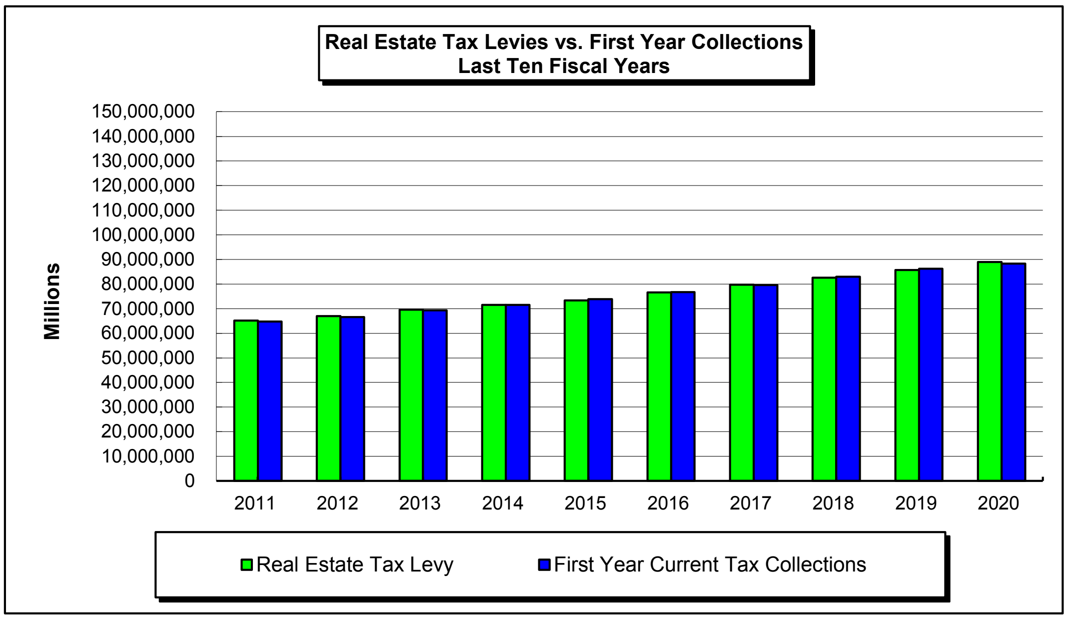
| Name | Property Type | 2020 Assessed Valuation | 2020 Rank | 2020 Percentage of Total Taxable Assessed Value | 2011 Assessed Valuation | 2011 Rank | 2011 Percentage of Total Taxable Assessed Value |
|---|---|---|---|---|---|---|---|
| Avalon Acton Inc | Rental Housing | $ 42,841,700 | 1 | 0.90% | $ 34,230,200 | 1 | 0.91% |
| NSTAR Services | Utility | $ 25,281,024 | 2 | 0.50% | $ 20,498,932 | 4 | 0.55% |
| Haartz Auto Fabric | Manufacturer | $ 20,286,000 | 3 | 0.40% | $ 19,085,800 | 5 | 0.51% |
| National Grid | Utility | $ 13,997,891 | 4 | 0.30% | $ - | n/a | |
| E&A Northeast Ltd. Prtn. | Retail | $ 14,179,000 | 5 | 0.30% | $ 12,285,200 | 7 | 0.33% |
| Powder Mill Powder LLC | Retail | $ 13,104,300 | 6 | 0.30% | $ - | n/a | |
| 145 Great Road LLC | Retail | $ 12,968,700 | 7 | 0.30% | $ - | n/a | |
| 31-43 Nagog Park LLC | Office | $ 11,946,600 | 8 | 0.30% | $ - | n/a | |
| Verizon New England, Inc | Telecommunications | $ 11,481,500 | 9 | 0.20% | $ 22,210,000 | 3 | 0.59% |
| Nagog Knoll LLC | Office/Retail | $ 10,877,100 | 10 | 0.20% | $ - | n/a | |
| Koll Bren Fund VI LP | Investment Firm/Office | $ - | n/a | | $ 27,372,600 | 2 | 0.73% |
| Nagog Park PK DR LLC | Investment Firm/Office | $ - | n/a | | $ 12,896,400 | 6 | 0.34% |
| TIAA Reality Inc. | Retail | $ - | n/a | | $ 11,700,400 | 8 | 0.31% |
| Atlantic Acton Realty Trust | Retail | $ - | n/a | | $ 9,978,400 | 9 | 0.27% |
| Seachange International, Inc | Office/R&D | $ - | n/a | | $ 9,072,700 | 10 | 0.24% |
| | **Totals** | $176,963,815 | | 3.70% | $179,330,632 | | 4.78% |

Source: Official Statement for Sale of Bonds

## Property Tax Levies and Collections

### Last Ten Years

| Year | (2) Total Tax Levy | Less Abatements & Exemptions | (2) Net Tax Levy | First Year Current Tax Collections | Percent of Net Levy Collected | Delinquent Tax Collections | Total Tax Collections | (3) Percent of Total Tax Collections to Net Tax Levy |
|---|---|---|---|---|---|---|---|---|
| 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 | $ 71,932,664 | 100.07% |
| 2014 | $ 72,281,378 | $ (745,041) | $ 71,536,337 | $ 71,589,738 | 100.07% | $ 342,926 | $ 73,996,938 | 100.55% |
| 2015 | $ 74,404,617 | $ (1,084,723) | $ 73,319,894 | $ 73,813,295 | 100.67% | $ 183,643 | $ 77,021,436 | 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 | $ 82,984,950 | 100.45% |
| 2019 | $ 86,225,586 | $ (500,673) | $ 85,724,913 | $ 85,724,913 | 99.22% | $ 492,844 | $ 86,217,757 | 99.22% |
| 2020 | $ 89,564,159 | $ (557,945) | $ 89,006,214 | $ 88,283,998 | 99.19% | $ - | $ 88,283,998 | 99.19% |




(1) Revaluation year.
(2) Includes tax liens.
Source: Assessor's Department, Town of Acton

**Ratios of Outstanding Debt and General Bonded Debt**

**Last Ten Years**

| Year | U. S. Census Population | Personal Income | Assessed Value | Governmental Activities: General Obligation Bonds | Capital Leases | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
|---|---|---|---|---|---|---|---|---|
| 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 | $ 592 | 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% |
| 2020 | 22,162 | $ 1,377,366,562 | $ 4,655,101,803 | $ 8,106,452 | $ 75,271 | $ 369 | 0.59% | 0.18% |

| Year | Business-type Activities Debt: Sewer Fund | Sewer Fund Leases | Total Primary Government: Total Debt Outstanding | Per Capita | Percentage of Personal Income | Percentage of Assessed Value |
|---|---|---|---|---|---|---|
| 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 | $ - | $ 23,016,654 | $ 1,072 | 1.82% | 0.52% |
| 2020 | $ 11,615,000 | $ - | $ 19,721,452 | $ 890 | 1.43% | 0.42% |

Source: Audited Financial Statements, U. S. Census, Division of Local Services

## Direct and Overlapping Governmental Activities Debt

## As of June 30, 2020

| Town of Acton, Massachusetts | | Debt Outstanding | Estimated Percentage Applicable | | Estimated Share of Overlapping Debt |
|---|---|---|---|---|---|
| Overlapping Debt: | | | | | |
| Acton Boxborough Regional School District…............................................... | $ | 81,210,000 | 84.3% | $ | 68,460,030 |
| Minuteman Regional Vocation Technical High School…................................ | | 92,945,000 | 9.1% | | 8,457,995 |
| Subtotal, overlapping debt…………………………………………………………… | | | | | 76,918,025 |
| Town direct debt………………………………………………………………………… | | | | | 8,106,452 |
| Total direct and overlapping debt…………………………………………………… | | | | $ | 85,024,477 |

Source: Official Statement for Sale of Bonds

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

**Computation of Legal Debt Margin**

**Last Ten Years**
(Amounts in Thousands)

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Equalized Valuation.............................. | $ 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 | $ 4,597,929 |
| Debt Limit -5% of Equalized Valuation........ | $ 199,441 | $ 192,943 | $ 192,943 | $ 193,250 | $ 193,250 | $ 215,321 | $ 215,321 | $ 229,896 | $ 229,896 | $ 229,896 |
| Less: | | | | | | | | | | |
| Outstanding debt applicable to limit......... | (27,487) | (25,708) | (26,194) | (24,152) | (22,382) | (20,615) | (20,700) | (18,800) | (17,049) | (15,370) |
| Authorized and unissued debt................ | (2,265) | (4,317) | (1,499) | (1,345) | (1,345) | (1,345) | (1,547) | (3,499) | (4,930) | (212) |
| Legal debt margin................................. | $ 169,689 | $ 162,918 | $ 165,250 | $ 167,753 | $ 169,523 | $ 193,361 | $ 193,074 | $ 207,597 | $ 207,917 | $ 214,314 |
| Total debt applicable to the limit as a percentage of debt limit................. | 14.92% | 15.56% | 14.35% | 13.19% | 12.28% | 10.20% | 10.33% | 9.70% | 9.56% | 6.78% |

Source: Official Statement for Sale of Bonds

## Demographic and Economic Statistics

### Last Ten Years

| Year | Population Estimates | Personal Income | Per Capita Personal Income | Median Age | Unemployment Rate |
|---|---|---|---|---|---|
| 2011 | 22,071 | $ 1,245,096,000 | $ 56,413 | 40.8 | 5.5% |
| 2012 | 21,649 | $ 1,263,772,440 | $ 58,376 | 40.8 | 4.3% |
| 2013 | 21,564 | $ 1,282,729,027 | $ 59,485 | 40.8 | 4.5% |
| 2014 | 21,256 | $ 1,301,969,962 | $ 61,252 | 40.8 | 3.9% |
| 2015 | 21,366 | $ 1,182,757,662 | $ 55,357 | 40.8 | 3.2% |
| 2016 | 22,031 | $ 1,219,570,067 | $ 55,357 | 41.9 | 2.8% |
| 2017 | 21,445 | $ 1,326,351,805 | $ 61,849 | 43.1 | 2.9% |
| 2018 | 21,581 | $ 1,286,529,734 | $ 59,614 | 43.4 | 3.0% |
| 2019 | 21,463 | $ 1,266,574,556 | $ 59,012 | 43.6 | 2.4% |
| 2020 | 22,162 | $ 1,377,366,562 | $ 62,150 | 43.6 | 5.0% |

Source: U. S. Census, Division of Local Services, Executive Office of Labor and Workforce Development Median age is based on most recent census data.

## Principal Employers

### Current Year and Nine Years Ago

| Employer | Nature of Business | 2020 Employees | 2020 Rank | 2020 Percentage of Total Town Employment | 2011 Employees | 2011 Rank | 2011 Percentage of Total Town Employment |
|---|---|---|---|---|---|---|---|
| Acton Boxborough Regional School District | Municipal School District | 928 | 1 | 7.9% | 218 | 4 | 2.3% |
| Insulet Corporation | Manufacturing (Medical) | 773 | 2 | 6.6% | - | - | - |
| Haartz Inc | Manufacturing | 385 | 3 | 3.3% | 282 | 2 | 3.0% |
| Acton Medical | Health Care Services | 250 | 4 | 2.1% | 190 | 5 | 2.0% |
| Town of Acton | Municipality | 215 | 5 | 1.8% | 516 | 1 | 5.5% |
| Lifecare Center of Acton | Nursing and Rehabilitation Services | 175 | 6 | 1.5% | 160 | 6 | 1.7% |
| Roche Bros Inc | Retail Trade | 160 | 7 | 1.4% | 260 | 3 | 2.8% |
| Idylwilde Farm | Agriculture/Retail | 120 | 8 | 1.0% | 110 | 7 | 1.2% |
| Donelan's Market | Grocery | 100 | 9 | 0.9% | - | - | - |
| Stop & Shop | Grocery | 100 | 10 | 0.9% | 100 | 8 | 1.1% |
| Honeywell/Data Instruments | Manufacturing | - | - | - | 67 | 9 | 0.7% |
| L.M.I. Inc | Manufacturing | - | - | - | 57 | 10 | 0.6% |

Source: Massachusetts Department of Workforce Development

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

## Full-Time Equivalent Town Employees

### Last Ten Years

| | 2011 | 2012 | 2013 | 2014 | (1) 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Full-Time Equivalents | | | | | | | | | | |
| Town | 38 | 39 | 39 | 40 | 28 | 28 | 43 | 48 | 49 | 50 |
| Public Safety | 92 | 92 | 92 | 97 | 97 | 97 | 101 | 101 | 101 | 101 |
| School | 316 | 327 | 339 | 333 | - | - | - | - | - | - |
| Public works | 21 | 22 | 22 | 21 | 32 | 33 | 23 | 22 | 21 | 21 |
| Human Services | 22 | 23 | 24 | 24 | 17 | 17 | 21 | 21 | 21 | 21 |
| Culture and Recreation | 19 | 19 | 19 | 19 | 30 | 30 | 19 | 19 | 19 | 19 |
| Nursing | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sewer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total | 516 | 530 | 542 | 542 | 211 | 212 | 215 | 217 | 219 | 220 |

Source: Finance Committee Report

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

**Operating Indicators by Function/Program**

**Last Ten Calendar Years**

| **Function/Program** | 2011 | 2012 | 2013 | 2014 | (1) 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | | | | | | | | | | |
| Finance | | | | | | | | | | |
| Registered Voters ..................................... | 12,377 | 14,388 | 14,237 | 13,926 | 13,297 | 15,490 | 14,984 | 15,387 | 15,577 | 15,955 |
| Taxable Property Parcels Assessed............ | 8,701 | 8,719 | 8,745 | 8,834 | 9,067 | 9,136 | 9,131 | 9,174 | 9,257 | 9,270 |
| Public Safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Arrests................................................ | 195 | 144 | 160 | 160 | 162 | 186 | 173 | 157 | 104 | 111 |
| Traffic Violations.......................................... | 1,355 | 1,104 | 1,287 | 1,466 | 2,294 | 2,290 | 2,495 | 5,791 | 5,191 | 3,545 |
| Fire | | | | | | | | | | |
| Emergency Responses........................... | 4,823 | 4,834 | 4,834 | 4,068 | 4,564 | 4,948 | 4,818 | 3,062 | 3,156 | 3,063 |
| Fires Extinguished.................................. | 87 | 90 | 71 | 35 | 39 | 51 | 38 | 26 | 49 | 49 |
| Number of Inspections Conducted............. | 729 | 722 | 944 | 772 | 755 | 960 | 826 | 940 | 901 | 690 |
| Emergency Medical Responses................ | 1,592 | 1,439 | 1,539 | 1,279 | 1,402 | 1,552 | 1,560 | 1,904 | 1,819 | 1,906 |
| Building Inspection | | | | | | | | | | |
| Building Permits.................................... | 896 | 1,040 | 980 | 1,194 | 1,447 | 1,368 | 1,155 | 1,200 | 1,357 | 1,329 |
| Estimated Construction Value...................... (in Thousands) | 33,345 | 39,005 | 40,228 | 51,262 | 36,730 | 35,706 | 34,003 | 92,051 | 62,652 | 33,164 |
| Highway and Public Works | | | | | | | | | | |
| Public Works | | | | | | | | | | |
| Street Resurfacing (miles)............................ | 2 | 3 | 3 | 3 | 7 | 5 | 6 | 4 | 9 | 4 |
| Salt Used (tons)........................................... | 3,579 | 1,561 | 5,583 | 4,724 | 3,441 | 2,609 | 3,640 | 4,600 | 3,612 | 2,441 |
| Sanitation | | | | | | | | | | |
| Refuse Collected (tons)................................ | 3,672 | 3,640 | 3,513 | 3,535 | 3,408 | 2,411 | 2,163 | 2,232 | 2,236 | 2,107 |
| Recycling (tons)........................................... | 1,699 | 1,641 | 2,314 | 3,267 | 1,562 | 2,390 | 3,101 | 3,881 | 3,740 | 5,407 |
| Sewage System | | | | | | | | | | |
| Average Daily Sewage Treatment................ (Thousands of Gallons) | 134,760 | 145,045 | 138,535 | 145,208 | 132,060 | 125,115 | 132,775 | 137,287 | 140,610 | 133,631 |
| Human Services | | | | | | | | | | |
| Senior Center | | | | | | | | | | |
| Number of 60+ Residents per Town Census................................... | 3,938 | 4,060 | 4,210 | 4,344 | 4,489 | 4,815 | 4,870 | 5,046 | 5,150 | 5,338 |
| Numbers of Elders Served.......................... | 1,149 | 1,226 | 1,167 | 1,175 | 1,191 | 1,237 | 1,262 | 1,377 | 1,520 | 2,000 |
| Number of Non-Seniors Served................ | 112 | 94 | 61 | 21 | 29 | 49 | 51 | 46 | 52 | 210 |
| Nursing Services | | | | | | | | | | |
| Home Visits: | | | | | | | | | | |
| Registered Nurse................................... | 1,623 | 1,489 | 1,673 | 1,207 | 1,258 | 1,887 | 1,582 | 1,012 | 1,031 | 870 |
| Home Health Aide.................................. | 2,190 | 1,983 | 2,073 | 1,586 | 1,547 | 1,621 | 806 | 1,306 | 1,215 | 1,011 |
| Physical Therapy.................................... | 1,158 | 1,192 | 1,194 | 534 | 481 | 581 | 537 | 497 | 755 | 783 |
| Occupational Therapy............................ | 70 | 70 | 123 | 28 | 131 | 207 | 134 | 51 | 70 | 42 |
| Speech Therapy...................................... | 2 | 1 | 35 | N/A | N/A | 5 | N/A | N/A | N/A | N/A |
| Medical Social Work................................ | 5 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Total Home Visits......................................... | 5,048 | 4,735 | 5,098 | 3,355 | 3,417 | 4,301 | 3,059 | 2,866 | 3,071 | 2,706 |
| Health Promotion Activities: | | | | | | | | | | |
| TB Testing............................................ | 26 | 15 | 6 | N/A | 15 | 8 | 8 | 15 | 10 | 9 |
| Blood Pressure Checks.......................... | 402 | 595 | 806 | 798 | 718 | 355 | 781 | 404 | 620 | 271 |
| Podiatry Clinic...................................... | 381 | 255 | 285 | 289 | 182 | 180 | 188 | 216 | 325 | 183 |
| Influenza Vaccinations........................... | 1,326 | 845 | 1,690 | 1,006 | 618 | 1,200 | 1,405 | 956 | 1,099 | 1,073 |
| Other Vaccinations................................ | 23 | 17 | 27 | 17 | 24 | 35 | 66 | 10 | 52 | 33 |
| Culture and Recreation | | | | | | | | | | |
| Public Library | | | | | | | | | | |
| Volumes in Collections................................ | 166,734 | 179,188 | 192,073 | 191,500 | 200,573 | 244,952 | 263,927 | 280,170 | 243,200 | 248,220 |
| Total Volumes Borrowed.............................. | 679,790 | 658,938 | 634,492 | 580,323 | 562,385 | 559,544 | 539,528 | 497,760 | 535,186 | 368,661 |

Source: Various Town Departments

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

**Capital Asset Statistics by Function/Program**

**Last Ten Years**

| Function/Program | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| General Government | | | | | | | | | | |
| Number of Buildings………………… | 17 | 17 | 15 | 15 | 15 | 17 | 17 | 17 | 17 | 21 |
| Police | | | | | | | | | | |
| Number of Stations…………………. | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units…............................... | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 13 | 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 | 7 | 7 |
| Number of Ambulances…................ | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Education | | | | | | | | | | |
| Number of elementary schools……. | 4 | 4 | 4 | 4 | - | - | - | - | - | - |
| Highway and Public Works | | | | | | | | | | |
| Miles of Streets…............................ | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 115 | 115 |
| Miles of Highways…................... | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 | 11 |
| Number of Cemeteries…................. | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 | 3 |
| Number of Snow Plows…................ | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 39 | 39 |
| Human Services | | | | | | | | | | |
| Council of Aging- Senior Center…... | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Culture and Recreation | | | | | | | | | | |
| Recreation Land (Acreage)…......... | 30 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Number of Playgrounds…................ | 6 | 6 | 5 | 6 | 6 | 6 | 7 | 7 | 7 | 7 |
| Number of Ball fields…................... | 10 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 11 | 11 |
| Number of Tennis Courts….............. | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of Public Beahes/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)…........................ | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Sewer | | | | | | | | | | |
| Miles of Sanitary Sewers…............. | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Number of Treatment Plants…........ | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: Various Town Departments

**Computation of Levy Capacity and Unused Levy Capacity**

**Last Ten Years**

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|
| Levy Limit......................... | $ 63,020,285 | $ 64,997,845 | $ 67,239,740 | $ 69,827,344 | $ 72,521,489 | $ 75,741,772 | $ 78,807,775 | $ 81,664,435 | $ 84,340,154 | $ 87,238,384 |
| Previous Levy.................. | 61,044,467 | 63,020,285 | 64,997,845 | 67,239,740 | 69,827,344 | 72,521,489 | 75,741,772 | 78,807,775 | 81,664,435 | 84,340,154 |
| Legal Increase................. | 1,526,112 | 1,575,507 | 1,624,946 | 1,680,994 | 1,745,684 | 1,813,037 | 1,893,544 | 1,970,194 | 2,041,611 | 2,108,504 |
| New Growth..................... | 449,706 | 402,053 | 616,949 | 906,610 | 948,461 | 1,407,246 | 1,172,459 | 866,466 | 654,608 | 789,726 |
| Debt Exclusion................. | 3,096,116 | 3,072,691 | 3,047,008 | 2,895,443 | 2,868,196 | 2,834,766 | 2,814,641 | 2,760,078 | 2,521,702 | 2,506,230 |
| Maximum Taxing Capacity... | $ 66,116,401 | $ 68,070,536 | $ 70,286,748 | $ 72,722,787 | $ 75,389,685 | $ 78,576,538 | $ 81,622,416 | $ 84,404,513 | $ 86,882,356 | $ 89,744,614 |
| Actual Levy...................... | $ 65,825,191 | $ 67,550,755 | $ 70,271,125 | $ 72,281,378 | $ 74,404,617 | $ 77,577,346 | $ 80,632,463 | $ 83,492,684 | $ 86,225,586 | $ 89,564,159 |
| Unused Levy Capacity....... | 291,210 | 519,781 | 15,623 | 441,409 | 985,068 | 999,192 | 989,953 | 911,829 | 656,770 | 180,455 |

Source: Assessor's Department, Town of Acton