

Town of Acton, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended June 30, 2021

John Mangiaratti, Town Manager
Stephen Barrett, Finance Director

Prepared by the Town of Acton Finance Department

On the Cover – Fire Department Hybrid Command Vehicle

TOWN OF ACTON, MASSACHUSETTS

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For the Year Ended
June 30, 2021

Prepared by:

Finance Department

TOWN OF ACTON, MASSACHUSETTS
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JUNE 30, 2021

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Introductory Section



North Acton Fire Station Construction Project

Introductory Section

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

Town of Acton

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Letter of Transmittal

December 22, 2021

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

At the close of each fiscal year, state law requires the Town of Acton to publish a complete set of audited financial statements in conformance with generally accepted accounting principles (GAAP) in the United States of America and that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Annual Comprehensive Financial Report (ACFR) of the Town of Acton, Massachusetts, for the fiscal year ending June 30, 2021 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, 2021, our main benchmark of financial support, the Town's property tax collection rate, remained stable at 99%. This revenue source represents 93% of total general fund revenues. Our remaining 7% of total general fund revenues (State Aid and Local Receipts) for Fiscal Year 2021 performed at or near budgeted levels despite the economic slowdown that started in the last quarter of FY2020. The Town did experience a \$400,000 loss in local receipts, budget versus actual, for FY2021. The areas impacted were motor vehicle excise, permits/fees, and investment income.

Future areas of concern moving forward – Local receipts

Motor Vehicle excise receipts were impacted in FY2021. Our expectation for FY2022 is that this revenue source will remain at FY2021 levels.

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 \$50k.

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.

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

assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

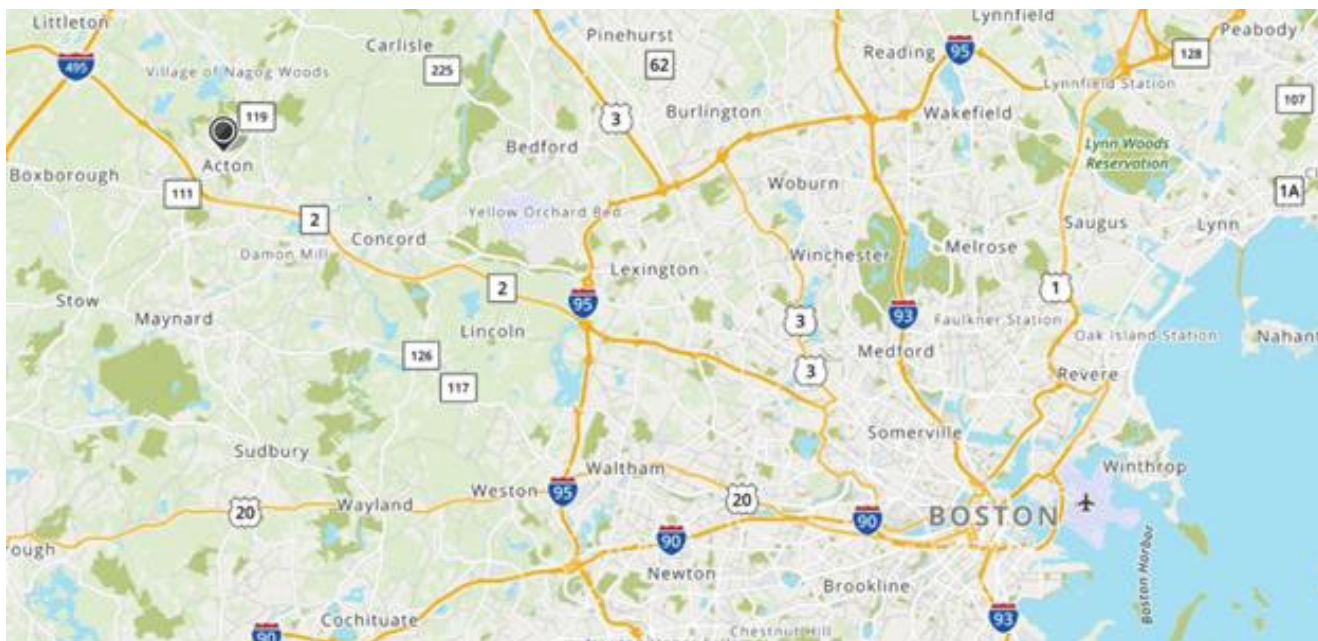
The Town's financial statements have been audited by Powers & Sullivan LLC CPA's, a firm of licensed certified public accountants, who have been hired by and report to the Town's Select Board. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Acton for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Acton's financial statements for the fiscal year ended June 30, 2021 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 FY2021, the independent audit of the financial statements of the Town of Acton was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. In order to meet the Single Audit Act threshold, an entity must have \$750,000 of federal expenditures.

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

Profile of the Town

The Town of Acton, incorporated in 1735, is located in western Middlesex County approximately twenty one miles from Boston. It is situated on Massachusetts Route 2 and in close proximity to U.S. Interstate 495. The Town occupies 20 square miles and serves a population of 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 Select Board 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 Select Board are elected for three-year terms. In order to provide continuity on the Select Board, the term of one member expires every third year, and the term of two members expire in each of the intervening years.

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

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

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

Factors Affecting Economic Condition

Acton's commercial economic base has remained stable over the past ten years, consistently accounting for between 11% and 13% of the Town's assessed value. Based on data from the U.S Census, the Town of Acton's median household income (\$120,865) is considerably higher than the average in Massachusetts (\$67,846). In addition, the Town of Acton continues to experience unemployment rates well below state, county and national averages.

The Town's residential assessed values have risen in each of the last eight fiscal years to its highest value ever. The Building Department issued 1,474 building permits in fiscal year 2021 worth an estimated construction value of over \$135 million. This includes \$83 million for a new Elementary School.

The Town adopted the Community Preservation Act, in 2002 which allows for a 1.5% surcharge on real estate tax bills and a Commonwealth of Massachusetts match. Since its passage, the Town has collected approximately \$13 million from the 1.5% surcharge. In addition, the Commonwealth of Massachusetts provides an annual percent (varying amounts) match. Appropriations from this program continue to be approved annually at Annual Town Meeting and they have provided funding for many projects in the areas of housing, recreation, open space, historic preservation, and other land acquisition. This continual reaffirmation of a 1.5% surcharge, in an era of economic uncertainty, shows that the citizens remain committed to the viability of the program.

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

Over the past ten years, property tax and intergovernmental revenues comprised the vast majority of governmental fund's revenues. In fiscal year 2021, property taxes were 92.4% of the revenues. In the previous nine fiscal years, property taxes have represented between 74.2% and 86.8% of the governmental fund revenues. Intergovernmental revenues have fluctuated between 4.4% and 16.8% of governmental fund revenues during the past ten years. The change in percentages is the result of the regionalization of the school system, not a higher reliance on property taxes. Beginning in fiscal year 2015, the local general fund education aid from the Commonwealth of Massachusetts and the special revenue fund state/federal education grants (previously received by the Town of Acton) were revenues of the Acton-Boxborough Regional School District. As a result, the total revenues of the Town Acton decreased, and the property tax revenues percentage of total revenues increased. The reduction in education grant/local aid revenues caused the change in the intergovernmental percentage.

The Town has continued to aggressively fund the other post-employment benefits (OPEB) liability. In the past five fiscal years, the contributions in excess of the actuarially determined contribution have been \$162,327 (fiscal year 2021), \$55,750 (fiscal year 2020), \$217,767 (fiscal year 2019), \$617,277 (fiscal year 2018) and \$528,512 (fiscal year 2017). In fiscal year 2021, the Town continued to contribute to the OPEB Trust Fund (\$633,742). The Town's OPEB trust fund has a balance of \$8,519,367 at June 30, 2021. 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, 27.07% at June 30, 2020 and to 36.45% at June 30, 2021. The aggressive funding and the earnings on investments on the OPEB Trust Fund caused the Net OPEB Liability to decrease from \$16.08 million as of June 30, 2020 to \$14.85 million as of June 30, 2021.

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. 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 2020 of 9.7% of operating expenditures;
- Very strong liquidity, with total government available cash at 19.3% of total governmental fund expenditures and 7.8% 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 24.9% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of market value and rapid amortization, with 66.4% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

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

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

Recent highlights or awards in the Town include

- American Rescue Plan Act (ARPA) funding of \$7.2 million;
- Continuance of a COVID-19 Town operated hot-line;
- State Grant of \$157,940 to assist in development of a Climate Action Plan;
- State Grant of \$900,000 for Regional Public Safety Dispatch development;
- MassWorks grant of \$2,750,000 for Affordable Housing Infrastructure Improvements;
- Mass DOT grant of \$285,730 for Harris Street to Main Street sidewalk connection;
- Baker-Polito Regional Pilot grant of \$150,000 for extension of childcare subsidy program.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Acton, Massachusetts for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 ACFR 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:

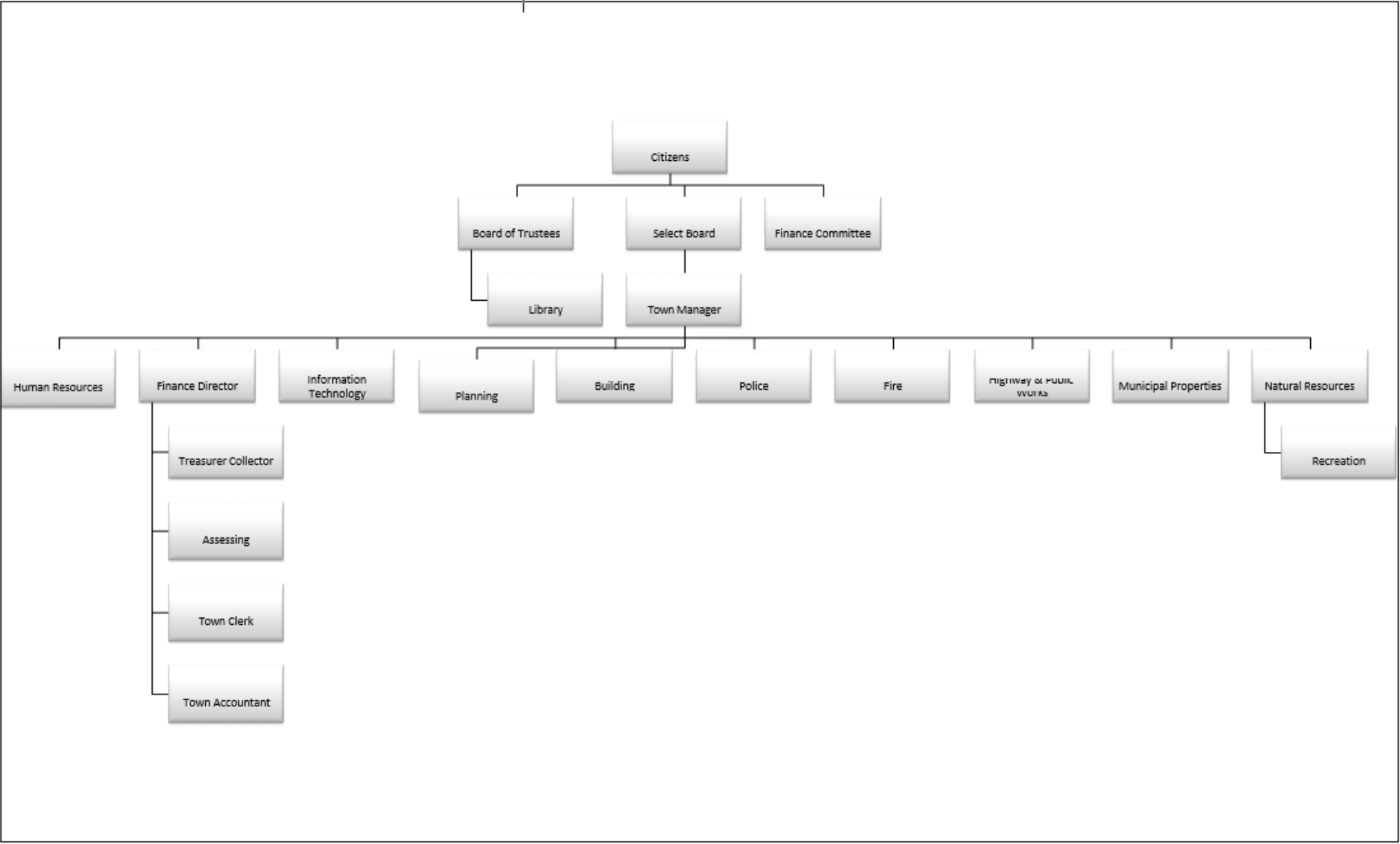
Stephen Barrett, CPA

Stephen Barrett, CPA

Finance Director, Treasurer and Tax Collector

Town of Acton, Massachusetts

Organizational Chart



Principal Town Officials – As of June 30, 2021

<u>Office</u>	<u>Name</u>	<u>Manner of Selection and Term</u>	<u>Term Expires</u>
Selectmen	David Martin, Chair	Elected/3 Years	2022
	Dean Charter, Vice Chair	Elected/3 Years	2022
	Jim Synder-Grant, Clerk	Elected/3 Years	2023
	Francesca Arsenault	Elected/3 Years	2024
	Himaja Nagireddy	2 Years filled unexpired term	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	2023
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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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Financial Section



Acton Fire Captain Robert Smith's Last Day Before Retirement – June 2021

Financial Section

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Independent Auditor's Report

To the Honorable Select Board
Town of Acton, Massachusetts

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Wakefield, MA 01880

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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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Acton, Massachusetts, as of June 30, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Acton, Massachusetts' basic financial statements. The introductory section, combining statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining 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 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 December 22, 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

December 22, 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, 2021. 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 \$12.1 million which represents 11.9% of total general fund expenditures.
- For the primary government's government-wide financial statements, assets and deferred outflows exceeded liabilities and deferred inflows of resources at the close of the most recent year by \$100.2 million (net position).
- The net pension liability decreased by \$2.4 million. This decrease is due to the System experiencing an operating surplus before allocating investment income. These attributes increased the Town's net assets available for pensions and resulted in a lower net pension liability.
- The total gross debt (short-term and long-term combined excluding premium) decreased by \$2.6 million during the current year. This was due to the net effect of \$16.7 million in principal payments on outstanding debt, and the issuance of an additional \$14.1 million of debt.
- The Town contributed an additional \$634 thousand to the OPEB trust fund in 2021 and at year-end the trust fund had a net position of \$8.5 million. Currently, the Town's OPEB trust is 36.45% 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, 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.

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 \$100.2 million at the close of 2021, which was an increase of \$4.5 from the prior year.

Net position of \$120.1 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, \$17.1 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 \$37.0 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 applicable categories.

Governmental Activities

The Town of Acton's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$83.6 million at the close of 2021, which was an increase of \$5.0 million from the prior year.

	2021	2020
Assets:		
Current assets.....	\$ 47,349,992	\$ 45,584,324
Noncurrent assets (excluding capital).....	922,672	1,845,344
Capital assets, non depreciable.....	79,964,952	73,428,765
Capital assets, net of accumulated depreciation....	50,669,660	50,038,453
Total assets.....	178,907,276	170,896,886
Deferred outflows of resources.....	4,572,902	7,204,874
Liabilities:		
Current liabilities (excluding debt).....	5,227,280	1,894,382
Noncurrent liabilities (excluding debt).....	68,971,512	72,678,499
Current debt.....	2,980,155	15,891,580
Noncurrent debt.....	17,667,965	5,842,250
Total liabilities.....	94,846,912	96,306,711
Deferred inflows of resources.....	5,074,227	3,222,197
Net position:		
Net investment in capital assets.....	117,888,759	114,437,140
Restricted.....	17,110,352	15,078,391
Unrestricted.....	(51,440,072)	(50,942,679)
Total net position.....	\$ 83,559,039	\$ 78,572,852

	2021	2020
Program Revenues:		
Charges for services.....	\$ 3,986,715	\$ 4,289,686
Operating grants and contributions.....	5,563,500	1,824,020
Capital grants and contributions.....	707,447	881,842
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	95,247,412	88,599,076
Tax and other liens.....	130,488	56,465
Motor vehicle and other excise taxes.....	3,537,096	3,824,056
Community preservation tax.....	1,307,614	1,392,351
Penalties and interest on taxes.....	401,872	187,070
Payments in lieu of taxes.....	212	42,083
Grants and contributions not restricted to specific programs.....	1,574,931	1,623,565
Unrestricted investment income.....	666,029	311,576
Miscellaneous.....	248,566	52,596
Total revenues.....	113,371,882	103,084,386
Expenses:		
General government.....	12,034,181	11,229,880
Public safety.....	16,196,291	16,413,852
Education.....	67,317,032	62,690,935
Highway and Public works.....	5,401,757	4,494,512
Health and human services.....	3,388,488	4,456,893
Culture and recreation.....	2,138,521	2,631,082
Community preservation.....	1,750,301	456,744
Interest.....	114,571	191,261
Total expenses.....	108,341,142	102,565,159
Excess (Deficiency) before transfers.....	5,030,740	519,227
Transfers.....	(44,553)	(44,553)
Change in net position.....	4,986,187	474,674
Net position, beginning of year (as revised).....	78,572,852	78,098,178
Net position, end of year.....	\$ 83,559,039	\$ 78,572,852

The governmental expenses totaled \$108.3 million, of which \$10.3 million (9.5%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$103.1 million, primarily coming from property taxes, motor vehicle excise and other excise taxes, and non-restricted state aid.

The governmental net position increased by \$5.0 million during the current year. This increase was mainly due to a decrease of \$320,000 in the OPEB Liability net of applicable deferred inflows/outflows, a surplus in the general fund of \$782,000, a non-major surplus (less bond proceeds and premiums) of \$1.8 million, amortization of bond premiums of \$125,000, the receipt of \$707,000 of capital grants, amortization on bond premiums of \$270,000, and the Town's ability to fund current year capital additions with current revenues. These increases were offset by an increase in the net pension liability and its associated deferred inflows/outflows of \$1.2 million.

The increase in operating grants is due to the Town receiving \$2.1 million of CARES grant revenues in the current year.

Business-Type Activities

For the Town's business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16.7 million at the close of 2021.

	2021	2020
Assets:		
Current assets.....	\$ 8,276,390	\$ 8,347,874
Noncurrent assets (excluding capital).....	6,401,732	7,203,493
Capital assets, non depreciable.....	605,329	534,769
Capital assets, net of accumulated depreciation....	12,356,821	12,986,528
Total assets.....	27,640,272	29,072,664
Liabilities:		
Current liabilities (excluding debt).....	261,304	315,296
Noncurrent liabilities (excluding debt).....	2,929	5,344
Current debt.....	940,000	905,000
Noncurrent debt.....	9,770,000	10,710,000
Total liabilities.....	10,974,233	11,935,640
Net position:		
Net investment in capital assets.....	2,252,150	1,906,297
Unrestricted.....	14,413,889	15,230,727
Total net position.....	\$ 16,666,039	\$ 17,137,024
	2021	2020
Program Revenues:		
Charges for services.....	\$ 1,573,044	\$ 1,445,029
Operating grants and contributions.....	384,868	432,104
Capital grants and contributions.....	294,611	263,984
General Revenues:		
Unrestricted investment income.....	37,457	92,595
Total revenues.....	2,289,980	2,233,712
Expenses:		
Sanitation.....	657,420	564,510
Sewer.....	2,148,098	2,543,092
Total expenses.....	2,805,518	3,107,602
Excess (Deficiency) before transfers.....	(515,538)	(873,890)
Transfers.....	44,553	44,553
Change in net position.....	(470,985)	(829,337)
Net position, beginning of year.....	17,137,024	17,966,361
Net position, end of year.....	\$ 16,666,039	\$ 17,137,024

Business-type net position of \$2.3 million (13.5%) represents the investment in capital assets while \$14.4 million (86.5%) is unrestricted. The Town's business-type net position decreased by \$471,000 in the current year.

The sewer department net position decreased by \$486,000. The decrease is due to an operating loss of \$612,000 by a capital contribution of \$194,000.

The sanitation department net position increased by \$15,000. The increase is related to an operating surplus of \$11,300 and investment income of \$4,000. The fund is working as designed where charges for services charged are 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 \$38.1 million, which is comprised of \$12.1 million in the general fund, \$6.4 million in the community preservation fund, \$4.2 million in the fire station construction fund, and \$15.4 million in the nonmajor governmental funds. Cumulatively there was an increase of \$12.5 million 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 \$8.5 million, while total fund balance was \$12.1 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 8.3% of total general fund budgetary expenditures, while total fund balance represents 11.9% of that same amount. The general fund experienced an increase of \$782,000, which was due to a budgetary surplus of \$498,000, an increase of \$188,000 from the recognition of real estate and personal property tax revenue received within 60 days of year-end, and a \$39,000 decrease in the accrual for appellate tax board cases.

The Community Preservation Act Fund (CPA) is used to account for the Community Preservation 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 expended \$2.0 million for approved projects and recognized state grant revenue of \$310,000, and \$1.2 million in tax surcharge revenues. The fund has a balance of \$6.4 million, which is due to the timing of the receipt and disbursement of tax surcharges and state aid.

The American Rescue Plan Act (ARPA) fund is used to account for the receipt and disbursement of ARPA funds. During FY2021, the Town received \$1.2 million of ARPA funds that has been reported as unearned revenue because the recognition criteria has not been met.

The Fire Station Construction Fund is being used to account for the construction of the fire station. The fund has a balance of \$4.2 million. The Fire Station Construction fund expended \$4.5 million for the approved project in FY2021 and issued \$9.2 million of long-term debt including bond premiums to fund the project.

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, 2021, 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 made a portion of these funds available as of June 30, 2020, and the Town was allocated a total of \$2.1 million.

During 2021, the Town received \$2.1 of the total allocation and spent approximately \$1.7 million. (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 2021 approved budget authorized \$107.7 million in appropriations and other amounts to be raised. During 2021, Town Meeting did not approve 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 ten-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, land improvements, buildings, machinery and equipment, infrastructure and vehicles totaling \$9.6 million.
- Business-type activities included additions to construction in progress and vehicles totaling \$232 thousand.

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, 2021, outstanding long-term debt for governmental activities totaled \$19.8 million, and \$882,000 of outstanding unamortized bond premiums.

The sewer enterprise fund has outstanding long-term debt totaling \$10.7 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.

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Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Acton Community Housing Corporation
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 36,075,863	\$ 7,401,311	\$ 43,477,174	\$ 71,829
Investments.....	5,125,268	-	5,125,268	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	955,800	-	955,800	-
Tax liens.....	600,445	34,351	634,796	-
Community preservation fund surtax.....	6,050	-	6,050	-
Motor vehicle and other excise taxes.....	262,655	-	262,655	-
User charges.....	301,855	90,177	392,032	-
Departmental and other.....	237,303	-	237,303	-
Intergovernmental.....	2,431,306	-	2,431,306	-
Community preservation state share.....	457,103	-	457,103	-
Special assessments.....	88,476	750,551	839,027	-
Tax foreclosures.....	807,868	-	807,868	-
Due from Town of Acton.....	-	-	-	756,426
Total current assets.....	47,349,992	8,276,390	55,626,382	828,255
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Intergovernmental.....	922,672	-	922,672	-
Special assessments.....	-	6,401,732	6,401,732	-
Capital assets, nondepreciable.....	79,964,952	605,329	80,570,281	-
Capital assets, net of accumulated depreciation.....	50,669,660	12,356,821	63,026,481	-
Total noncurrent assets.....	131,557,284	19,363,882	150,921,166	-
TOTAL ASSETS.....	178,907,276	27,640,272	206,547,548	828,255
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows for refunding debt.....	51,657	-	51,657	-
Deferred outflows related to pensions.....	3,345,079	-	3,345,079	-
Deferred outflows related to other postemployment benefits.....	1,176,166	-	1,176,166	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	4,572,902	-	4,572,902	-
LIABILITIES				
CURRENT:				
Warrants payable.....	1,758,105	34,430	1,792,535	-
Accrued payroll.....	619,176	5,857	625,033	-
Unearned revenue.....	1,238,334	-	1,238,334	-
Tax refunds payable.....	110,600	-	110,600	-
Due to Acton Housing Corporation.....	756,426	-	756,426	-
Accrued interest.....	280,440	219,064	499,504	-
Liabilities due depositors.....	26,626	-	26,626	-
Other liabilities.....	116,048	-	116,048	5,902
Capital lease obligations.....	37,636	-	37,636	-
Landfill closure.....	2,500	-	2,500	-
Compensated absences.....	281,389	1,953	283,342	-
Bonds payable.....	2,980,155	940,000	3,920,155	-
Total current liabilities.....	8,207,435	1,201,304	9,408,739	5,902
NONCURRENT:				
Other liabilities.....	1,048,363	-	1,048,363	-
Landfill closure.....	32,500	-	32,500	-
Compensated absences.....	422,082	2,929	425,011	-
Net pension liability.....	52,615,628	-	52,615,628	-
Net other postemployment benefits liability.....	14,852,939	-	14,852,939	-
Bonds payable.....	17,667,965	9,770,000	27,437,965	-
Total noncurrent liabilities.....	86,639,477	9,772,929	96,412,406	-
TOTAL LIABILITIES.....	94,846,912	10,974,233	105,821,145	5,902
DEFERRED INFLOWS OF RESOURCES				
Taxes paid in advance.....	33,041	-	33,041	-
Deferred inflows related to pensions.....	3,240,087	-	3,240,087	-
Deferred inflows related to other postemployment benefits.....	1,801,099	-	1,801,099	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	5,074,227	-	5,074,227	-
NET POSITION				
Net investment in capital assets.....	117,888,759	2,252,150	120,140,909	-
Restricted for:				
Community preservation.....	7,110,654	-	7,110,654	-
Ambulance services.....	975,466	-	975,466	-
Permanent funds:				
Expendable.....	2,866,686	-	2,866,686	-
Nonexpendable.....	2,345,657	-	2,345,657	-
Gifts and grants.....	3,811,889	-	3,811,889	-
Unrestricted.....	(51,440,072)	14,413,889	(37,026,183)	822,353
TOTAL NET POSITION.....	\$ 83,559,039	\$ 16,666,039	\$ 100,225,078	\$ 822,353

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

		Program Revenues				
			Charges for	Operating	Capital	
Functions/Programs	Expenses		Services	Grants and	Grants and	Net (Expense)
				Contributions	Contributions	Revenue
Primary Government:						
<i>Governmental Activities:</i>						
General government.....	\$ 12,034,181	\$	278,487	\$ 3,674,178	\$ 5,018	\$ (8,076,498)
Public safety.....	16,196,291		2,218,590	927,391	-	(13,050,310)
Education.....	67,317,032		-	-	-	(67,317,032)
Highways and public works.....	5,401,757		43,960	360,064	702,429	(4,295,304)
Health and human services.....	3,388,488		897,720	218,058	-	(2,272,710)
Culture and recreation.....	2,138,521		547,958	73,843	-	(1,516,720)
Community preservation.....	1,750,301		-	309,966	-	(1,440,335)
Interest.....	114,571		-	-	-	(114,571)
Total Governmental Activities.....	108,341,142		3,986,715	5,563,500	707,447	(98,083,480)
<i>Business-Type Activities:</i>						
Sanitation.....	657,420		668,747	-	-	11,327
Sewer.....	2,148,098		904,297	384,868	294,611	(564,322)
Total Business-Type Activities.....	2,805,518		1,573,044	384,868	294,611	(552,995)
Total Primary Government.....	\$ 111,146,660	\$	5,559,759	\$ 5,948,368	\$ 1,002,058	\$ (98,636,475)
Component Unit:						
Acton Community Housing Corporation.....	\$ 21,546	\$	-	\$ -	\$ -	\$ (21,546)

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Acton Community Housing Corporation
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (98,083,480)	\$ (552,995)	\$ (98,636,475)	\$ (21,546)
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	95,247,412	-	95,247,412	-
Tax and other liens.....	130,488	-	130,488	-
Motor vehicle and other excise taxes.....	3,537,096	-	3,537,096	-
Community preservation tax.....	1,307,614	-	1,307,614	-
Penalties and interest on taxes.....	401,872	-	401,872	-
Payments in lieu of taxes.....	212	-	212	-
Grants and contributions not restricted to specific programs.....	1,574,931	-	1,574,931	-
Unrestricted investment income.....	666,029	37,457	703,486	184
Miscellaneous.....	248,566	-	248,566	-
<i>Transfers, net</i>	(44,553)	44,553	-	-
Total general revenues and transfers.....	103,069,667	82,010	103,151,677	184
Change in net position.....	4,986,187	(470,985)	4,515,202	(21,362)
<i>Net position:</i>				
Beginning of year (as revised).....	78,572,852	17,137,024	95,709,876	843,715
End of year.....	\$ 83,559,039	\$ 16,666,039	\$ 100,225,078	\$ 822,353

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2021

	General	Community Preservation Fund	American Rescue Plan Act Fund	Fire Station Construction	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 12,479,103	\$ 6,710,459	\$ 1,238,334	\$ 5,108,682	\$ 10,539,285	\$ 36,075,863
Investments.....	-	-	-	-	5,125,268	5,125,268
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	955,800	-	-	-	-	955,800
Tax liens.....	596,770	3,675	-	-	-	600,445
Community preservation fund surtax.....	-	6,050	-	-	-	6,050
Motor vehicle and other excise taxes.....	262,655	-	-	-	-	262,655
User charges.....	-	-	-	-	301,855	301,855
Departmental and other.....	156,000	-	-	-	81,303	237,303
Intergovernmental - other.....	1,845,344	-	-	-	1,508,634	3,353,978
Community preservation state share.....	-	457,103	-	-	-	457,103
Special assessments.....	-	-	-	-	88,476	88,476
Tax foreclosures.....	806,452	1,416	-	-	-	807,868
Due from other funds.....	340,371	-	-	-	-	340,371
TOTAL ASSETS.....	\$ 17,442,495	\$ 7,178,703	\$ 1,238,334	\$ 5,108,682	\$ 17,644,821	\$ 48,613,035
LIABILITIES						
Warrants payable.....	\$ 314,642	\$ 249,327	\$ -	\$ 917,865	\$ 276,271	\$ 1,758,105
Accrued payroll.....	537,665	1,647	-	-	79,864	619,176
Unearned revenue.....	-	-	1,238,334	-	-	1,238,334
Tax refunds payable.....	110,600	-	-	-	-	110,600
Due to other funds.....	-	-	-	-	340,371	340,371
Due to Acton Housing Corporation.....	-	10,000	-	-	746,426	756,426
Liabilities due depositors.....	-	-	-	-	26,626	26,626
TOTAL LIABILITIES.....	962,907	260,974	1,238,334	917,865	1,469,558	4,849,638
DEFERRED INFLOWS OF RESOURCES						
Taxes paid in advance.....	31,482	1,559	-	-	-	33,041
Unavailable revenue.....	4,342,779	468,244	-	-	773,691	5,584,714
TOTAL DEFERRED INFLOWS OF RESOURCES.....	4,374,261	469,803	-	-	773,691	5,617,755
FUND BALANCES						
Nonspendable.....	-	-	-	-	2,345,657	2,345,657
Restricted.....	-	6,447,926	-	4,190,817	13,055,915	23,694,658
Committed.....	1,827,706	-	-	-	-	1,827,706
Assigned.....	1,765,882	-	-	-	-	1,765,882
Unassigned.....	8,511,739	-	-	-	-	8,511,739
TOTAL FUND BALANCES.....	12,105,327	6,447,926	-	4,190,817	15,401,572	38,145,642
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 17,442,495	\$ 7,178,703	\$ 1,238,334	\$ 5,108,682	\$ 17,644,821	\$ 48,613,035

See notes to basic financial statements.

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

JUNE 30, 2021

Total governmental fund balances.....	\$ 38,145,642
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	130,634,612
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	5,584,714
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.....	(468,284)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(280,440)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(20,648,120)
Net pension liability.....	(52,615,628)
Net other postemployment benefits liability.....	(14,852,939)
Other liabilities.....	(1,164,411)
Landfill closure.....	(35,000)
Capital lease obligations.....	(37,636)
Compensated absences.....	(703,471)
Net effect of reporting long-term liabilities.....	(90,057,205)
Net position of governmental activities.....	\$ <u>83,559,039</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	General	Community Preservation Fund	Fire Station Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 95,625,282	\$ -	\$ -	\$ -	\$ 95,625,282
Tax liens.....	81,206	640	-	-	81,846
Motor vehicle and other excise taxes.....	3,572,604	-	-	-	3,572,604
Charges for services.....	205,868	-	-	2,345,932	2,551,800
Penalties and interest on taxes.....	310,152	2,041	-	28,125	340,318
Payments in lieu of taxes.....	212	-	-	-	212
Licenses and permits.....	833,546	-	-	417,886	1,251,432
Fines and forfeitures.....	31,589	-	-	1,907	33,496
Intergovernmental - School Building Authority.....	922,673	-	-	-	922,673
Intergovernmental - other.....	1,635,341	-	-	5,144,302	6,779,643
Departmental and other.....	84,894	-	-	528	85,422
Community preservation taxes.....	-	1,162,118	-	-	1,162,118
Community preservation state match.....	-	309,966	-	-	309,966
Contributions and donations.....	-	-	-	921,235	921,235
Investment income.....	55,429	32,929	-	577,671	666,029
Miscellaneous.....	126,753	-	-	121,813	248,566
TOTAL REVENUES.....	103,485,549	1,507,694	-	9,559,399	114,552,642
EXPENDITURES:					
Current:					
General government.....	7,571,605	-	-	3,674,219	11,245,824
Public safety.....	9,446,130	-	4,542,426	1,516,390	15,504,946
Education.....	67,317,032	-	-	-	67,317,032
Highways and public works.....	3,206,509	-	-	1,290,339	4,496,848
Health and human services.....	2,141,419	-	-	1,239,008	3,380,427
Culture and recreation.....	1,289,368	-	-	434,309	1,723,677
Community preservation.....	-	1,944,785	-	-	1,944,785
Pension benefits.....	4,615,717	-	-	-	4,615,717
Employee benefits.....	3,962,542	-	-	-	3,962,542
State and county charges.....	330,123	-	-	-	330,123
Debt service:					
Principal.....	1,918,464	60,000	-	160,380	2,138,844
Interest.....	243,745	10,200	-	31,184	285,129
TOTAL EXPENDITURES.....	102,042,654	2,014,985	4,542,426	8,345,829	116,945,894
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,442,895	(507,291)	(4,542,426)	1,213,570	(2,393,252)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	-	8,847,778	5,237,222	14,085,000
Premium from issuance of bonds.....	-	-	346,770	519,234	866,004
Transfers in.....	315,207	-	-	1,124,821	1,440,028
Transfers out.....	(976,061)	-	-	(508,520)	(1,484,581)
TOTAL OTHER FINANCING SOURCES (USES).....	(660,854)	-	9,194,548	6,372,757	14,906,451
NET CHANGE IN FUND BALANCES.....	782,041	(507,291)	4,652,122	7,586,327	12,513,199
FUND BALANCES AT BEGINNING OF YEAR (AS REVISED).....	11,323,286	6,955,217	(461,305)	7,815,245	25,632,443
FUND BALANCES AT END OF YEAR.....	\$ 12,105,327	\$ 6,447,926	\$ 4,190,817	\$ 15,401,572	\$ 38,145,642

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, 2021

Net change in fund balances - total governmental funds.....		\$ 12,513,199
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	9,611,138	
Capital asset deletions.....	(26,781)	
Depreciation expense.....	<u>(2,416,963)</u>	
Net effect of reporting capital assets.....		7,167,394
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(1,180,760)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Principal payments on capital leases.....	37,635	
Issuance of bonds.....	(14,085,000)	
Premium from issuance of bonds and notes.....	(866,004)	
Net amortization of premium from issuance of bonds.....	270,492	
Net change in deferred charge on refunding.....	(57,718)	
Debt service principal payments.....	<u>2,138,844</u>	
Net effect of reporting long-term debt.....		(12,561,751)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	(51,898)	
Net change in accrued interest on long-term debt.....	(182,581)	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(3,531,439)	
Net change in net pension liability.....	2,350,976	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(910,782)	
Net change in net other postemployment benefits liability.....	1,230,963	
Net change in other long-term liabilities.....	140,366	
Net change in landfill closure.....	<u>2,500</u>	
Net effect of recording long-term liabilities.....		<u>(951,895)</u>
Change in net position of governmental activities.....		\$ <u>4,986,187</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2021

	Business-type Activities - Enterprise Funds		
	Sanitation	Sewer	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 684,475	\$ 6,716,836	\$ 7,401,311
Receivables, net of allowance for uncollectibles:			
Liens - user charges.....	-	34,351	34,351
User charges.....	-	90,177	90,177
Special assessments.....	-	750,551	750,551
Total current assets.....	684,475	7,591,915	8,276,390
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	6,401,732	6,401,732
Capital assets, non depreciable.....	505,860	99,469	605,329
Capital assets, net of accumulated depreciation.....	288,004	12,068,817	12,356,821
Total noncurrent assets.....	793,864	18,570,018	19,363,882
TOTAL ASSETS.....	1,478,339	26,161,933	27,640,272
LIABILITIES			
CURRENT:			
Warrants payable.....	29,259	5,171	34,430
Accrued payroll.....	3,953	1,904	5,857
Accrued interest.....	-	219,064	219,064
Compensated absences.....	1,953	-	1,953
Bonds payable.....	-	940,000	940,000
Total current liabilities.....	35,165	1,166,139	1,201,304
NONCURRENT:			
Compensated absences.....	2,929	-	2,929
Bonds payable.....	-	9,770,000	9,770,000
TOTAL LIABILITIES.....	38,094	10,936,139	10,974,233
NET POSITION			
Net investment in capital assets.....	793,864	1,458,286	2,252,150
Unrestricted.....	646,381	13,767,508	14,413,889
TOTAL NET POSITION.....	\$ 1,440,245	\$ 15,225,794	\$ 16,666,039

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer	Total
<u>OPERATING REVENUES:</u>			
Charges for services.....	\$ 668,747	\$ 904,297	\$ 1,573,044
<u>OPERATING EXPENSES:</u>			
Cost of services and administration.....	411,402	823,746	1,235,148
Salaries and wages.....	185,592	62,038	247,630
Depreciation.....	60,426	730,723	791,149
TOTAL OPERATING EXPENSES.....	657,420	1,616,507	2,273,927
OPERATING INCOME (LOSS).....	11,327	(712,210)	(700,883)
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income.....	4,042	33,415	37,457
Interest expense.....	-	(531,591)	(531,591)
Intergovernmental - subsidy.....	-	384,868	384,868
TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	4,042	(113,308)	(109,266)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	15,369	(825,518)	(810,149)
CAPITAL CONTRIBUTIONS.....	-	294,611	294,611
<u>TRANSFERS:</u>			
Transfers in.....	-	44,553	44,553
CHANGE IN NET POSITION.....	15,369	(486,354)	(470,985)
NET POSITION AT BEGINNING OF YEAR.....	1,424,876	15,712,148	17,137,024
NET POSITION AT END OF YEAR.....	\$ 1,440,245	\$ 15,225,794	\$ 16,666,039

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Sanitation	Sewer	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users.....	\$ 668,747	\$ 898,578	\$ 1,567,325
Payments to vendors.....	(385,790)	(861,153)	(1,246,943)
Payments to employees.....	(194,040)	(62,847)	(256,887)
NET CASH FROM OPERATING ACTIVITIES.....	88,917	(25,422)	63,495
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers in.....	-	44,553	44,553
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Capital contributions.....	-	926,927	926,927
Acquisition and construction of capital assets.....	(232,002)	-	(232,002)
Principal payments on bonds and notes.....	-	(710,632)	(710,632)
Interest expense.....	-	(182,078)	(182,078)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(232,002)	34,217	(197,785)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment income.....	4,042	33,415	37,457
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(139,043)	86,763	(52,280)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	823,518	6,630,073	7,453,591
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 684,475	\$ 6,716,836	\$ 7,401,311
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>			
<u>FROM OPERATING ACTIVITIES:</u>			
Operating income (loss).....	\$ 11,327	\$ (712,210)	\$ (700,883)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	60,426	730,723	791,149
Changes in assets and liabilities:			
Liens - user charges.....	-	(2,920)	(2,920)
User charges.....	-	(2,799)	(2,799)
Warrants payable.....	25,612	(37,407)	(11,795)
Accrued payroll.....	(4,424)	(809)	(5,233)
Compensated absences.....	(4,024)	-	(4,024)
Total adjustments.....	77,590	686,788	764,378
NET CASH FROM OPERATING ACTIVITIES.....	\$ 88,917	\$ (25,422)	\$ 63,495
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>			
Intergovernmental subsidy of debt service.....	\$ -	\$ 579,236	\$ 579,236

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2021

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Funds
ASSETS		
Investments:		
Investments in Pension Reserve Investment Trust.....	\$ 8,519,367	\$ -
Government sponsored enterprises.....	<u>-</u>	<u>357,517</u>
TOTAL ASSETS.....	<u>8,519,367</u>	<u>357,517</u>
NET POSITION		
Restricted for other postemployment benefits.....	8,519,367	-
Held in trust for other purposes.....	<u>-</u>	<u>357,517</u>
TOTAL NET POSITION.....	<u>\$ 8,519,367</u>	<u>\$ 357,517</u>

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021

	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.....	<u>1,191,179</u>	<u>-</u>
Total contributions.....	<u>1,824,921</u>	<u>-</u>
Net investment income:		
Investment income.....	<u>1,916,828</u>	<u>39,237</u>
TOTAL ADDITIONS.....	<u>3,741,749</u>	<u>39,237</u>
DEDUCTIONS:		
Other postemployment benefit payments.....	1,191,179	-
Educational scholarships.....	<u>-</u>	<u>3,000</u>
TOTAL DEDUCTIONS.....	<u>1,191,179</u>	<u>3,000</u>
NET INCREASE (DECREASE) IN NET POSITION.....	2,550,570	36,237
NET POSITION AT BEGINNING OF YEAR.....	<u>5,968,797</u>	<u>321,280</u>
NET POSITION AT END OF YEAR.....	<u>\$ 8,519,367</u>	<u>\$ 357,517</u>

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 a five-member elected Select Board (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 Select Board 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 2021 assessment totaled \$65,584,049 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 2021 assessment totaled \$1,732,983 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 *American Rescue Plan Act (ARPA)* fund is used to account for the receipt and expenditure of ARPA related funds.

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 trash 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 custodial 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.

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 Assessors 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, Veterans Aid, and other 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 Select Board, Town Administrator, and the Town Accountant have the authority to assign funds. The Select Board, 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 general fund is the only fund that reports a positive unassigned fund balance amount, all other funds would only report unassigned if a deficit exists.

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. Use of Estimates*Government-Wide and Fund Financial Statements*

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

S. Total Column*Government-Wide Financial Statements*

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

Fund Financial Statements

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

NOTE 2 - CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, 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.

The Acton Community Housing Corporation component unit reports \$71,829 of cash and cash equivalents which are not included in the Town's disclosures below.

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 \$41,911,355 and the bank balance totaled \$42,409,644. Of the bank balance, \$10,169,318 was covered by Federal Depository Insurance, \$15,355,758 was covered by Depositors Insurance Fund, and \$14,325,543 was collateralized, and \$2,559,025 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, 2021, the Town of Acton had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury notes.....	\$ 475,340	\$ 310,290	\$ 165,050	\$ -
Government sponsored enterprises.....	397,095	-	297,749	99,346
Corporate bonds.....	1,301,577	240,450	1,061,127	-
Total debt securities.....	2,174,012	\$ 550,740	\$ 1,523,926	\$ 99,346
Other investments:				
Equity securities.....	3,141,315			
Fixed income mutual funds.....	167,458			
Money market mutual funds.....	87,079			
Pension Reserve Investment Trust (PRIT).....	8,519,367			
MMDT - Cash portfolio.....	1,478,740			
Total investments.....	\$ 15,567,971			

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 \$475,340 in U.S. treasury notes, \$397,095 in government sponsored enterprises, \$1,301,577 in corporate bonds and \$3,141,315 in equity securities, the Town has a custodial credit risk exposure of \$5,315,327 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 .019 to 16.28 years.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2021, the Town's investments were rated as follows:

<u>Quality Rating</u>	<u>U.S. Treasury Notes</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ 475,340	\$ -	\$ -
AA+.....	-	397,095	-
A+.....	-	-	325,775
A-.....	-	-	581,082
BBB+.....	-	-	268,354
BBB.....	-	-	126,366
Total.....	\$ <u>475,340</u>	\$ <u>397,095</u>	\$ <u>1,301,577</u>

Additionally, the Town had investments in money market mutual funds, MMDT and the SRBTF, 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, 2021, 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, 2021:

Investment Type	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 475,340	\$ 475,340	\$ -	\$ -
Government sponsored enterprises.....	397,095	397,095	-	-
Corporate bonds.....	1,301,577	-	1,301,577	-
Total debt securities.....	2,174,012	872,435	1,301,577	-
<u>Other investments:</u>				
Equity securities.....	3,141,315	3,141,315	-	-
Fixed income mutual funds.....	167,458	167,458	-	-
Money market mutual funds.....	87,079	87,079	-	-
Total other investments.....	3,395,852	3,395,852	-	-
Total investments measured at fair value.....	5,569,864	\$ 4,268,287	\$ 1,301,577	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	1,478,740			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	8,519,367			
Total investments.....	\$ 15,567,971			

U.S. treasury notes, government sponsored enterprises, money market mutual funds, equity securities, 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, 2021, 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
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 994,635	\$ (38,835)	\$ 955,800
Tax liens.....	600,445	-	600,445
Motor vehicle and other excise taxes.....	352,998	(90,343)	262,655
User charges.....	301,855	-	301,855
Departmental and other.....	237,303	-	237,303
Intergovernmental.....	3,353,978	-	3,353,978
Community preservation fund surtax.....	6,050	-	6,050
Community preservation state share.....	457,103	-	457,103
Special assessments.....	88,476	-	88,476
Total.....	\$ 6,392,843	\$ (129,178)	\$ 6,263,665

At June 30, 2021, receivables for the sanitation and sewer enterprise consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer liens - user charges.....	\$ 34,351	\$ -	\$ 34,351
Sewer user charges.....	90,177	-	90,177
Sewer special assessments.....	7,152,283	-	7,152,283
Total.....	\$ 7,276,811	\$ -	\$ 7,276,811

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
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 675,558	\$ -	\$ 675,558
Tax liens.....	596,770	3,675	600,445
Motor vehicle and other excise taxes.....	262,655	-	262,655
User charges.....	-	323,855	323,855
Departmental and other.....	156,000	33,319	189,319
Intergovernmental - School Building Authority.....	1,845,344	-	1,845,344
Intergovernmental - other.....	-	328,041	328,041
Community preservation state share and surtax...	-	463,153	463,153
Special assessments.....	-	88,476	88,476
Tax foreclosures.....	806,452	1,416	807,868
Total.....	\$ 4,342,779	\$ 1,241,935	\$ 5,584,714

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 70,427,652	\$ 1,167,971	\$ -	\$ 71,595,623
Construction in progress.....	3,001,113	6,647,890	(1,279,674)	8,369,329
Total capital assets not being depreciated.....	73,428,765	7,815,861	(1,279,674)	79,964,952
<u>Capital assets being depreciated:</u>				
Land improvements.....	3,060,470	24,510	-	3,084,980
Buildings.....	17,238,438	1,265,963	-	18,504,401
Machinery and equipment.....	10,092,323	247,141	(26,206)	10,313,258
Vehicles.....	4,172,500	999,664	-	5,172,164
Infrastructure.....	52,557,180	537,673	(308,217)	52,786,636
Total capital assets being depreciated.....	87,120,911	3,074,951	(334,423)	89,861,439
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,082,508)	(80,308)	-	(2,162,816)
Buildings.....	(7,653,495)	(447,698)	-	(8,101,193)
Machinery and equipment.....	(6,768,815)	(509,356)	26,206	(7,251,965)
Vehicles.....	(3,182,732)	(1,058,527)	-	(4,241,259)
Infrastructure.....	(17,394,908)	(321,074)	281,436	(17,434,546)
Total accumulated depreciation.....	(37,082,458)	(2,416,963)	307,642	(39,191,779)
Total capital assets being depreciated, net.....	50,038,453	657,988	(26,781)	50,669,660
Total governmental activities capital assets, net.....	\$ 123,467,218	\$ 8,473,849	\$ (1,306,455)	\$ 130,634,612
Business Type:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 534,769	\$ -	\$ -	\$ 534,769
Construction in progress.....	-	70,560	-	70,560
Total capital assets not being depreciated.....	534,769	70,560	-	605,329
<u>Capital assets being depreciated:</u>				
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	161,442	-	184,742
Infrastructure.....	15,956,586	-	-	15,956,586
Total capital assets being depreciated.....	27,466,296	161,442	-	27,627,738
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(27,043)	(337,937)	-	(364,980)
Buildings.....	(6,219,323)	(5,350)	-	(6,224,673)
Machinery and equipment.....	(1,127,505)	(47,836)	-	(1,175,341)
Vehicles.....	(23,300)	(8,408)	-	(31,708)
Infrastructure.....	(7,082,597)	(391,618)	-	(7,474,215)
Total accumulated depreciation.....	(14,479,768)	(791,149)	-	(15,270,917)
Total capital assets being depreciated, net.....	12,986,528	(629,707)	-	12,356,821
Total business type capital assets, net.....	\$ 13,521,297	\$ (559,147)	\$ -	\$ 12,962,150

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

Governmental Activities:

General government.....	\$	141,149
Public safety.....		682,258
Highways and public works.....		1,335,690
Health and human services.....		106,643
Culture and recreation.....		151,223
Total depreciation expense - governmental activities.....	\$	<u>2,416,963</u>

Business-Type Activities:

Sewer.....	\$	730,722
Sanitation.....		60,427
Total depreciation expense - business-type activities.....	\$	<u>791,149</u>

NOTE 5 – INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

At June 30, 2021, the Town had an interfund receivable/payable of \$340,371 between the general fund and the highway construction fund to meet temporary cash flow needs.

At June 30, 2021, the Town has a due to Acton Housing Corporation of \$756,426. 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 eight years and \$690,000 remaining on the agreement. The general fund is paying this settlement which is recorded as an other liability in the governmental fund financial statements.

Interfund transfers for the year ended June 30, 2021, are summarized as follows:

Transfers Out:	Transfers In:				
	General fund	Nonmajor governmental funds	Sewer enterprise fund	Total	
General fund.....	\$ -	\$ 931,508	\$ 44,553	\$ 976,061	(1)
Nonmajor governmental funds.....	315,207	193,313	-	508,520	(2)
Total.....	<u>\$ 315,207</u>	<u>\$ 1,124,821</u>	<u>\$ 44,553</u>	<u>\$ 1,484,581</u>	

- (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
<u>Asset:</u>	
Machinery and equipment..... \$	351,011
Less: accumulated depreciation...	<u>(159,436)</u>
Total..... \$	<u><u>191,575</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows:

Years ending June 30:	Governmental Activities
2022..... \$	<u>39,548</u>
Total minimum lease payments.....	39,548
Less: amounts representing interest.....	<u>(1,912)</u>
Present value of minimum lease payments... \$	<u><u>37,636</u></u>

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, 2021, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2020	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2021
Governmental Funds:							
BAN	Municipal Purpose.....	1.25%	03/16/21	\$ <u>13,627,378</u>	\$ -	\$ <u>(13,627,378)</u>	\$ -

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, 2021, 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, 2021
General Obligation Bonds Payable:				
Municipal Purpose Refunding Bonds of 2013...	2023	\$ 12,220,000	2.0-4.0	\$ 2,620,000
Municipal Purpose Bonds of 2004.....	2024	6,400,000	3.5-4.5	820,000
Municipal Purpose Bonds of 2010.....	2024	1,880,280	2.0-3.3	390,000
Municipal Purpose Bonds of 2012.....	2028	2,093,652	1.4-3.0	635,000
Municipal Purpose Bonds of 2016.....	2032	1,854,040	2.0-4.0	1,105,000
Municipal Purpose Bonds of 2021.....	2050	14,085,000	2.0-5.0	14,085,000
Total General Obligation Bonds Payable.....				19,655,000
Direct Borrowing Bonds Payable:				
MWPAT- Water study.....	2023	218,403	5.00	29,677
MWPAT- Water study.....	2023	154,350	0.00	20,582
MWPAT- Title V.....	2028	174,305	0.00	61,010
Total Direct Borrowings Bonds Payable.....				111,269
Add: Unamortized premium on bonds.....				881,851
Total Bonds Payable, net.....				\$ 20,648,120

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

Year	General Obligation Bonds			Direct Borrowings and Placements			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2022.....	\$ 2,800,000	\$ 594,458	\$ 3,394,458	\$ 33,845	\$ 1,113	\$ 34,958	\$ 3,429,416
2023.....	2,725,000	494,356	3,219,356	33,844	371	34,215	3,253,571
2024.....	1,105,000	395,502	1,500,502	8,716	-	8,716	1,509,218
2025.....	810,000	348,116	1,158,116	8,716	-	8,716	1,166,832
2026.....	810,000	313,471	1,123,471	8,716	-	8,716	1,132,187
2027.....	820,000	280,078	1,100,078	8,716	-	8,716	1,108,794
2028.....	690,000	246,834	936,834	8,716	-	8,716	945,550
2029.....	550,000	218,288	768,288	-	-	-	768,288
2030.....	565,000	193,787	758,787	-	-	-	758,787
2031.....	570,000	182,458	752,458	-	-	-	752,458
2032.....	545,000	171,027	716,027	-	-	-	716,027
2033.....	480,000	160,548	640,548	-	-	-	640,548
2034.....	470,000	150,782	620,782	-	-	-	620,782
2035.....	475,000	141,218	616,218	-	-	-	616,218
2036.....	485,000	131,387	616,387	-	-	-	616,387
2037.....	425,000	121,358	546,358	-	-	-	546,358
2038.....	430,000	112,528	542,528	-	-	-	542,528
2039.....	440,000	103,460	543,460	-	-	-	543,460
2040.....	445,000	94,192	539,192	-	-	-	539,192
2041.....	395,000	84,825	479,825	-	-	-	479,825
2042.....	380,000	76,925	456,925	-	-	-	456,925
2043.....	385,000	68,850	453,850	-	-	-	453,850
2044.....	400,000	60,669	460,669	-	-	-	460,669
2045.....	405,000	52,169	457,169	-	-	-	457,169
2046.....	415,000	43,562	458,562	-	-	-	458,562
2047.....	420,000	34,744	454,744	-	-	-	454,744
2048.....	395,000	25,819	420,819	-	-	-	420,819
2049.....	405,000	17,425	422,425	-	-	-	422,425
2050.....	415,000	8,818	423,818	-	-	-	423,818
Total.....	\$ 19,655,000	\$ 4,927,654	\$ 24,582,654	\$ 111,269	\$ 1,484	\$ 112,753	\$ 24,695,407

Bonds Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2021
General Obligation Bonds Payable:				
Sewer.....	2024	\$ 694,000	3.5-4.5	\$ 105,000
Direct Borrowing Bonds Payable:				
MWPAT- Sewer.....	2031	1,852,634	5.2-5.5	920,000
MWPAT- Sewer.....	2031	7,800,326	5.06-5.5	3,850,000
MWPAT- Sewer.....	2031	12,159,555	4.58-5.12	5,835,000
Total Direct Borrowing Bonds Payable.....				10,605,000
Total Bonds Payable, net.....				\$ 10,710,000

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

Year	General Obligation Bonds			Direct Borrowings and Placements			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
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.....	\$ 105,000	\$ 9,118	\$ 114,118	\$ 10,605,000	\$ 2,709,473	\$ 13,314,473	\$ 13,428,591

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$3,167,446 and interest costs for \$1,971,732. The principal subsidies are guaranteed. The interest subsidies are supported through future investment income and are expected to be made, although not guaranteed. Since the City is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2021 principal and interest subsidies totaled approximately \$194,000 and \$385,000, respectively.

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, 2021, 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, 2021, 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.....	\$ 7,820,113	\$ 14,085,000	\$ (2,138,844)	\$ -	\$ -	\$ 19,766,269	\$ 2,833,845
Add: Unamortized premium on bonds.....	286,339	-	-	866,004	(270,492)	881,851	146,310
Total bonds payable.....	8,106,452	14,085,000	(2,138,844)	866,004	(270,492)	20,648,120	2,980,155
Capital lease obligations.....	75,271	-	-	-	(37,635)	37,636	37,636
Landfill closure.....	37,500	-	-	-	(2,500)	35,000	2,500
Compensated absences.....	651,573	-	-	312,527	(260,629)	703,471	281,389
Other liabilities.....	1,304,777	-	-	-	(140,366)	1,164,411	116,048
Net pension liability.....	54,966,604	-	-	2,264,741	(4,615,717)	52,615,628	-
Net other postemployment benefits liability..	16,083,902	-	-	593,958	(1,824,921)	14,852,939	-
Total governmental activity long-term liabilities.....	\$ 81,226,079	\$ 14,085,000	\$ (2,138,844)	\$ 4,037,230	\$ (7,152,260)	\$ 90,057,205	\$ 3,417,728
Business-Type Activities:							
Long-term bonds payable.....	\$ 11,615,000	\$ -	\$ (905,000)	\$ -	\$ -	\$ 10,710,000	\$ 940,000
Compensated absences.....	8,906	-	-	-	(4,024)	4,882	1,953
Total business-type activity long-term liabilities.....	\$ 11,623,906	\$ -	\$ (905,000)	\$ -	\$ (4,024)	\$ 10,714,882	\$ 941,953

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 \$2,030,376 and is reported as unassigned fund balance within the General Fund.

As of June 30, 2021, 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.....	-	-	-	2,010,680	2,010,680
Town Grants.....	-	-	-	1,801,209	1,801,209
Town Revolving.....	-	-	-	2,063,158	2,063,158
Community Preservation.....	-	6,447,926	-	-	6,447,926
Fire Station Construction.....	-	-	4,190,817	-	4,190,817
Other special Revenue.....	-	-	-	2,462,097	2,462,097
Other capital projects.....	-	-	-	1,852,085	1,852,085
Cemetery.....	-	-	-	1,853,977	1,853,977
Library.....	-	-	-	647,327	647,327
Permanent Other.....	-	-	-	365,382	365,382
Committed to:					
Articles and continuing appropriations:					
Kelley's Comer improvements.....	473,701	-	-	-	473,701
Parking Meters.....	43,278	-	-	-	43,278
Commuter Lot improvements.....	458,191	-	-	-	458,191
Digitize Records.....	58,681	-	-	-	58,681
Emergency Planning.....	57,180	-	-	-	57,180
Library Roof.....	1,813	-	-	-	1,813
Railroad Crossing safety.....	126,000	-	-	-	126,000
Network System.....	42,043	-	-	-	42,043
Property Acquisition.....	15,054	-	-	-	15,054
Sustainability Pol.....	101,096	-	-	-	101,096
Town hall bathroom improvements.....	3,964	-	-	-	3,964
Small business loans.....	3,383	-	-	-	3,383
Traffic Calming.....	70,000	-	-	-	70,000
Complete streets.....	94,484	-	-	-	94,484
Land purchases.....	142,472	-	-	-	142,472
Other.....	136,366	-	-	-	136,366
Assigned to:					
General government.....	728,397	-	-	-	728,397
Public safety.....	194,824	-	-	-	194,824
Highway and Public works.....	216,729	-	-	-	216,729
Health and human services.....	10,944	-	-	-	10,944
Culture and recreation.....	19,988	-	-	-	19,988
Free cash used for subsequent year budget.....	595,000	-	-	-	595,000
Unassigned.....	8,511,739	-	-	-	8,511,739
Total Fund Balances.....	\$ 12,105,327	\$ 6,447,926	\$ 4,190,817	\$ 15,401,572	\$ 38,145,642

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 severally 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, 2021 was \$4,615,717, 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, 2021 was \$4,615,717, or 30.06% of covered payroll.

During 2017, the Town determined that costs related to the Town's pension 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 pension 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 pension benefits, and as a result no amounts have been allocated to it as well.

Pension Liabilities

At June 30, 2021, the Town reported a liability of \$52,615,628 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, 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, 2020, the Town's proportion was 3.44%, which equaled its proportion measured at December 31, 2019.

Pension Expense

For the year ended June 30, 2021, the Town recognized pension expense of \$5,796,180. At June 30, 2021, the Town reported deferred outflows of resources related to pensions of \$3,345,079 and deferred inflows of resources related to pensions of \$3,240,087. The balances of deferred outflows and inflows at June 30, 2021 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 962,320	\$ (62,265)	\$ 900,055
Difference between projected and actual earnings, net.....	-	(2,982,703)	(2,982,703)
Changes in assumptions.....	2,008,534	-	2,008,534
Changes in proportion and proportionate share of contributions...	374,225	(195,119)	179,106
Total deferred outflows/(inflows) of resources.....	\$ <u>3,345,079</u>	\$ <u>(3,240,087)</u>	\$ <u>104,992</u>

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

Year ended June 30:

2022.....	\$ 704,028
2023.....	425,042
2024.....	(514,077)
2025.....	<u>(510,001)</u>
Total deferred outflows/(inflows) of resources.....	\$ <u>104,992</u>

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 forward to December 31, 2020:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Entry Age Normal Cost Method
Amortization method.....	Prior year's total contribution increased by 6.50% for fiscal 2022 through fiscal 2028, 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 2003 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.
Discount rate.....	7.30%
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
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.
Disabled 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 December 31, 2020, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.28%
International developed markets equity..	12.00%	7.00%
International emerging markets equity...	5.00%	8.82%
Core fixed income.....	15.00%	0.38%
High-yield fixed income.....	8.00%	2.97%
Timber.....	4.00%	3.45%
Hedge funds, GTAA, risk parity.....	10.00%	2.35%
Private equity.....	14.00%	10.11%
Real estate.....	10.00%	3.50%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.26%. 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% for FY21 and FY20. 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.....	\$ 65,564,739	\$ 52,615,628	\$ 41,721,292

Changes of Assumptions

None.

Changes in Plan Provisions

None.

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 publicly available financial report.

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

Funding Policy – 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, 2021, the Town's average contribution rate was 9.55% 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 2021, 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, 2021, the net position of the OPEB trust fund totaled \$8,519,367.

Investment policy – The Town's policy regarding the allocation of invested assets is established and may be amended by the Select Board 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, 2020:

Active members.....	143
Inactive members currently receiving benefits.....	336
Total.....	<u>479</u>

Components of OPEB Liability – The following table represents the components of the Plan's OPEB liability as of June 30, 2021:

Total OPEB liability.....	\$ 23,372,306
Less: OPEB plan's fiduciary net position.....	<u>(8,519,367)</u>
Net OPEB liability.....	<u>\$ 14,852,939</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	36.45%

Significant Actuarial Methods and Assumptions – The total OPEB liability in the December 31, 2020, 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, 2021:

Valuation date.....	December 31, 2020
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.....	7.00%
Discount rate.....	7.00% (Previously 7.25%)
Inflation rate.....	3.25%
Projected salary increases.....	Groups 1 and 2: 6.00% decreasing to 4.00% based on service. Group 4: 7.00% to decreasing to 4.50% based on service.
Health care cost trend rates.....	Non-Medicare cost trend rate: 7.00% graded by 0.25% for 10 years to an ultimate level of 4.50% Medicare cost trend rate: 7.00% graded by 0.25% for 10 years to an ultimate level of 4.50% 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.
	Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2017.
	Disabled Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2017.
	Healthy Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020
	Disabled Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020

Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments was 29.29%. 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, 2021, are summarized in the following table.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	22.00%	6.28%
International developed markets equity.....	12.00%	7.00%
International emerging markets equity.....	5.00%	8.82%
Core fixed income.....	15.00%	0.38%
High-yield fixed income.....	8.00%	2.97%
Real estate.....	10.00%	3.50%
Commodities.....	4.00%	3.45%
Hedge fund, GTAA, Risk parity.....	10.00%	2.35%
Private equity.....	14.00%	10.11%
Total.....	100.00%	

Discount rate – The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2021, the prior year rate was 7.25%. 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)		
	Plan		
	Total OPEB Liability (a)	Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2020.....	\$ 22,052,699	\$ 5,968,797	\$ 16,083,902
Changes for the year:			
Service cost.....	446,227	-	446,227
Interest.....	1,588,747	-	1,588,747
Differences between expected and actual experience.....	1,213,141	-	1,213,141
Changes in assumptions and other inputs.....	(737,329)	-	(737,329)
Benefit payments.....	(1,191,179)	(1,191,179)	-
Contributions - employer.....	-	1,824,921	(1,824,921)
Net investment income.....	-	1,916,828	(1,916,828)
Net change.....	1,319,607	2,550,570	(1,230,963)
Balances at June 30, 2021.....	\$ 23,372,306	\$ 8,519,367	\$ 14,852,939

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 17,600,370	\$ 14,852,939	\$ 12,547,339

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	Current Trend	1% Increase
Net OPEB liability.....	\$ 12,287,452	\$ 14,852,939	\$ 17,965,236

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended June 30, 2021, the Town recognized OPEB expense of \$1,504,740. At June 30, 2021, 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.....	\$ 909,855	\$ (179,915)	\$ 729,940
Difference between projected and actual earnings, net.....	-	(984,286)	(984,286)
Changes in assumptions.....	266,311	(636,898)	(370,587)
Total deferred outflows/(inflows) of resources.....	\$ 1,176,166	\$ (1,801,099)	\$ (624,933)

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:

2022.....	\$ (74,523)
2023.....	(142,489)
2024.....	(115,698)
2025.....	(292,223)
Total deferred outflows/(inflows) of resources.....	\$ (624,933)

Changes of Assumptions

- The per capita health costs and contributions were updated to reflect current premiums.
- The trend assumptions were revised to reflect future expectations.
- The mortality assumptions for teachers were updated.
- The active enrollment assumption was updated.
- The expected rate of return was decreased from 7.25% to 7.00%

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 \$35,000 at June 30, 2021, 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, 2021, 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, 2021, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2021.

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

The Town has \$3.0 million of encumbrances and continuing appropriations in the general fund and has \$3.8 million with the community preservation fund.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 22, 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 is 1 agreement in place, which extends out until 2037. For the fiscal year ended 2021, the Town exempted property taxes totaling \$236,325 under this agreement.

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 were 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.

In addition to the CARES Act, on March 11, 2021, the United States Federal Government established the American Rescue Plan Act (ARPA) to enhance the United States' recovery from the economic and health effects of the COVID-19 pandemic. This Act requires that the payment from these funds be used to cover costs related to; public health; negative economic impacts; services to disproportionately impacted communities; premium pay; infrastructure; revenue replacement; or administration. These funds can only be used to cover costs incurred between March 3, 2021, and December 31, 2024. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding.

In addition to funding from the CARES Act and ARPA, 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 – REVISION OF NET POSITION PREVIOUSLY REPORTED

Beginning net position of the governmental activities has been revised to reflect the implementation of GASB Statement #84, *Fiduciary Activities*. To reflect this change, the Town is reporting certain funds which had previously been reported as Agency Funds as Governmental Funds. This has resulted in the revision of the June, 30, 2020, balances as follows.

	06/30/2020 Previously Reported Balances	Implementation of GASB #84	06/30/2020 Revised Balances
Government-Wide Financial Statements			
Governmental activities.....	\$ (77,521,102)	\$ (1,051,750)	\$ (78,572,852)
Fund-Based Financial Statements			
Non-major governmental funds.....	\$ 6,763,495	\$ 1,051,750	\$ 7,815,245

NOTE 19 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2021, the following GASB pronouncements were implemented:

- GASB Statement #84, *Fiduciary Activities*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.
- GASB Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*. This pronouncement did not impact the basic financial statements.
- GASB Statement #98, *The Annual Comprehensive Financial Report*. The basic financial statements and related notes were updated to be in compliance with this pronouncement.

The following GASB pronouncements will be implemented in the future:

- 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 #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*, which is required to be implemented in 2022.

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

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used 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, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 95,264,693	\$ 95,264,693	\$ 95,264,692	\$ 95,397,917	\$ -	\$ 133,225
Tax liens.....	-	-	-	-	81,206	-	81,206
Motor vehicle and other excise taxes.....	-	3,744,700	3,744,700	3,744,700	3,572,604	-	(172,096)
Charges for services.....	-	431,250	431,250	334,250	205,868	-	(128,382)
Penalties and interest on taxes.....	-	152,700	152,700	152,700	310,152	-	157,452
Payments in lieu of taxes.....	-	42,000	42,000	42,000	212	-	(41,788)
Licenses and permits.....	-	860,000	860,000	860,000	833,546	-	(26,454)
Fines and forfeitures.....	-	80,200	80,200	80,200	31,589	-	(48,611)
Intergovernmental - School Building Authority.....	-	922,673	922,673	922,673	922,673	-	-
Intergovernmental - other.....	-	1,683,922	1,683,922	1,676,686	1,630,214	-	(46,472)
Departmental and other.....	-	145,019	145,019	154,000	84,894	-	(69,106)
Investment income.....	-	106,000	106,000	106,000	52,275	-	(53,725)
Miscellaneous.....	-	-	-	88,019	126,753	-	38,734
TOTAL REVENUES.....	-	103,433,157	103,433,157	103,425,920	103,249,903	-	(176,017)
EXPENDITURES:							
Current:							
General government							
Moderator							
Salaries.....	-	-	-	-	-	-	-
Expenses.....	15,319	37,000	52,319	52,317	30,006	1,020	21,291
Town Manager.....							
Salaries.....	-	914,643	914,643	710,419	713,215	-	(2,796)
Expenses.....	178,753	1,344,754	1,523,507	1,466,327	1,127,623	444,568	(105,864)
Total.....	178,753	2,259,397	2,438,150	2,176,746	1,840,838	444,568	(108,660)
Green Advisory Board.....							
Salaries.....	-	14,404	14,404	14,404	5,854	-	8,550
Expenses.....	-	12,246	12,246	12,246	-	15,120	(2,874)
Total.....	-	26,650	26,650	26,650	5,854	15,120	5,676
Finance Committee.....							
Expenses.....	-	280	280	280	-	-	280
Finance Director.....							
Salaries.....	-	296,946	296,946	296,946	223,893	-	73,053
Expenses.....	106,029	178,200	284,229	284,016	377,443	74,914	(168,341)
Total.....	106,029	475,146	581,175	580,962	601,336	74,914	(95,288)
Comptroller.....							
Salaries.....	-	338,477	338,477	338,477	345,151	-	(6,674)
Expenses.....	169	2,050	2,219	2,219	2,305	-	(86)
Total.....	169	340,527	340,696	340,696	347,456	-	(6,760)
Board of Assessors.....							
Salaries.....	-	283,550	283,550	283,550	286,652	-	(3,102)
Expenses.....	78,318	11,000	89,318	89,318	83,828	2,450	3,040
Total.....	78,318	294,550	372,868	372,868	370,480	2,450	(62)
Collector.....							
Salaries.....	-	147,985	147,985	147,985	159,461	-	(11,476)
Expenses.....	-	7,500	7,500	7,500	2,935	-	4,565
Total.....	-	155,485	155,485	155,485	162,396	-	(6,911)
Human Resource.....							
Salaries.....	-	267,700	267,700	267,700	182,027	-	85,673
Expenses.....	15,035	174,460	189,495	189,495	166,112	10,890	12,493
Total.....	15,035	442,160	457,195	457,195	348,139	10,890	98,166
Information Technology.....							
Salaries.....	-	497,724	497,724	497,724	459,678	-	38,046
Expenses.....	415,433	1,129,765	1,545,198	1,545,199	997,719	517,888	29,592
Total.....	415,433	1,627,489	2,042,922	2,042,923	1,457,397	517,888	67,638

(continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Town Clerk.....							
Salaries.....	-	165,795	165,795	165,795	160,977	-	4,818
Expenses.....	-	5,125	5,125	5,125	2,179	300	2,646
Total.....	-	170,920	170,920	170,920	163,156	300	7,464
Elections.....							
Salaries.....	-	74,300	74,300	74,300	44,623	-	29,677
Expenses.....	171	45,400	45,571	45,571	22,023	-	23,548
Total.....	171	119,700	119,871	119,871	66,646	-	53,225
Planning.....							
Salaries.....	-	268,059	268,059	268,059	151,984	-	116,075
Expenses.....	489,819	60,644	550,463	550,463	77,455	484,001	(10,993)
Total.....	489,819	328,703	818,522	818,522	229,439	484,001	105,082
Land Use.....							
Salaries.....	-	266,296	266,296	266,296	263,333	-	2,963
Expenses.....	424	31,050	31,474	31,474	16,777	44,331	(29,634)
Total.....	424	297,346	297,770	297,770	280,110	44,331	(26,671)
Municipal Properties.....							
Salaries.....	-	551,082	551,082	551,082	545,028	-	6,054
Expenses.....	223,845	929,409	1,153,254	1,153,252	1,123,324	42,730	(12,802)
Total.....	223,845	1,480,491	1,704,336	1,704,334	1,668,352	42,730	(6,748)
Total General Government.....	1,523,315	8,055,844	9,579,159	9,317,539	7,571,605	1,638,212	107,722
Public safety.....							
Police.....							
Salaries.....	-	4,670,009	4,670,009	4,670,009	4,435,204	-	234,805
Expenses.....	101,969	316,200	418,169	475,349	385,923	156,255	(66,829)
Total.....	101,969	4,986,209	5,088,178	5,145,358	4,821,127	156,255	167,976
Fire.....							
Salaries.....	-	3,117,006	3,117,006	3,321,231	3,355,368	-	(34,137)
Expenses.....	92,669	220,700	313,369	313,371	243,740	11,780	57,851
Total.....	92,669	3,337,706	3,430,375	3,634,602	3,599,108	11,780	23,714
Dispatch.....							
Salaries.....	-	653,800	653,800	653,800	770,365	-	(116,565)
Expenses.....	593	6,500	7,093	7,093	4,756	395	1,942
Total.....	593	660,300	660,893	660,893	775,121	395	(114,623)
Building Inspector.....							
Salaries.....	-	208,654	208,654	208,654	243,788	-	(35,134)
Expenses.....	758	11,434	12,192	12,192	22,142	1,394	(11,344)
Total.....	758	220,088	220,846	220,846	265,930	1,394	(46,478)
Emergency Management.....							
Salaries.....	-	23,000	23,000	23,000	2,008	-	20,992
Expenses.....	9,680	23,450	33,130	33,130	17,323	25,000	(9,193)
Total.....	9,680	46,450	56,130	56,130	19,331	25,000	11,799
Dog Officer.....							
Expenses.....	-	23,000	23,000	23,000	19,200	-	3,800
Total Public Safety.....	205,669	9,273,753	9,479,422	9,740,829	9,499,817	194,824	46,188
Education.....							
Acton Boxborough Reg Assessment.....	-	65,584,049	65,584,049	65,584,049	65,584,049	-	-
Minuteman Tech- Assessment.....	-	1,732,983	1,732,983	1,732,983	1,732,983	-	-
Total Education.....	-	67,317,032	67,317,032	67,317,032	67,317,032	-	-

(continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Highway and Public works.....							
Engineering.....							
Salaries.....	-	166,229	166,229	166,229	85,118	-	81,111
Expenses.....	91,929	36,917	128,846	128,845	46,142	124,283	(41,580)
Total.....	91,929	203,146	295,075	295,074	131,260	124,283	39,531
Highway.....							
Salaries.....	-	1,515,833	1,515,833	1,515,833	1,333,434	-	182,399
Expenses.....	823,726	433,981	1,257,707	1,257,707	407,260	892,527	(42,080)
Total.....	823,726	1,949,814	2,773,540	2,773,540	1,740,694	892,527	140,319
Roads.....							
Expenses.....	51,133	174,370	225,503	225,503	181,696	-	43,807
Snow and Ice.....							
Salaries.....	-	152,868	152,868	152,868	223,718	-	(70,850)
Expenses.....	35,490	413,106	448,596	413,106	321,400	-	91,706
Total.....	35,490	565,974	601,464	565,974	545,118	-	20,856
Gas and Diesel.....							
Expenses.....	-	235,715	235,715	271,205	193,920	-	77,285
Machinery.....							
Expenses.....	21,617	290,800	312,417	312,418	291,448	8,405	12,565
Special Projects.....							
Expenses.....	78,036	52,728	130,764	130,764	122,373	8,308	83
Total Highway and Public Works.....	1,101,931	3,472,547	4,574,478	4,574,478	3,206,509	1,033,523	334,446
Health and human services.....							
Board of Health.....							
Salaries.....	-	45,702	45,702	45,702	51,562	-	(5,860)
Expenses.....	3,380	65,800	69,180	69,180	67,401	1,325	454
Total.....	3,380	111,502	114,882	114,882	118,963	1,325	(5,406)
Nursing Service.....							
Salaries.....	-	500,580	500,580	500,580	437,990	-	62,590
Expenses.....	11,393	178,042	189,435	189,435	153,143	3,690	32,602
Total.....	11,393	678,622	690,015	690,015	591,133	3,690	95,192
Council on Aging.....							
Salaries.....	-	331,136	331,136	331,136	326,534	-	4,602
Expenses.....	218	34,050	34,268	34,268	23,831	210	10,227
Total.....	218	365,186	365,404	365,404	350,365	210	14,829
Veterans Services.....							
Salaries.....	-	96,992	96,992	96,992	80,988	-	16,004
Expenses.....	251	98,350	98,601	98,601	76,856	1,344	20,401
Total.....	251	195,342	195,593	195,593	157,844	1,344	36,405
Commission on Disabilities.....							
Expenses.....	-	2,000	2,000	2,000	-	900	1,100
Natural Resources.....							
Salaries.....	-	774,906	774,906	774,906	784,402	-	(9,496)
Expenses.....	1,208	255,500	256,708	256,708	138,712	104,572	13,424
Total.....	1,208	1,030,406	1,031,614	1,031,614	923,114	104,572	3,928
Total Health and Human Services.....	16,450	2,383,058	2,399,508	2,399,508	2,141,419	112,041	146,048

(continued)

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Culture and recreation.....							
Cultural Council.....							
Expenses.....	-	2,000	2,000	2,000	584	-	1,416
Memorial Library.....							
Salaries.....	-	1,145,653	1,145,653	1,145,653	980,417	-	165,236
Expenses.....	3,050	299,625	302,675	302,675	240,559	19,988	42,128
Total.....	3,050	1,445,278	1,448,328	1,448,328	1,220,976	19,988	207,364
Citizens Library.....							
Salaries.....	-	54,226	54,226	54,226	52,749	-	1,477
Expenses.....	-	9,955	9,955	9,955	12,444	-	(2,489)
Total.....	-	64,181	64,181	64,181	65,193	-	(1,012)
Historic Commission.....							
Expenses.....	-	376	376	376	145	-	231
Celebrations.....							
Expenses.....	715	10,900	11,615	11,615	2,470	-	9,145
Total Culture and Recreation.....	3,765	1,522,735	1,526,500	1,526,500	1,289,368	19,988	217,144
Employee Benefits and Insurances.....							
Pension Assessment.....	-	4,533,014	4,533,014	4,533,013	4,615,717	-	(82,704)
Medicare.....	-	210,000	210,000	210,000	224,251	-	(14,251)
Insurances and Other Benefits.....	-	4,278,664	4,278,664	4,278,878	3,738,291	-	540,587
Total Employee Benefits and Insurances.....	-	9,021,678	9,021,678	9,021,891	8,578,259	-	443,632
State and county charges.....							
State and county charges.....	-	330,123	330,123	330,123	330,123	-	-
Debt service:							
Principal.....	-	2,180,941	2,180,941	2,180,941	1,914,581	-	266,360
Interest.....	-	294,396	294,396	294,396	242,501	-	51,895
Total Debt Service.....	-	2,475,337	2,475,337	2,475,337	2,157,082	-	318,255
TOTAL EXPENDITURES.....	2,851,130	103,852,107	106,703,237	106,703,237	102,091,214	2,998,588	1,613,435
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,851,130)	(418,950)	(3,270,080)	(3,277,317)	1,158,689	(2,998,588)	1,437,418
OTHER FINANCING SOURCES (USES):							
Use of prior year reserves.....	2,851,130	-	2,851,130	2,851,130	-	-	(2,851,130)
Use of free cash.....	-	1,079,804	1,079,804	1,087,041	-	-	(1,087,041)
Transfers in.....	-	315,207	315,207	315,207	315,207	-	-
Transfers out.....	-	(976,061)	(976,061)	(976,061)	(976,061)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	2,851,130	418,950	3,270,080	3,277,317	(660,854)	-	(3,938,171)
NET CHANGE IN FUND BALANCE.....	-	-	-	-	497,835	(2,998,588)	(2,500,753)
BUDGETARY FUND BALANCE, Beginning of year.....	-	9,407,473	9,407,473	9,407,473	9,407,473	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 9,407,473	\$ 9,407,473	\$ 9,407,473	\$ 9,905,308	\$ (2,998,588)	\$ (2,500,753)

(concluded)

See notes to required supplementary information.

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. Currently, the Town assesses a 1.5% surcharge.

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

YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Original Budget	Final Budget			
REVENUES:						
Community preservation taxes.....	\$ -	\$ 1,122,760	\$ 1,122,760	\$ 1,162,118	\$ -	\$ 39,358
Community preservation state match.....	-	200,000	200,000	309,966	-	109,966
Tax liens.....	-	-	-	640	-	640
Penalties and interest.....	-	2,000	2,000	2,041	-	41
Investment income.....	-	35,000	35,000	32,929	-	(2,071)
TOTAL REVENUES.....	-	1,359,760	1,359,760	1,507,694	-	147,934
EXPENDITURES:						
Community preservation.....	4,367,263	6,425,758	6,425,758	1,750,301	3,803,169	872,288
Debt service:						
Principal.....	-	60,000	60,000	60,000	-	-
Interest.....	-	10,200	10,200	10,200	-	-
TOTAL EXPENDITURES.....	4,367,263	6,495,958	6,495,958	1,820,501	3,803,169	872,288
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(4,367,263)	(5,136,198)	(5,136,198)	(312,807)	(3,803,169)	1,020,222
OTHER FINANCING SOURCES (USES):						
Use of prior year reserves.....	4,367,263	4,367,263	4,367,263	-	-	(4,367,263)
Use of retained earnings.....	-	685,935	685,935	-	-	(685,935)
PY article close outs.....	-	83,000	83,000	-	-	(83,000)
Transfers in.....	-	-	-	1,685,603	-	1,685,603
Transfers out.....	-	-	-	(1,735,603)	-	(1,735,603)
TOTAL OTHER FINANCING SOURCES (USES).....	4,367,263	5,136,198	5,136,198	(50,000)	-	(5,186,198)
NET CHANGE IN FUND BALANCE.....	-	-	-	(362,807)	(3,803,169)	(4,165,976)
BUDGETARY FUND BALANCE, Beginning of year.....	-	6,955,217	6,955,217	6,955,217	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 6,955,217	\$ 6,955,217	\$ 6,592,410	\$ (3,803,169)	\$ (4,165,976)

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, 2020.....	3.44%	\$ 52,615,628	\$ 15,204,987	346.04%	53.42%
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	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2021.....	\$ 4,615,717	\$ (4,615,717)	\$ -	\$ 15,357,037	30.06%
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

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

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

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

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

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Total OPEB Liability					
Service Cost.....	\$ 242,070	\$ 250,543	\$ 259,312	\$ 440,281	\$ 446,227
Interest.....	1,428,369	1,468,290	1,507,086	1,539,252	1,588,747
Differences between expected and actual experience....	-	-	(719,659)	-	1,213,141
Changes of assumptions.....	-	-	1,065,245	(167,805)	(737,329)
Benefit payments.....	(1,108,518)	(1,186,114)	(1,213,102)	(1,099,633)	(1,191,179)
Net change in total OPEB liability.....	561,921	532,719	898,882	712,095	1,319,607
Total OPEB liability - beginning.....	19,347,082	19,909,003	20,441,722	21,340,604	22,052,699
Total OPEB liability - ending (a).....	<u>\$ 19,909,003</u>	<u>\$ 20,441,722</u>	<u>\$ 21,340,604</u>	<u>\$ 22,052,699</u>	<u>\$ 23,372,306</u>
Plan fiduciary net position					
Employer contributions.....	\$ 1,708,518	\$ 1,806,114	\$ 1,846,844	\$ 1,733,375	\$ 1,824,921
Net investment income.....	361,110	365,201	271,663	113,664	1,916,828
Benefit payments.....	(1,108,518)	(1,186,114)	(1,213,102)	(1,099,633)	(1,191,179)
Net change in plan fiduciary net position.....	961,110	985,201	905,405	747,406	2,550,570
Plan fiduciary net position - beginning of year.....	2,369,675	3,330,785	4,315,986	5,221,391	5,968,797
Plan fiduciary net position - end of year (b).....	<u>\$ 3,330,785</u>	<u>\$ 4,315,986</u>	<u>\$ 5,221,391</u>	<u>\$ 5,968,797</u>	<u>\$ 8,519,367</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 16,578,218</u>	<u>\$ 16,125,736</u>	<u>\$ 16,119,213</u>	<u>\$ 16,083,902</u>	<u>\$ 14,852,939</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	16.73%	21.11%	24.47%	27.07%	36.45%
Covered-employee payroll.....	\$ 15,000,000	\$ 16,000,000	\$ 18,800,000	\$ 18,100,000	\$ 19,100,000
Net OPEB liability as a percentage of covered-employee payroll.....	110.52%	100.79%	85.74%	88.86%	77.76%

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

See notes to required supplementary information.

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

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2021.....	\$ 1,662,594	\$ 1,824,921	\$ (162,327)	\$ 19,100,000	9.55%
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

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2021.....	29.29%
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 Select Board and Finance Committee for review during the first three months of each calendar year. The Select Board 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 2021 approved budget authorized approximately \$107.7 million in appropriations and other amounts to be raised. There were no supplemental appropriations were authorized in 2021.

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, 2021, is presented below:

General Fund

Net change in fund balance - budgetary basis.....	\$ 497,835
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Perspective differences:

Activity of the stabilization fund recorded in the general fund for GAAP	3,154
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Basis of accounting differences:

Net change in recording tax refunds payable.....	39,400
Net change in recording 60 day receipts.....	187,965
Net change in recording accrued payroll.....	<u>53,687</u>

Net change in fund balance - GAAP basis.....	\$ <u>782,041</u>
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Community Preservation Fund

Net change in fund balance - budgetary basis..... \$ (362,807)

Basis of accounting differences:

Net change in recording accrued expenditures..... (194,484)

Change in due to component unit..... 50,000

Net change in fund balance - GAAP basis..... \$ (507,291)

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

None.

D. Changes in Plan Provisions

None.

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 per capita health costs and contributions were updated to reflect current premiums.
- The trend assumptions were revised to reflect future expectations.
- The mortality assumptions for teachers were updated.
- The active enrollment assumption was updated.
- The expected rate of return was decreased from 7.25% to 7.00%

E. Changes in Plan Provisions

None.

Combining Statements

The combining 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 is 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 is 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, 2021

	Special Revenue Funds					
	Town Gifts	Town Grants	Town Revolving	Highway Projects	Other Special Revenue	Subtotal
ASSETS						
Cash and cash equivalents.....	\$ 2,034,808	\$ 1,110,121	\$ 2,173,522	\$ -	\$ 3,275,711	\$ 8,594,162
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
User charges.....	-	-	301,855	-	-	301,855
Departmental and other.....	-	-	52,600	-	28,703	81,303
Intergovernmental - other.....	-	840,222	-	668,412	-	1,508,634
Special assessments.....	-	-	-	-	88,476	88,476
TOTAL ASSETS.....	\$ 2,034,808	\$ 1,950,343	\$ 2,527,977	\$ 668,412	\$ 3,392,890	\$ 10,574,430
LIABILITIES						
Warrants payable.....	\$ 24,128	\$ 148,200	\$ 50,513	\$ -	\$ 47,467	\$ 270,308
Accrued payroll.....	-	934	59,851	-	19,079	79,864
Due to other funds.....	-	-	-	340,371	-	340,371
Due to other governments.....	-	-	-	-	746,426	746,426
Liabilities Due Depositors.....	-	-	-	-	26,626	26,626
TOTAL LIABILITIES.....	24,128	149,134	110,364	340,371	839,598	1,463,595
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	354,455	328,041	91,195	773,691
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	2,010,680	1,801,209	2,063,158	-	2,462,097	8,337,144
TOTAL FUND BALANCES.....	2,010,680	1,801,209	2,063,158	-	2,462,097	8,337,144
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 2,034,808	\$ 1,950,343	\$ 2,527,977	\$ 668,412	\$ 3,392,890	\$ 10,574,430

(continued)

Capital Project Funds		Permanent Funds				Total Nonmajor Governmental Funds
Other	Cemetery	Library	Other	Subtotal		
\$ 1,858,048	\$ -	\$ -	\$ 87,075	\$ 87,075	\$	10,539,285
-	4,017,494	735,228	372,546	5,125,268		5,125,268
-	-	-	-	-		301,855
-	-	-	-	-		81,303
-	-	-	-	-		1,508,634
-	-	-	-	-		88,476
<u>\$ 1,858,048</u>	<u>\$ 4,017,494</u>	<u>\$ 735,228</u>	<u>\$ 459,621</u>	<u>\$ 5,212,343</u>	<u>\$</u>	<u>17,644,821</u>
\$ 5,963	\$ -	\$ -	\$ -	\$ -	\$	276,271
-	-	-	-	-		79,864
-	-	-	-	-		340,371
-	-	-	-	-		746,426
-	-	-	-	-		26,626
<u>5,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>1,469,558</u>
-	-	-	-	-		773,691
-	2,163,517	87,901	94,239	2,345,657		2,345,657
<u>1,852,085</u>	<u>1,853,977</u>	<u>647,327</u>	<u>365,382</u>	<u>2,866,686</u>		<u>13,055,915</u>
<u>1,852,085</u>	<u>4,017,494</u>	<u>735,228</u>	<u>459,621</u>	<u>5,212,343</u>		<u>15,401,572</u>
<u>\$ 1,858,048</u>	<u>\$ 4,017,494</u>	<u>\$ 735,228</u>	<u>\$ 459,621</u>	<u>\$ 5,212,343</u>	<u>\$</u>	<u>17,644,821</u>

(concluded)

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

YEAR ENDED JUNE 30, 2021

	Special Revenue Funds					
	Town Gifts	Town Grants	Town Revolving	Highway Projects	Other Special Revenue	Subtotal
REVENUES:						
Charges for services.....	\$ -	\$ -	\$ 1,664,636	\$ -	\$ 593,408	\$ 2,258,044
Penalties and interest on taxes.....	-	-	-	-	28,125	28,125
Licenses and permits.....	-	-	417,886	-	-	417,886
Fines and forfeitures.....	-	-	-	-	1,907	1,907
Intergovernmental - other.....	-	4,245,854	-	889,395	9,053	5,144,302
Departmental and other.....	-	-	-	-	528	528
Contributions and donations.....	854,410	-	66,825	-	-	921,235
Investment income.....	-	-	3,561	-	1,138	4,699
Miscellaneous.....	-	-	-	-	121,813	121,813
TOTAL REVENUES.....	854,410	4,245,854	2,152,908	889,395	755,972	8,898,539
EXPENDITURES:						
Current:						
General government.....	56,054	2,484,879	-	-	169,272	2,710,205
Public safety.....	14,976	205,746	1,276,544	-	19,124	1,516,390
Highways and public works.....	22,171	269,181	4,548	889,395	49,943	1,235,238
Health and human services.....	134,228	116,184	183,055	-	630,205	1,063,672
Culture and recreation.....	54,564	3,249	376,496	-	-	434,309
Debt service:						
Principal.....	-	-	160,380	-	-	160,380
Interest.....	-	-	31,184	-	-	31,184
TOTAL EXPENDITURES.....	281,993	3,079,239	2,032,207	889,395	868,544	7,151,378
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	572,417	1,166,615	120,701	-	(112,572)	1,747,161
OTHER FINANCING SOURCES (USES):						
Issuance of bonds.....	-	-	-	-	-	-
Premium from issuance of bonds.....	-	-	-	-	145,134	145,134
Transfers in.....	-	-	150,000	-	453,313	603,313
Transfers out.....	-	-	-	-	(508,520)	(508,520)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	150,000	-	89,927	239,927
NET CHANGE IN FUND BALANCES.....	572,417	1,166,615	270,701	-	(22,645)	1,987,088
FUND BALANCES AT BEGINNING OF YEAR (AS REVISED)....	1,438,263	634,594	1,792,457	-	2,484,742	6,350,056
FUND BALANCES AT END OF YEAR.....	\$ 2,010,680	\$ 1,801,209	\$ 2,063,158	\$ -	\$ 2,462,097	\$ 8,337,144

(continued)

Capital Project Funds				Permanent Funds				Total Nonmajor Governmental Funds
Vehicles & Equipment	Land Acquisition	Other	Subtotal	Cemetery	Library	Other	Subtotal	
\$ -	\$ -	\$ -	\$ -	\$ 87,888	\$ -	\$ -	\$ 87,888	\$ 2,345,932
-	-	-	-	-	-	-	-	28,125
-	-	-	-	-	-	-	-	417,886
-	-	-	-	-	-	-	-	1,907
-	-	-	-	-	-	-	-	5,144,302
-	-	-	-	-	-	-	-	528
-	-	-	-	-	-	-	-	921,235
-	-	-	-	442,113	80,384	50,475	572,972	577,671
-	-	-	-	-	-	-	-	121,813
-	-	-	-	530,001	80,384	50,475	660,860	9,559,399
-	-	961,202	961,202	-	-	2,812	2,812	3,674,219
-	-	-	-	-	-	-	-	1,516,390
-	-	55,101	55,101	-	-	-	-	1,290,339
-	-	-	-	175,336	-	-	175,336	1,239,008
-	-	-	-	-	-	-	-	434,309
-	-	-	-	-	-	-	-	160,380
-	-	-	-	-	-	-	-	31,184
-	-	1,016,303	1,016,303	175,336	-	2,812	178,148	8,345,829
-	-	(1,016,303)	(1,016,303)	354,665	80,384	47,663	482,712	1,213,570
510,000	1,100,000	3,627,222	5,237,222	-	-	-	-	5,237,222
-	-	374,100	374,100	-	-	-	-	519,234
100,000	-	421,508	521,508	-	-	-	-	1,124,821
-	-	-	-	-	-	-	-	(508,520)
610,000	1,100,000	4,422,830	6,132,830	-	-	-	-	6,372,757
610,000	1,100,000	3,406,527	5,116,527	354,665	80,384	47,663	482,712	7,586,327
(610,000)	(1,100,000)	(1,554,442)	(3,264,442)	3,662,829	654,844	411,958	4,729,631	7,815,245
\$ -	\$ -	\$ 1,852,085	\$ 1,852,085	\$ 4,017,494	\$ 735,228	\$ 459,621	\$ 5,212,343	\$ 15,401,572

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Statistical Section



Acton Fire Chief Robert Hart at a Live Burn Practice with Acton Firefighters

Statistical Section

This part of the annual comprehensive 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 annual comprehensive financial reports for the relevant year.

Net Position By Component

Last Ten Years

	2012	2013	2014	2015 (1)	2016	2017	2018 (2)	2019	2020 (3)	2021
Governmental activities										
Net investment in capital assets.....	\$ 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	\$ 117,888,759
Restricted.....	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	17,110,352
Unrestricted.....	(2,014,908)	(822,724)	(1,182,386)	(42,376,959)	(44,607,074)	(50,353,593)	(52,867,092)	(54,553,794)	(50,942,679)	(51,440,072)
Total governmental activities net position.....	\$ 138,769,764	\$ 143,761,316	\$ 142,065,061	\$ 81,433,965	\$ 81,697,106	\$ 77,785,273	\$ 77,165,412	\$ 77,046,428	\$ 78,572,852	\$ 83,559,039
Business-type activities										
Net investment in capital assets.....	\$ 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	\$ 2,252,150
Unrestricted.....	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	14,413,889
Total business-type activities net position.....	\$ 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	\$ 16,666,039
Primary government										
Net investment in capital assets.....	\$ 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	\$ 120,140,909
Restricted.....	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	17,110,352
Unrestricted.....	19,830,200	20,773,096	19,917,954	(23,325,205)	(27,206,284)	(33,426,164)	(36,025,643)	(38,401,470)	(35,711,952)	(37,026,183)
Total primary government net position.....	\$ 161,737,550	\$ 166,479,453	\$ 164,277,936	\$ 101,697,083	\$ 100,380,073	\$ 96,075,491	\$ 95,511,385	\$ 95,012,789	\$ 95,709,876	\$ 100,225,078

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.

(3) = The Town implemented GASB Statement #84, Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

Changes in Net Position

Last Ten Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government.....	\$ 8,418,369	\$ 7,676,655	\$ 6,880,926	\$ 9,709,582	\$ 9,071,147	\$ 9,509,693	\$ 10,260,271	\$ 10,643,968	\$ 11,229,880	\$ 12,034,181
Public safety.....	10,270,629	9,585,594	9,720,134	12,989,633	13,770,279	14,108,658	14,526,777	16,284,831	16,413,852	16,196,291
Education.....	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	67,317,032
Highways and Public works.....	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	5,401,757
Health and human services.....	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	3,388,488
Culture and recreation.....	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	2,138,521
Community preservation.....	462,170	1,117,716	2,754,102	846,522	1,055,936	443,658	1,174,456	725,398	456,744	1,750,301
Interest on Long-term Debt.....	784,868	853,957	867,672	519,120	462,504	422,135	180,162	133,759	191,261	114,571
Total government activities expenses.....	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	108,341,142
Business-type activities:										
Sanitation.....	727,553	663,877	647,494	614,092	608,863	550,847	596,104	593,053	564,510	657,420
Sewer.....	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	2,148,098
Nursing.....	614,531	568,026	519,188	514,637	-	-	-	-	-	-
Total business-type activities expenses.....	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	2,805,518
Total primary government expenses.....	\$ 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	\$ 111,146,660
Program Revenues										
Governmental activities:										
Charges for services.....										
General Government.....	\$ 395,755	\$ 358,437	\$ 419,124	\$ 491,725	\$ 537,334	\$ 605,942	\$ 630,638	\$ 577,035	\$ 612,995	\$ 278,487
Public Safety.....	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	2,218,590
Education.....	1,139,880	882,912	1,029,595	7,491	-	-	-	-	-	-
Highways and Public Works.....	9,420	6,013	3,092	15,651	2,229	200	4,560	4,850	68,668	43,960
Health and human services.....	413,646	442,286	493,348	128,292	899,655	977,455	1,041,742	987,772	987,720	897,720
Culture and recreation.....	427,867	396,163	389,820	384,469	438,890	483,316	486,564	471,317	392,737	547,958
Operating grants and contributions.....	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	5,563,500
Capital grant and contributions.....	-	4,524,343	542,488	446,212	152,695	571,149	1,066,379	549,391	881,842	707,447
Total government activities program revenues.....	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	10,257,662
Business-type activities:										
Charges for services.....										
Sanitation.....	690,418	671,029	668,705	639,436	540,682	575,290	596,817	592,808	565,258	668,747
Sewer.....	880,224	930,586	892,959	949,261	872,133	838,244	871,044	915,228	972,754	904,297
Nursing.....	524,637	540,600	315,630	234,523	-	-	-	-	-	-
Operating Grants and Contributions.....	957,512	927,166	904,881	883,849	849,216	828,103	818,969	641,773	432,104	384,868
Capital Grants and Contributions.....	87,530	100,759	-	-	48,317	29,192	476,375	135,731	171,001	294,611
Total business-type activities program revenues.....	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	2,252,523
Total primary government program revenues.....	\$ 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	\$ 12,510,185
Net (Expense)/Revenue										
Governmental activities.....	\$ (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)	\$ (98,083,480)
Business-type activities.....	(578,526)	(414,649)	(640,262)	(737,082)	(580,151)	(454,467)	55,755	(486,285)	(966,485)	(552,995)
Total primary government net expense.....	\$ (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)	\$ (98,636,475)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 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	\$ 95,247,412
Tax and other liens.....	-	-	-	-	-	-	-	-	56,465	130,488
Motor vehicle and other excise taxes.....	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	3,537,096
Community preservation tax.....	784,816	809,920	838,498	874,948	910,368	954,516	991,032	1,032,032	1,392,351	1,307,614
Penalties and interest on taxes.....	389,984	150,149	210,867	213,593	227,064	340,827	168,505	298,942	187,070	401,872
Payments in lieu of taxes.....	12,441	12,046	15,233	15,316	15,006	42,283	48,451	46,477	42,083	212
Grants and contributions not restricted to specific programs.....	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	1,574,931
Unrestricted investment income.....	100,921	96,587	87,867	104,468	78,847	70,314	131,004	304,460	311,576	666,029
Other Revenue.....	73,305	162,993	182,296	175,929	36,623	38,746	48,843	97,476	52,596	248,566
Gain (loss) on sale of capital assets.....	(442,364)	(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.....	573,894	(145,000)	(135,000)	1,243,489	1,000,000	-	-	-	(44,553)	(44,553)
Total governmental activities.....	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	103,069,667
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	-	92,565	37,457
Transfers.....	(795,920)	145,000	135,000	(1,243,489)	(1,000,000)	-	-	-	44,553	44,553
Total business-type activities.....	(795,920)	165,000	135,000	(1,212,675)	(1,000,000)	61,718	-	106,673	137,118	82,010
Total primary government.....	\$ 71,828,858	\$ 75,092,024	\$ 77,685,178	\$ 57,706,632	\$ 83,508,524	\$ 86,641,805	\$ 89,352,328	\$ 92,920,317	\$ 96,181,403	\$ 103,151,677
Changes in Net Position										
Governmental activities.....	\$ (1,061,194)	\$ 4,991,552	\$ (1,696,255)	\$ (21,370,170)	\$ 263,141	\$ (1,168,391)	\$ (619,861)	\$ (767,648)	\$ 474,674	\$ 4,986,187
Business-type activities.....	(1,374,446)	(249,649)	(595,262)	(1,949,757)	(1,580,151)	(392,749)	55,755	(379,612)	(829,367)	(470,985)
Total primary government.....	\$ (2,435,640)	\$ 4,741,903	\$ (2,291,517)	\$ (23,319,927)	\$ (1,317,010)	\$ (1,561,140)	\$ (564,106)	\$ (1,147,260)	\$ (354,693)	\$ 4,515,202

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Committed.....	\$ 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	\$ 1,827,706
Assigned.....	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	1,765,882
Unassigned.....	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	8,511,739
Total general fund.....	<u>\$ 13,014,410</u>	<u>\$ 14,868,150</u>	<u>\$ 15,709,392</u>	<u>\$ 16,850,984</u>	<u>\$ 15,427,432</u>	<u>\$ 13,408,775</u>	<u>\$ 12,112,445</u>	<u>\$ 11,647,957</u>	<u>\$ 11,323,286</u>	<u>\$ 12,105,327</u>
All Other Governmental Funds										
Nonspendable.....	\$ 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	\$ 2,345,657
Restricted.....	13,940,754	15,001,286	13,104,552	11,081,010	10,962,758	11,516,332	11,767,413	12,809,026	15,689,247	23,694,658
Unassigned.....	<u>(352,708)</u>	<u>-</u>	<u>-</u>	<u>(1,032,124)</u>	<u>(1,049,976)</u>	<u>(529,710)</u>	<u>(417,725)</u>	<u>(3,036,302)</u>	<u>(3,725,747)</u>	<u>-</u>
Total all other governmental funds.....	<u>\$ 15,510,532</u>	<u>\$ 16,938,695</u>	<u>\$ 15,095,289</u>	<u>\$ 12,103,293</u>	<u>\$ 12,016,949</u>	<u>\$ 13,168,269</u>	<u>\$ 13,585,905</u>	<u>\$ 12,062,591</u>	<u>\$ 14,309,157</u>	<u>\$ 26,040,315</u>

Data Source: Audited Financial Statements

- (1) The negative unassigned fund balances (fiscal years 2012, 2015 through 2019) are, primarily, the result of capital project expenditures occurring before long term financing was in place.
- (2) The fiscal year 2015 transfer of operations (school system) contributed to the decrease in restricted fund balance - All Other Governmental Funds.
- (3) The Town implemented GASB Statement #84, Fiduciary Activities in 2021 which required the 2020 governmental net position to be revised.

Changes in Fund Balances, Governmental Funds

	Last Ten Years									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 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	\$ 95,625,282
Tax liens.....	427,398	78,900	203,679	208,954	414,436	281,044	168,307	183,120	101,220	81,846
Motor vehicle and other excise taxes.....	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	3,572,604
Charges for services.....	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	2,551,800
Penalties and interest on taxes.....	389,984	150,149	210,867	213,593	227,064	340,827	168,506	298,942	191,666	340,318
Payments in lieu of taxes.....	12,441	12,046	15,233	15,316	15,006	42,283	48,451	46,476	42,083	212
Licenses and permits.....	196,664	285,253	215,238	306,958	631,213	933,312	1,308,583	1,188,926	1,235,050	1,251,432
Fines and forfeitures.....	110,102	119,031	90,672	135,009	125,975	105,022	113,816	95,275	92,717	33,496
Intergovernmental - School Building Authority.....	1,009,309	1,009,310	1,009,310	922,673	922,673	922,673	922,673	922,673	922,673	922,673
Intergovernmental - Teachers Retirement.....	3,990,879	4,133,039	4,538,838	-	-	-	-	-	-	-
Intergovernmental - other.....	9,442,793	10,515,290	9,707,713	5,736,760	2,776,354	3,507,674	4,815,834	3,322,726	3,502,737	6,779,643
Departmental and other.....	613,321	686,450	1,042,001	764,232	770,465	545,752	145,430	171,527	253,904	85,422
Community preservation taxes.....	784,816	809,920	838,496	874,948	910,368	954,516	991,032	1,032,032	1,081,402	1,162,118
Community preservation state match.....	202,313	208,937	424,035	263,941	259,489	187,873	164,531	188,586	247,192	309,966
Contributions and donations.....	1,268,702	1,138,539	975,828	244,925	210,475	151,216	409,270	295,223	427,846	921,235
Investment income.....	135,015	312,898	376,760	210,015	245,075	254,153	113,819	728,704	311,576	666,029
Miscellaneous.....	308,585	162,993	50,000	186,717	30,623	36,446	44,943	103,961	52,596	248,566
Total revenues.....	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	114,552,642
Expenditures:										
General government.....	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	9,686,965
Public safety.....	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	10,780,691
Education.....	58,309,808	59,294,289	61,865,952	53,013,169	54,096,552	56,544,752	58,820,900	61,285,774	62,872,713	67,317,032
Highway and Public works.....	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	2,860,245
Health and human services.....	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	3,055,111
Culture and recreation.....	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	552,056
Community preservation.....	462,170	1,117,716	2,754,102	846,522	1,055,936	443,658	1,174,456	725,398	456,744	1,750,301
Pension benefits.....	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	4,615,717
Employee benefits.....	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	3,962,542
State and county charges.....	266,187	301,874	336,501	239,728	238,057	249,699	274,919	312,130	322,515	330,123
Capital outlay.....	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	9,611,138
Debt service:										
Principal.....	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	2,138,844
Interest.....	911,464	967,482	702,826	604,430	553,739	491,006	426,761	372,964	423,582	285,129
Total expenditures.....	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	116,945,894
Excess (deficiency) of revenues over (under) expenditures.....	<u>2,444,737</u>	<u>1,333,251</u>	<u>(506,025)</u>	<u>(2,387,043)</u>	<u>(2,823,258)</u>	<u>(2,885,767)</u>	<u>(1,063,955)</u>	<u>(1,987,802)</u>	<u>914,697</u>	<u>(2,393,252)</u>
Other Financing Sources (Uses):										
Issuance of bonds.....	-	2,093,652	-	-	-	1,854,040	-	-	-	14,085,000
Issuance of refunding bonds.....	-	-	12,220,000	-	-	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	-	-	164,390	-	-	-	866,004
Premium from issuance of refunding bonds.....	-	-	768,190	-	-	-	-	-	-	-
Payments to refunded bond escrow agent.....	-	-	(12,860,669)	-	-	-	-	-	-	-
Capital lease financing.....	-	-	-	-	-	-	-	-	-	-
Loss on Disposal of School Operations.....	-	-	-	(706,850)	313,362	-	185,261	-	-	-
Transfers in.....	1,007,258	440,619	1,127,738	2,226,401	1,591,916	505,549	511,671	680,841	864,729	1,440,028
Transfers out.....	(433,364)	(585,619)	(1,751,398)	(982,912)	(591,916)	(505,549)	(511,671)	(680,841)	(909,282)	(1,484,581)
Total other financing sources (uses).....	573,894	1,948,652	(496,139)	536,639	1,313,362	2,018,430	185,261	-	(44,553)	14,906,451
Net change in fund balance.....	\$ 3,018,631	\$ 3,281,903	\$ (1,002,164)	\$ (1,850,404)	\$ (1,509,896)	\$ (867,337)	\$ (878,694)	\$ (1,987,802)	\$ 870,144	\$ 12,513,199
Debt service as a percentage of noncapital expenditures.....	3.36%	3.17%	2.98%	3.08%	2.94%	2.74%	2.63%	2.33%	2.55%	2.26%

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.

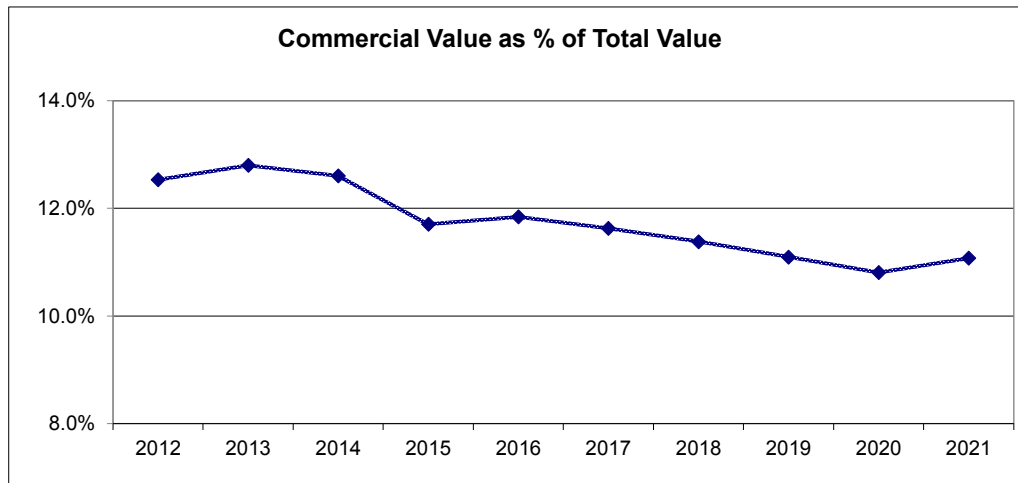
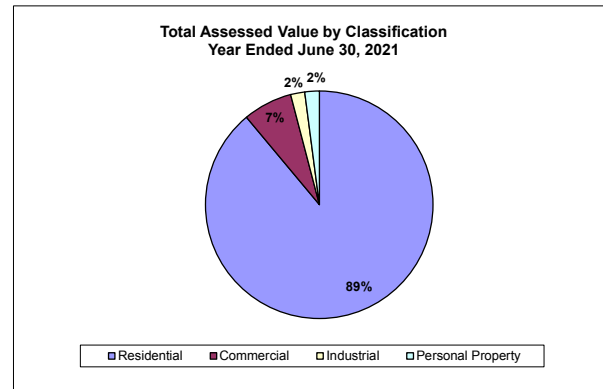
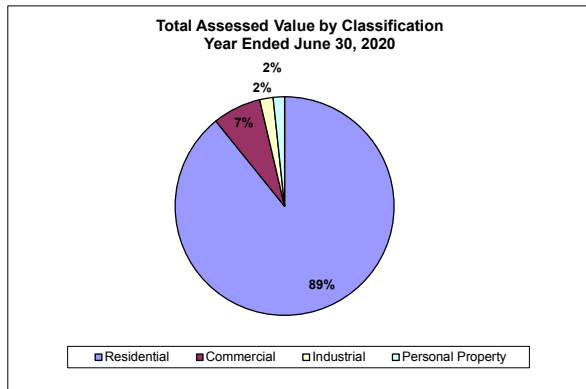
Beginning in fiscal year 2016, the Town was no longer in a special funding situation with the Massachusetts Teachers' Retirement System (MTRS). The special funding situation from fiscal year 2016 forward is between the MTRS and the Acton-Boxborough Regional School District. Therefore, the Town did not 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).

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates								
	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
2012	\$ 3,185,180,125	\$ 18.55	\$ 299,215,620	\$ 91,837,570	\$ 65,316,803	\$ 456,369,993	\$ 18.55	\$ 18.55	\$ 3,641,550,118
2013	\$ 3,208,128,927	\$ 19.10	\$ 312,904,977	\$ 94,157,445	\$ 63,924,158	\$ 470,986,580	\$ 19.10	\$ 19.10	\$ 3,679,115,507
2014	\$ 3,247,953,628	\$ 19.45	\$ 305,863,245	\$ 92,840,385	\$ 69,608,967	\$ 468,312,597	\$ 19.45	\$ 19.45	\$ 3,716,266,225
2015	\$ 3,448,511,074	\$ 19.05	\$ 303,720,173	\$ 91,365,090	\$ 62,157,821	\$ 457,243,084	\$ 19.05	\$ 19.05	\$ 3,905,754,158
2016	\$ 3,556,433,998	\$ 19.23	\$ 316,225,705	\$ 91,392,100	\$ 70,131,545	\$ 477,749,350	\$ 19.23	\$ 19.23	\$ 4,034,183,348
2017	\$ 3,738,480,702	\$ 19.06	\$ 321,116,548	\$ 91,159,455	\$ 79,697,808	\$ 491,973,811	\$ 19.06	\$ 19.06	\$ 4,230,454,513
2018	\$ 3,817,851,405	\$ 19.38	\$ 315,596,342	\$ 90,811,000	\$ 83,929,260	\$ 490,336,602	\$ 19.38	\$ 19.38	\$ 4,308,188,007
2019	\$ 3,957,544,127	\$ 19.37	\$ 325,522,106	\$ 91,685,100	\$ 76,750,242	\$ 493,957,448	\$ 19.37	\$ 19.37	\$ 4,451,501,575
2020	\$ 4,152,078,981	\$ 19.24	\$ 331,517,374	\$ 92,761,200	\$ 78,744,248	\$ 503,022,822	\$ 19.24	\$ 19.24	\$ 4,655,101,803
2021	\$ 4,218,224,783	\$ 20.23	\$ 333,413,657	\$ 95,025,300	\$ 96,920,232	\$ 525,359,189	\$ 20.23	\$ 20.23	\$ 4,743,583,972



Source: Assessor's Department, Town of Acton
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers
Current Year and Nine Years Ago

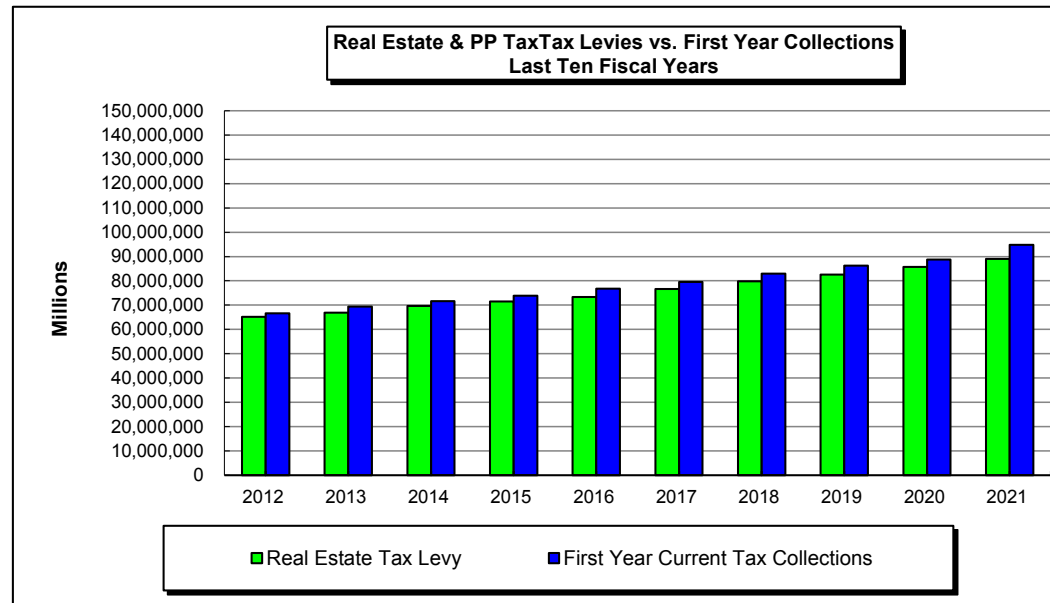
Name	Property Type	2021			2012		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Avalon Acton Inc	Rental Housing	\$ 40,701,700	1	0.90%	\$ 33,826,100	1	0.90%
Eversource	Utility	\$ 36,871,023	2	0.80%	\$ 20,655,431	2	0.60%
Haartz Auto Fabric	Manufacturer	\$ 20,258,500	3	0.40%	\$ 18,720,600	4	0.50%
National Grid	Utility	\$ 20,253,521	4	0.40%	\$ -	n/a	-
E&A Northeast Ltd. Prtn.	Retail	\$ 14,024,400	5	0.30%	\$ 12,212,300	6	0.30%
Powder Mill Powder LLC	Retail	\$ 13,104,300	6	0.30%	\$ -	n/a	-
31-43 Nagog Park LLC	Office	\$ 12,693,200	7	0.30%	\$ -	n/a	-
145 Great Rd LLC	Retail	\$ 12,598,000	8	0.30%	\$ -	n/a	-
Verizon New England, Inc	Telecommunications	\$ 11,364,500	9	0.20%	\$ 19,535,800	3	0.50%
Nagog Knoll LLC	Office/Retail	\$ 10,930,300	10	0.20%	\$ -	n/a	-
ND/Winrock Acton LLC	Office/Property investor	\$ -	n/a	-	\$ 16,428,600	5	0.50%
Bertolami Leo DBA	Multi Use	\$ -	n/a	-	\$ 8,765,400	9	0.20%
TIAA Reality Inc.	Retail	\$ -	n/a	-	\$ 11,630,800	7	0.30%
Atlantic Acton Realty Trust	Retail	\$ -	n/a	-	\$ 9,771,300	8	0.30%
Seachange International, Inc	Office/R&D	\$ -	n/a	-	\$ 8,005,900	10	0.20%
Totals		\$192,799,444		4.10%	\$159,552,231		4.30%

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
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%	\$ 436,089	\$ 88,720,087	99.68%
2021 (1)	\$ 95,962,704	\$ (698,011)	\$ 95,264,693	\$ 94,845,561	99.56%	\$ -	\$ 94,845,561	99.56%



(1) Revaluation year.

(2) Includes tax liens.

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

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
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%
2021	23,738	\$ 1,569,766,000	\$ 4,743,583,972	\$ 20,648,120	\$ 37,636	\$ 871	1.32%	0.44%

Year	Business-type Activities Debt		Total Primary Government			
	Sewer Fund	Sewer Fund Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
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%
2021	\$ 10,710,000	\$ -	\$ 31,358,120	\$ 1,321	2.00%	0.66%

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

Direct and Overlapping Governmental Activities Debt

As of June 30, 2021

<u>Town of Acton, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Acton Boxborough Regional School District.....	\$ 81,210,000	84.3%	\$ 68,460,030
Minuteman Regional Vocational Technical High School.....	92,945,000	9.1%	<u>8,457,995</u>
Subtotal, overlapping debt.....			<u>76,918,025</u>
Town direct debt.....			<u>20,648,120</u>
Total direct and overlapping debt.....			<u>\$ 97,566,145</u>

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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Equalized Valuation.....	\$ 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	\$ 4,940,912
Debt Limit -5% of Equalized Valuation.....	\$ 192,943	\$ 192,943	\$ 193,250	\$ 193,250	\$ 215,321	\$ 215,321	\$ 229,896	\$ 229,896	\$ 229,896	\$ 247,046
Less:										
Outstanding debt applicable to limit.....	(25,708)	(26,194)	(24,152)	(22,382)	(20,615)	(20,700)	(18,800)	(17,049)	(15,370)	(18,181)
Authorized and unissued debt.....	(4,317)	(1,499)	(1,345)	(1,345)	(1,345)	(1,547)	(3,499)	(4,930)	(212)	(212)
Legal debt margin.....	<u>\$ 162,918</u>	<u>\$ 165,250</u>	<u>\$ 167,753</u>	<u>\$ 169,523</u>	<u>\$ 193,361</u>	<u>\$ 193,074</u>	<u>\$ 207,597</u>	<u>\$ 207,917</u>	<u>\$ 214,314</u>	<u>\$ 228,653</u>
Total debt applicable to the limit as a percentage of debt limit.....	15.56%	14.35%	13.19%	12.28%	10.20%	10.33%	9.70%	9.56%	6.78%	7.45%

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
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%
2021	23,738	\$ 1,569,766,000	\$ 66,129	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	2021			2012 (1)		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Acton Boxborough Regional School District	Municipal School District	928	1	7.9%	-	-	0.0%
Insulet Corporation	Manufacturing (Medical)	773	2	6.6%	-	-	-
Haartz Inc	Manufacturing	385	3	3.3%	282	1	3.0%
Acton Medical	Health Care Services	250	4	2.1%	190	3	2.0%
Town of Acton	Municipality	221	5	1.9%	-	-	0.0%
Lifecare Center of Acton	Nursing and Rehabilitation Services	175	6	1.5%	160	4	1.7%
Roche Bros Inc	Retail Trade	160	7	1.4%	260	2	2.8%
Idylwilde Farm	Agriculture/Retail	120	8	1.0%	110	5	1.2%
Donelan's Market	Grocery	100	9	0.9%	-	-	-
Stop & Shop	Grocery	100	10	0.9%	100	6	1.1%
Honeywell/Data Instruments	Manufacturing	-	-	-	67	7	0.7%
L.M.I. Inc	Manufacturing	-	-	-	57	8	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.

(1) For 2012, only the top eight principal employers data was available.

Full-Time Equivalent Town Employees

Last Ten Years

	2012	2013	2014	(1) 2015	2016	2017	2018	2019	2020	2021
<u>Full-Time Equivalents</u>										
Town.....	39	39	40	28	28	43	48	49	50	44
Public Safety.....	92	92	97	97	97	101	101	101	101	102
School.....	327	339	333	-	-	-	-	-	-	-
Public works.....	22	22	21	32	33	23	22	21	21	27
Human Services.....	23	24	24	17	17	21	21	21	21	21
Culture and Recreation.....	19	19	19	30	30	19	19	19	19	19
Nursing.....	6	6	6	6	6	6	6	6	6	6
Sewer.....	1	1	1	1	1	1	1	1	1	2
 Total	<u>530</u>	<u>542</u>	<u>542</u>	<u>211</u>	<u>212</u>	<u>215</u>	<u>217</u>	<u>219</u>	<u>220</u>	<u>221</u>

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	2012	2013	2014	(1) 2015	2016	2017	2018	2019	2020	2021
General Government										
Finance										
Registered Voters	14,388	14,237	13,926	13,297	15,490	14,984	15,387	15,577	15,955	15,965
Taxable Property Parcels Assessed.....	8,719	8,745	8,834	9,067	9,136	9,131	9,174	9,257	9,270	9,286
Public Safety										
Police										
Arrests.....	144	160	160	162	186	173	157	104	111	100
Traffic Violations.....	1,104	1,287	1,466	2,294	2,290	2,495	5,791	5,191	3,545	2,467
Fire										
Emergency Responses.....	4,834	4,834	4,068	4,564	4,948	4,818	3,062	3,156	3,063	3,266
Fires Extinguished.....	90	71	35	39	51	38	26	49	49	62
Number of Inspections Conducted.....	722	944	772	755	960	826	940	901	690	754
Emergency Medical Responses.....	1,439	1,539	1,279	1,402	1,552	1,560	1,904	1,819	1,906	1,746
Building Inspection										
Building Permits.....	1,040	980	1,194	1,447	1,368	1,155	1,200	1,357	1,329	1,474
Estimated Construction Value.....	39,005	40,228	51,262	36,730	35,706	34,003	92,051	62,652	33,164	139,475
(in Thousands)										
Highway and Public Works										
Public Works										
Street Resurfacing (miles).....	3	3	3	7	5	6	4	9	4	3
Salt Used (tons).....	1,561	5,583	4,724	3,441	2,609	3,640	4,600	3,612	2,441	3,946
Sanitation										
Refuse Collected (tons).....	3,640	3,513	3,535	3,408	2,411	2,163	2,232	2,236	2,107	2,246
Recycling (tons).....	1,641	2,314	3,267	1,562	2,390	3,101	3,881	3,740	5,407	8,258
Sewage System										
Average Daily Sewage Treatment.....	145,045	138,535	145,208	132,060	125,115	132,775	137,287	140,610	133,631	130,889
(Thousands of Gallons)										
Human Services										
Senior Center										
Number of 60+ Residents										
per Town Census.....	4,060	4,210	4,344	4,489	4,815	4,870	5,046	5,150	5,338	5,304
Numbers of Elders Served.....	1,226	1,167	1,175	1,191	1,237	1,262	1,377	1,520	2,000	1,635
Number of Non-Seniors Served.....	94	61	21	29	49	51	46	52	210	44
Nursing Services										
Home Visits:										
Registered Nurse.....	1,489	1,673	1,207	1,258	1,887	1,582	1,012	1,031	870	724
Home Health Aide.....	1,983	2,073	1,586	1,547	1,621	806	1,306	1,215	1,011	762
Physical Therapy.....	1,192	1,194	534	481	581	537	497	755	783	872
Occupational Therapy.....	70	123	28	131	207	134	51	70	42	80
Speech Therapy.....	1	35	N/A	N/A	5	N/A	N/A	N/A	N/A	N/A
Medical Social Work.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Home Visits.....	4,735	5,098	3,355	3,417	4,301	3,059	2,866	3,071	2,706	2,668
Health Promotion Activities:										
TB Testing.....	15	6	N/A	15	8	8	15	10	9	10
Blood Pressure Checks.....	595	806	798	718	355	781	404	620	271	56
Podiatry Clinic.....	255	285	289	182	180	188	216	325	183	235
Influenza Vaccinations.....	845	1,690	1,006	618	1,200	1,405	956	1,099	1,073	326
Other Vaccinations.....	17	27	17	24	35	66	10	52	33	797
Culture and Recreation										
Public Library										
Volumes in Collections.....	179,188	192,073	191,500	200,573	244,952	263,927	280,170	243,200	248,220	274,163
Total Volumes Borrowed.....	658,938	634,492	580,323	562,385	559,544	539,528	497,760	535,186	368,661	258,398

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

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government										
Number of Buildings.....	17	15	15	15	17	17	17	17	21	23
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Patrol Units.....	5	5	5	5	5	6	6	13	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	7	7	7
Number of Ambulances.....	2	2	2	2	2	2	2	2	2	2
Education										
Number of elementary schools.....	4	4	4	-	-	-	-	-	-	-
Highway and Public Works										
Miles of Streets.....	108	108	108	108	108	108	108	115	115	115
Miles of Highways.....	10	10	10	10	10	10	10	11	11	11
Number of Cemeteries.....	2	2	2	2	2	2	2	3	3	3
Number of Snow Plows.....	13	13	13	13	13	13	13	39	39	34
Human Services										
Council of Aging- Senior Center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Land (Acreage).....	32	32	32	32	32	32	32	32	32	32
Number of Playgrounds.....	6	5	6	6	6	7	7	7	7	7
Number of Ball fields.....	12	12	12	12	12	12	12	11	11	11
Number of Tennis Courts.....	2	2	2	2	2	2	2	2	2	2
Number of Public Beaches/Pools.....	1	1	1	1	1	1	1	1	1	1
Number of Libraries.....	2	2	2	2	2	2	2	2	2	2
Sanitation										
Landfill (Acreage).....	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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Levy Limit.....	\$ 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	\$ 90,212,126
Previous Levy.....	63,020,285	64,997,845	67,239,740	69,827,344	72,521,489	75,741,772	78,807,775	81,664,435	84,340,654	87,238,384
Legal Increase.....	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	2,180,960
New Growth.....	402,053	616,949	906,610	948,461	1,407,246	1,172,459	866,466	654,608	789,726	792,783
Debt Exclusion.....	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	5,792,504
Maximum Taxing Capacity...	<u>\$ 68,070,536</u>	<u>\$ 70,286,748</u>	<u>\$ 72,722,787</u>	<u>\$ 75,389,685</u>	<u>\$ 78,576,538</u>	<u>\$ 81,622,416</u>	<u>\$ 84,404,513</u>	<u>\$ 86,882,356</u>	<u>\$ 89,745,114</u>	<u>\$ 96,004,631</u>
Actual Levy.....	\$ 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	\$ 95,962,704
Unused Levy Capacity.....	519,781	15,623	441,409	985,068	999,192	989,953	911,829	656,770	180,955	41,927

Source: Assessor's Department, Town of Acton