

TOWN OF ACTON, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended
June 30, 2017



Above

The Commonwealth of Massachusetts congratulates Acton for its outstanding leadership as a designated Green Community, having fulfilled the goal of Green Community Designation Criterion Three by reducing its municipal energy consumption by at least 20 percent after five years of implementing its Energy Reduction Plan. The Plan is in accordance with the Green Communities Designation and Grant Program, established pursuant to Massachusetts General Law, Chapter Twenty-five A, Section Ten.

On the Cover

The Town opened a new Human Services and Senior Center Facility which is located at 30 Sudbury Rd Acton. The departments that now reside there are our Council on Aging, Nursing Services, Veterans Services and the Social Services Coordinator and the Transportation Director.



Ribbon cutting at our new Human Services and Senior Center Facility. From left to right Selectwoman Janet Adachi, COA Director Sharon Mercurio, Police Chief Richard Burrows, Ribbon cutter / Town Manager Steven Ledoux, Senator James Eldridge, Nursing Director Heather York and Transportation Director Doug Halley.

Town of Acton, Massachusetts



Comprehensive Annual Financial Report

*For the Fiscal Year
July 1, 2016 through June 30, 2017*

Prepared by the Finance Department

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 For the Year Ended June 30, 2017
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INTRODUCTORY SECTION



Town of Acton

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

Letter of Transmittal

January 19, 2018

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

At the close of each fiscal year, state law requires the Town of Acton to publish a complete set of audited financial statements in conformance with accounting principles generally accepted in the United States of America (GAAP) and that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Town of Acton, Massachusetts, for the fiscal year ending June 30, 2017 for your review.

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

The Town's financial statements have been audited by Giusti, Hingston & Company, PC, a firm of licensed certified public accountants, who have been hired by and report to the Town's Board of Selectmen. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Acton for the fiscal year ended June 30, 2017 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, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In previous years, the independent audit of the financial statements of the Town of Acton was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. In order to meet the Single Audit Act threshold, an entity must have \$750,000 of federal expenditures. Since the Town's school system fully regionalized in fiscal

year 2015, a majority of the federal grants are now awarded to and expended by the Acton Boxborough Regional School District. As a result, the Town did not meet the Single Audit Act threshold. However, we have issued the Independent Auditors' Report, Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards in a separate report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

Profile of the Town

The Town of Acton, incorporated in 1735, is located in western Middlesex County approximately twenty one miles from Boston. It is situated on Massachusetts Route 2 and in close proximity to U.S. Interstate 495. The Town occupies 20 square miles and serves a population of 21,445. The Town is primarily a residential community. However, the Town's stable industrial base plays a role in the Town's fiscal stability. The Town offers nearby commuter rail service to Boston to the east and Fitchburg to the west, providing valuable transportation options for residents, businesses and commuters.

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

The Board of Selectmen serves as the chief goal-setting, planning and policy-making agency of the town. The Board acts through the adoption of policy directives and guidelines which are implemented by officers and employees appointed by or under its authority. The Town Manager is responsible for the management of town agencies 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 elementary 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 economic base has remained stable over the past ten years, consistently accounting for between 11.6% and 13.4% of the Towns assessed value. The Town has approximately 845 private businesses within its boundaries that employ approximately 8,696 employees. Businesses within the borders of Acton provide an estimated \$540,847,918 in wages. Service industries comprise the vast majority of business in Acton (745) with Professional and Business Services and Financial Activities companies leading the way (279). Based on data from the U.S Census, the Town of Acton's median household income (\$131,099) is considerably higher than the average in Massachusetts (\$70,954). 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 six fiscal years to its highest value ever. The Building Department issued 1,155 building permits in 2017 worth an estimated construction value of over \$34 million.

The Town adopted the Community Preservation Act, which allows for a 1.5% surcharge on real estate tax bills and a Commonwealth of Massachusetts match, in 2002. Since its passage, the Town has collected approximately \$10 million from the 1.5% surcharge. 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 2017, property taxes were 86% of the revenues. In the previous nine fiscal years, property taxes have represented between 87% and 73% of the governmental fund revenues. In fiscal year 2017, intergovernmental revenues represented 4.9% of the governmental fund revenues an increase from the 4.4% in fiscal year 2016. Intergovernmental revenues have fluctuated between 7.8% and 16.7% of governmental fund revenues during the eight years prior to fiscal year 2016. 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's other postemployment benefits (OPEB) unfunded actuarial accrued liability (UAAL) has continued to decline since the December 31, 2012 valuation (\$31.2 million). The December 31, 2014 valuation disclosed a \$21.6 million UAAL and the most recent (December 31, 2016) valuation reported a \$16.5 UAAL. The decline was mainly due to demographic changes resulting from the transfer of school employees to the Acton-Boxborough School District. A change in discount rate from 6.25% (December 31, 2012 valuation), 7.75% (December 31, 2014 valuation) and 7.50% (December 31, 2016 valuation) also contributed to the change. In addition, larger than anticipated contributions to the OPEB Trust was another factor in the reduction of the UAAL. In fiscal year 2017, the Town continued to fund the OPEB obligation by appropriating \$600,000 to the OPEB Trust. The OPEB Trust has a balance of \$3,380,785 at June 30, 2017.

Long Term Financial Planning

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 & Poor's and Moody's. The Town has been able to accomplish all this by initiatives such as:

- Participation in the Acton Leadership Group (ALG) which is an integrated Budget Planning Group, formed in 1988. The Group contains members of the Board of Selectmen (BOS), School Committee (SC), Finance Committee (FINCOM), Town Manager, and School Superintendent. Their sole purpose is to annually prioritize the financial needs of the community and to produce a 3 year Financial Plan (including capital) to be funded.
- Ongoing financial modeling and forecasting of revenues and expenses by the ALG
- Maintaining reserve levels
- Actively managing the costs of benefits
- Establishing and funding an OPEB Trust Fund
- Investing in technology to ensure efficient operations
- Investing in infrastructure
- Investing in staff development

The Town's overall debt position is favorable and the Town's debt service carrying charges as a percentage of non-capital governmental expenditures have decrease in each of the past five fiscal years to a ten year low of 2.7%.

Awards and Acknowledgements

The Town is the manager of CrossTown Connect, a transportation management association, consisting of 7 public partners (Acton, Boxborough, Concord, Littleton, Maynard, Sudbury and Westford) and 9 private partners (Associated Environmental Systems, Guitierrez Company, IBM, Juniper Networks, Mill & Main, Potpourri Group, Red Hat, UTS Aerospace and West Acton Village Works). Together these partners have implemented programs that address the transportation needs of Seniors, People With Disabilities, Commuters, Reverse Commuters, Special Populations and the General Public. These programs include the common dispatching of Council On Aging vehicles for four of the communities; opening up every vehicle for use by residents in all four towns for every vehicle; providing morning/evening commuting/reverse commuting services to the South Acton and Littleton MBTA train stations; and providing guaranteed ride home programs for the private partners. CrossTown Connect has received awards from the International City/County Managers Association, the Local Officials Human Services Council, Community Health Network Area 15 and the 495 Metrowest Partnership, in recognition for the innovation, excellence and success of a multi-participant collaboration between the public and private sectors.

Acton Nursing Services provides patients with professional, personal home healthcare in the comfort and familiarity of their homes. Acton Nursing Services has earned high patient satisfaction ratings from the Centers for Medicare and Medicaid (from April 2016 – March 2017). ANS has achieved higher ratings than Massachusetts and the National averages of home care agencies. 98% of patients surveyed would recommend ANS to friends and family. The Acton Nursing Services is one of only two public home care providers in Massachusetts and exemplifies the town's commitment to care for its most vulnerable population.

In its most recent rating, Standard and Poors 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
- Strong management
- Strong budgetary performance
- Very strong liquidity
- Very strong debt and contingent liability position

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Acton, Massachusetts for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

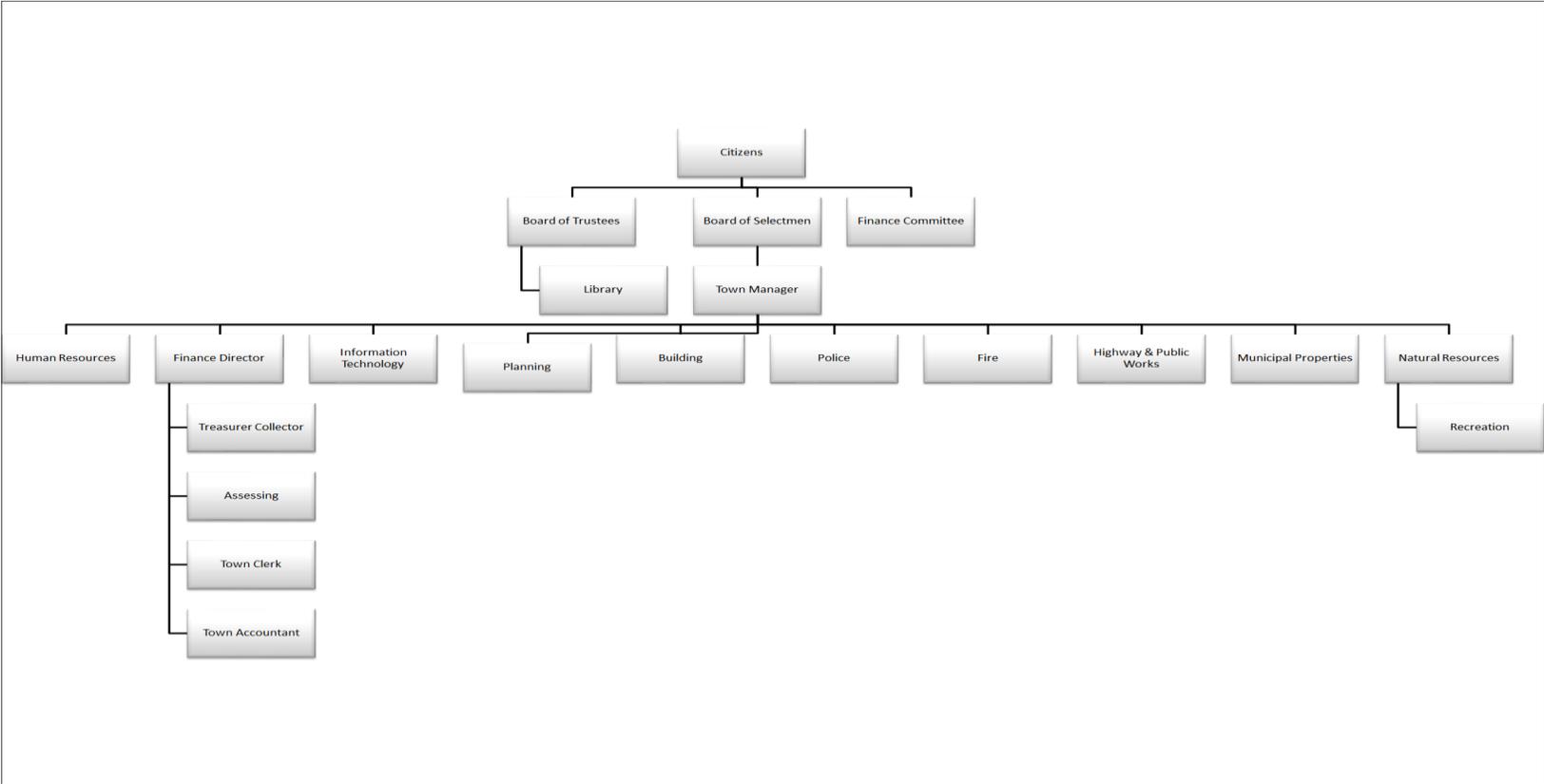
The publication of this CAFR represents an important achievement by the Town of Acton to provide enhanced financial information to its citizens, elected and appointed officials and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the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

Respectfully Submitted:

Stephen Barrett, CPA

Stephen Barrett, CPA
Finance Director, Treasurer and Tax Collector

Town of Acton, Massachusetts
Organizational Chart



Town of Acton, Massachusetts
Principal Officials

Title	Name	Term Expires
Chair, Board of Selectmen	Janet K. Adachi	2018
Vice - Chair, Board of Selectmen	Katherine E. Green	2019
Clerk, Board of Selectmen	Joan Gardner	2020
Member, Board of Selectmen	Chingsung Chang	2018
Member, Board of Selectmen	Peter Berry	2020
Chair, Finance Committee	Stephen Noone	2019
Vice Chair, Finance Committee	Jason Cole	2018
Clerk, Finance Committee	Dave Wellinghoff	2018
Finance Committee Member	Bob Evans	2018
Finance Committee Member	Michael Majors	2019
Finance Committee Member	Roland Bourdon, III	2019
Finance Committee Member	Jeff Bergart	2020
Finance Committee Member	Christiana Andersen	2020
Finance Committee Member	Thomas Farley	2020
Finance Committee Associate	Jon Benson	2018
Finance Committee Associate	Christine Russell	2018
Town Manager	Steven Ledoux	2019
Assistant Town Manager	Mark Hald	N/A
Finance Director	Stephen Barrett	N/A
Assistant Finance Director	Brian McMullen	N/A
Town Accountant	Lisa Wojick	2019
Police Chief	Richard Burrows	N/A
Fire Chief	Robert Hart	N/A
Town Clerk	Eva Szkaradek	2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Acton
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Acton, Massachusetts as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Acton, Massachusetts as of June 30, 2017 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2018, on our consideration of the Town of Acton, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Acton, Massachusetts' internal control over financial reporting and compliance.

Giusti, Hingston and Company

Giusti, Hingston and Company
Certified Public Accountants
Georgetown, Massachusetts
January 19, 2018

Town of Acton, Massachusetts
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2017

As management of the Town of Acton, Massachusetts, we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Town of Acton, Massachusetts for the fiscal year ended June 30, 2017.

Financial Highlights – Primary Government

- The assets and deferred outflows of the Town of Acton, Massachusetts exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$98,818,933 (*net position*).
- The government's total net position decreased by \$1,561,140. The Governmental Activities decreased by \$1,168,391 or 1.43%. The business type activities decreased by \$392,749 or 2.1%. The majority of the decrease in net position of the governmental activities can be attributed to the \$1,311,313 increase in the net pension liability and the \$181,952 increase in the Other Post employment benefits obligation.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$7,512,855, or 8.3% of total general fund expenditures.
- The Town of Acton, Massachusetts' total general obligation bonds payable decreased by \$1,027,534 or 3.4% during the current year. The change is attributed to a decrease in the Governmental Activities (\$164,734 or 1.09%) and a decrease in the Business-type Activities (\$862,800 or 5.69%). A considerable amount of the Business-type activity debt will be funded by betterment revenues.

Overview of the Financial Statements – Primary Government

The discussion and analysis is intended to serve as an introduction of the Town of Acton, Massachusetts' basic financial statements. The Town of Acton, Massachusetts' basic financial statements consists of the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

The *statement of net position* presents information on all of the Town of Acton, Massachusetts' assets/deferred outflows and liabilities/deferred inflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Acton, Massachusetts is improving or deteriorating.

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

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

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

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

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town maintains fiduciary funds to account for activities related to charitable trust funds and for its Other Post Employment Benefits (OPEB) trust fund. The OPEB Trust Fund is used to accumulate resources to provide funding for future OPEB liabilities.

Notes to the Financial Statements

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

Other Information

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

Reconciliation of Government-wide Financial Statements to Fund Financial Statements

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

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

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

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

Government-Wide Financial Analysis

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 38,565,640	\$ 40,117,248	\$ 17,082,317	\$ 17,631,557	\$ 55,647,957	\$ 57,748,805
Capital Assets	118,487,872	116,844,659	15,688,975	16,495,315	134,176,847	133,339,974
Total Assets	<u>157,053,512</u>	<u>156,961,907</u>	<u>32,771,292</u>	<u>34,126,872</u>	<u>189,824,804</u>	<u>191,088,779</u>
Deferred Outflows of Resources	5,074,965	2,840,939	-	-	5,074,965	2,840,939
Current Liabilities	5,405,998	4,536,311	1,066,759	1,041,956	6,472,757	5,578,267
Long Term Liabilities	73,969,509	73,411,500	13,414,315	14,401,949	87,383,824	87,813,449
Total Liabilities	<u>79,375,507</u>	<u>77,947,811</u>	<u>14,481,074</u>	<u>15,443,905</u>	<u>93,856,581</u>	<u>93,391,716</u>
Deferred Inflows of Resources	2,224,255	157,929	-	-	2,224,255	157,929

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net Position:						
Net Investment in Capital Assets	112,815,540	111,660,065	1,362,789	1,282,177	114,178,329	112,942,242
Restricted	15,323,326	14,644,115	-	-	15,323,326	14,644,115
Unrestricted	(47,610,151)	(44,607,074)	16,927,429	17,400,790	(30,682,722)	(27,206,284)
Total Net Position	<u>\$ 80,528,715</u>	<u>\$ 81,697,106</u>	<u>\$ 18,290,218</u>	<u>\$ 18,682,967</u>	<u>\$ 98,818,933</u>	<u>\$ 100,380,073</u>

The net position of the Town decreased by \$1,561,140.

Changes in Net Position

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 3,805,167	\$ 3,431,954	\$ 1,413,534	\$ 1,412,815	\$ 5,218,701	\$ 4,844,769
Operating Grants and Contributions	1,804,261	2,312,191	828,103	849,216	2,632,364	3,161,407
Capital Grants and Contributions	571,149	152,695	29,192	48,317	600,341	201,012
General Revenues:						
Property Taxes	81,106,156	78,118,399	-	-	81,106,156	78,118,399
Motor Vehicle and Other Excises	3,259,394	3,444,387	-	-	3,259,394	3,444,387
Intergovernmental Not Restricted to a Specific Program	1,730,655	1,592,198	-	-	1,730,655	1,592,198
Other	545,600	353,540	-	-	545,600	353,540
Total Revenues	<u>92,822,382</u>	<u>89,405,364</u>	<u>2,270,829</u>	<u>2,310,348</u>	<u>95,093,211</u>	<u>91,715,712</u>
Expenses						
General Government	7,955,877	8,114,019	-	-	7,955,877	8,114,019
Public Safety	9,826,874	9,451,107	-	-	9,826,874	9,451,107
Education	56,544,752	54,096,552	-	-	56,544,752	54,096,552
Highways and Public Works	5,048,946	4,017,148	-	-	5,048,946	4,017,148
Human Services	3,491,168	3,397,297	-	-	3,491,168	3,397,297
Culture and Recreation	2,109,853	1,999,666	-	-	2,109,853	1,999,666
Employee Benefits and Insurance	8,529,450	8,603,930	-	-	8,529,450	8,603,930
Debt Service	422,135	462,504	-	-	422,135	462,504
Sanitation	-	-	550,847	608,863	550,847	608,863
Sewer	-	-	2,174,449	2,281,636	2,174,449	2,281,636
Nursing	-	-	-	-	-	-
Total Expenses	<u>93,929,055</u>	<u>90,142,223</u>	<u>2,725,296</u>	<u>2,890,499</u>	<u>96,654,351</u>	<u>93,032,722</u>
Increase (Decrease) in Net Position						
Before Special Items and Transfers	(1,106,673)	(736,859)	(454,467)	(580,151)	(1,561,140)	(1,317,010)
(Reassignment) Assumption of Other Post						
Employment Benefits (Asset) Obligation	(61,718)	-	61,718	-	-	-
Transfers In (Out)	-	1,000,000	-	(1,000,000)	-	-
Increase (Decrease) in Net Position	<u>(1,168,391)</u>	<u>263,141</u>	<u>(392,749)</u>	<u>(1,580,151)</u>	<u>(1,561,140)</u>	<u>(1,317,010)</u>
Net Position - Beginning	<u>81,697,106</u>	<u>81,433,965</u>	<u>18,682,967</u>	<u>20,263,118</u>	<u>100,380,073</u>	<u>101,697,083</u>
Net Position - Ending	<u>\$ 80,528,715</u>	<u>\$ 81,697,106</u>	<u>\$ 18,290,218</u>	<u>\$ 18,682,967</u>	<u>\$ 98,818,933</u>	<u>\$ 100,380,073</u>

As noted earlier, Net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, the Town's net position was \$98,818,933.

By far, the largest portion of the Town of Acton, Massachusetts' net position (\$114,178,329) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The Town of Acton, Massachusetts uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the Town of Acton, Massachusetts' investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town of Acton, Massachusetts' net position represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit \$30,682,722) is unrestricted. A positive balance in unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors.

Governmental Activities

The net position of the Governmental Activities decreased by \$1,168,391. Key elements of this change are as follows:

Additional Pension Expense (GASB 68)	\$ (1,311,313)
Additional OPEB Expense (GASB 45)	(181,952)
Other	324,874
Total	<u><u>\$ (1,168,391)</u></u>

The deficit (\$47,610,151) in the Unrestricted Net Position in the governmental activities is primarily a result of reporting the Town's Net Pension Liability (\$45,680,759) and the Other Post Employment Benefits obligation (\$13,834,776).

In fiscal year 2017, property taxes accounted for approximately 86% of the revenues. In fiscal years 2016 and 2015 they accounted for 87% and 85%, respectively, of the revenues. The 2% increase in fiscal year 2016 versus fiscal year 2015 resulted because the Town did not report revenues related to a special funding situation with the Massachusetts Teachers' Retirement System (MTRS) in fiscal year 2016. The special funding situation is now between the MTRS and the Acton Boxborough Regional School District. In fiscal year 2015, the Town reported \$2,501,865 of program revenues related to the special funding situation. The reduction in total revenues reported caused an increase in the percentage related property taxes.

Business Type Activities

The net position of the Business Type Activities decreased by \$392,749. Key elements of this change are as follows:

The net position of the Sanitation Fund increased by \$21,640. This occurred because revenues from a new "pay as you throw" sticker system exceeded expectations.

The net position of the Sewer Fund decreased by \$414,389. It decreased by \$515,537 in the prior year. Revenues decreased by \$102,192 or 5.8% while expenditures decreased by \$107,187 or 4.7%. In addition, the governmental activities assumed the net OPEB obligation (\$66,961) of the Sewer Fund. The primary reason for the decrease in net position is the depreciation on infrastructure assets that were purchased with capital grants.

Financial Analysis of the Governmental Funds

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of \$26,577,044. This represents a decrease of \$867,337 from the prior fiscal year. Key elements to the change are as follows:

- The fund balance in the general fund decreased by \$2,018,657 during the current fiscal year. Substantially all revenue categories outperformed their budgets by a total of \$1,441,510 and expenditures were less than budgeted by \$659,622. However, the Town utilized \$3,450,960 (not including the \$1,800,000 transferred to the Town's stabilization fund) of unreserved fund balance in the fiscal year 2017 budget.
- The fund balance of the Community Preservation fund increased by \$710,470. The increase is the result raising revenues in fiscal year 2017 for projects that will begin in future years.
- The fund balance in the non-major capital projects fund increased by \$615,032 because expenditures related to current and prior years' borrowings were less than the capital projects bond (\$1,854,040) issued in fiscal year 2017.
- The fund balance in the non-major special revenue funds decreased by \$436,844. A significant portion of the decrease (\$133,052) occurred because the ambulance fund revenues were less than budgeted. In addition, a gift received in a prior year (\$100,000) was transferred to the general fund. Other decreases were based on the timing of the revenues received and the timing of the related expenditures.
- The fund balance in the non major trust funds increased by \$262,662 due to significant earnings on investments and new contributions during the fiscal year. There were minimal expenditures from the trust funds in fiscal year 2017.

General Fund

The general fund is the chief operating fund of the Town of Acton, Massachusetts. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,512,855 while total fund balance was \$13,408,775. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents approximately 8.3% of total general fund expenditures, while total fund balance represents approximately 14.8% of general fund expenditures.

Other General Fund Highlights

- The Town utilized \$3,450,960 (not including the \$1,800,000 transferred to the Town's stabilization fund) of its unassigned fund balance to fund the current year's budget. However, the results of operations kept the Town's unassigned fund balance at a significant amount.
- The Town's revenues exceeded their budget by \$1,441,510. A significant portion of excess resulted from property taxes collections exceeding (\$105,605) the net tax budget (due to less abatements being granted than anticipated in the budget process), unbudgeted tax lien collections (\$278,729) and revenues from licenses and permits exceeding (\$492,812) the budgeted amount.
- The Town's departments expended and encumbered \$659,622 less than budgeted. Significant amounts were unexpended in the Employee Benefits accounts (\$387,110) due to a less than anticipated pension assessment and a positive variance in the health insurance premiums account.

The DPW Gas and Diesel account was underspent (\$75,384) due to decreasing costs. In addition, the Information Technology and the Highway Departments had unexpended budgets of \$60,694 and \$62,134, respectively. Since the Town operates on a bottom line budget, positive variances in some budgets are utilized to offset negative variances in others.

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

The Town's certified free cash as of July 1, 2017 was \$3,862,829.

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

<u>Fiscal Year</u>	<u>Reserved for Encumbrances</u>	<u>Reserved for Petty Cash</u>	<u>Designated for Subsequent Year's Expenditure</u>	<u>Unreserved</u>	<u>Total Fund Balance</u>
2008	\$ 3,186,756	\$ -	\$ 486,850	\$ 5,058,209	\$ 8,731,815
2009	3,353,740	-	1,167,330	5,347,611	9,868,681
2010	2,568,211	1,100	1,266,424	6,457,742	10,293,477

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

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

<u>Fiscal Year</u>	<u>Free Cash</u>
2008	\$ 2,454,644
2009	2,333,592
2010	4,650,574
2011	5,933,591
2012	7,080,410
2013	7,406,552
2014	9,345,325
2015	7,644,931
2016	4,873,062
2017	3,862,829

Community Preservation Act Fund

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

The Community Preservation Act expenditures are typically project driven. During 2017, the C.P.A. fund's revenues and other sources exceeded the expenditures and other uses by \$710,470. The increase in fund balance in the C.P.A. fund is primarily due to a budgeted surplus (\$400,000) and because project expenditures were carried forward into the subsequent fiscal year. The C.P.A. fund still maintains a sizable restricted fund balance (\$5,632,177).

Proprietary Funds

Enterprise Funds The Town of Acton, Massachusetts' proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted Net Position of the Sanitation Enterprise Fund at the end of the year was \$628,330 and the increase in net position was \$21,640. Unrestricted Net Position of the Sewer Enterprise Fund at the end of the year was \$16,299,109 and the decrease in net position was \$414,389. Information about the reasons for the changes in net position is addressed in the Government-Wide section of the notes to the financial statements.

General Fund Budgetary Highlights

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

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

Conservative budget estimates allowed the Town to experience favorable operating results for both revenues and expenditures. Positive budgetary variances occurred in substantially all revenue categories. Property taxes/tax liens revenue exceeded their budgets by \$105,605 and \$278,729, respectively, licenses and permits revenue exceeded their budget by \$492,812, penalties and interest revenues exceeded their budget by \$128,825 and fees and other departmental revenues exceeded its budget by \$185,752. In addition, the intergovernmental revenues exceeded the budgeted amount, primarily, due to the strong performance of the meals tax (\$309,423).

Capital Asset and Debt Administration

Capital Assets. The Town of Acton, Massachusetts' investments in capital assets for its governmental and business type activities as of June 30, 2017, amounts to \$134,176,847 (net of accumulated depreciation) an increase of \$836,873 from the prior fiscal year. This investment in capital assets includes land, buildings, improvements, infrastructure, equipment and vehicles.

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

Governmental Activities

- Land - Various (\$1,511,608)
- Equipment - 2017 Fire Pumper Truck (\$620,940)
- Roads - (\$461,040)

Business Type Activities

- There were not any major capital acquisitions in fiscal year 2017 in the Business Type Activities.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 68,785,197	\$ 67,273,589	\$ 534,769	\$ 534,769	\$ 69,319,966	\$ 67,808,358
Construction in Progress	631,444	108,170	-	-	631,444	108,170
Buildings	9,935,689	10,321,898	4,988,382	5,329,228	14,924,071	15,651,126
Improvements Other Than Buildings	900,901	943,276	29,073	31,513	929,974	974,789
Infrastructure	34,082,197	34,584,318	9,852,343	10,243,960	43,934,540	44,828,278
Equipment	3,072,408	2,787,170	284,408	355,845	3,356,816	3,143,015
Vehicles	1,080,036	826,238	-	-	1,080,036	826,238
Total	\$ 118,487,872	\$ 116,844,659	\$ 15,688,975	\$ 16,495,315	\$ 134,176,847	\$ 133,339,974

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

Debt

The Town had \$29,199,980 in bonds payable, outstanding on June 30, 2017. This represents a \$1,027,534 or 3.4% decrease from the previous year.

The Town's bond rating by Standard and Poor's is AAA.

Outstanding General Obligation Bonds

Governmental Activities	<u>2017</u>	<u>2016</u>	<u>Change</u>
General Obligation Bonds Payable	\$ 14,898,290	\$ 15,063,024	\$ (164,734)
Business-type Activities			
Sewer	14,301,600	15,164,400	(862,800)
Total Debt	\$ 29,199,890	\$ 30,227,424	\$ (1,027,534)

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

Fiscal Year 2018 Budget

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

The Town's budget for fiscal year 2018 is \$99,283,536. Although the Town utilized reserves to help fund the 2018 budget, a healthy "free cash" balance remained as of June 30, 2017.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

Town of Acton, Massachusetts
Statement of Net Position
June 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Acton Community Housing Corporation
Assets				
Current:				
Cash and Cash Equivalents	\$ 22,842,823	\$ 6,498,788	\$ 29,341,611	\$ 196,303
Investments	5,743,661	-	5,743,661	-
Accounts Receivable:				
Property Taxes	595,396	-	595,396	-
Tax Liens	1,013,164	-	1,013,164	-
Motor Vehicle Excise	203,419	-	203,419	-
User Charges	170,641	89,806	260,447	-
Special Assessments	99,582	739,457	839,039	-
Departmental	160,916	-	160,916	-
Intergovernmental	3,006,650	-	3,006,650	-
Liens	-	30,636	30,636	-
Due from Town of Acton	-	-	-	680,860
Other	-	27,435	27,435	-
Total Current Assets	<u>33,836,252</u>	<u>7,386,122</u>	<u>41,222,374</u>	<u>877,163</u>
Noncurrent:				
Accounts Receivable:				
Intergovernmental	4,613,363	-	4,613,363	-
Clause 41 A Property Taxes	116,025	-	116,025	-
Special Assessments Not Yet Due	-	9,696,195	9,696,195	-
Capital Assets:				
Assets Not Being Depreciated	69,416,641	534,769	69,951,410	-
Assets Being Depreciated, Net	49,071,231	15,154,206	64,225,437	-
Total Noncurrent Assets	<u>123,217,260</u>	<u>25,385,170</u>	<u>148,602,430</u>	<u>-</u>
Total Assets	<u>157,053,512</u>	<u>32,771,292</u>	<u>189,824,804</u>	<u>877,163</u>
Deferred Outflows of Resources				
Pensions	4,768,715	-	4,768,715	-
Debt Refunding Issue	306,250	-	306,250	-
Total Deferred Outflows of Resources	<u>5,074,965</u>	<u>-</u>	<u>5,074,965</u>	<u>-</u>
Liabilities				
Current:				
Warrants Payable	1,030,356	57,199	1,087,555	-
Accrued Salaries Payable	407,900	3,969	411,869	-
Accrued Interest	186,911	88,518	275,429	-
Due to Component Unit	30,000	-	30,000	-
Compensated Absences	190,561	3,121	193,682	-
Lease Payable	99,725	24,152	123,877	-
Landfill Closure/Postclosure	2,500	-	2,500	-
Notes Payable	1,000,000	-	1,000,000	-
Other	110,842	-	110,842	5,594
Bonds Payable	2,347,203	889,800	3,237,003	-
Total Current Liabilities	<u>5,405,998</u>	<u>1,066,759</u>	<u>6,472,757</u>	<u>5,594</u>
Noncurrent:				
Compensated Absences	285,842	2,081	287,923	-
Lease Payable	67,249	434	67,683	-
Landfill Closure/Postclosure	42,500	-	42,500	-
Other Post Employment Benefits Obligations	13,834,776	-	13,834,776	-
Net Pension Liability	45,680,759	-	45,680,759	-
Other	1,507,296	-	1,507,296	-
Bonds Payable	12,551,087	13,411,800	25,962,887	-
Total Noncurrent Liabilities	<u>73,969,509</u>	<u>13,414,315</u>	<u>87,383,824</u>	<u>-</u>
Total Liabilities	<u>79,375,507</u>	<u>14,481,074</u>	<u>93,856,581</u>	<u>5,594</u>
Deferred Inflows of Resources				
Pensions	2,216,755	-	2,216,755	-
Debt Refunding Issue	7,500	-	7,500	-
Total Deferred Inflows of Resources	<u>2,224,255</u>	<u>-</u>	<u>2,224,255</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	112,815,540	1,362,789	114,178,329	-
Restricted for:				
Community Preservation	5,644,228	-	5,644,228	-
Ambulance Services	702,092	-	702,092	-
Gifts and Grants	4,626,209	-	4,626,209	-
Permanent Funds:				
Expendable	2,169,150	-	2,169,150	-
Nonexpendable	2,181,647	-	2,181,647	-
Unrestricted	(47,610,151)	16,927,429	(30,682,722)	871,569
Total Net Position	<u>\$ 80,528,715</u>	<u>\$ 18,290,218</u>	<u>\$ 98,818,933</u>	<u>\$ 871,569</u>

Town of Acton, Massachusetts
Statement of Activities
Fiscal Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit Acton Community Housing Corporation
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		
						Business Type Activities	Total	
Primary Government:								
<i>Governmental Activities:</i>								
General Government	\$ 7,955,877	\$ 605,942	\$ 563,876	\$ 5,500	\$ (6,780,559)	\$ -	\$ (6,780,559)	\$ -
Public Safety	9,826,874	1,700,612	131,920	-	(7,994,342)	-	(7,994,342)	-
Education	56,544,752	-	-	-	(56,544,752)	-	(56,544,752)	-
Highways and Public Works	5,048,946	200	616,890	565,649	(3,866,207)	-	(3,866,207)	-
Human Services	3,491,168	1,015,097	319,814	-	(2,156,257)	-	(2,156,257)	-
Culture and Recreation	2,109,853	483,316	171,761	-	(1,454,776)	-	(1,454,776)	-
Employee Benefits and Insurance	8,529,450	-	-	-	(8,529,450)	-	(8,529,450)	-
Debt Service	422,135	-	-	-	(422,135)	-	(422,135)	-
Total Governmental Activities	93,929,055	3,805,167	1,804,261	571,149	(87,748,478)	-	(87,748,478)	-
<i>Business-Type Activities:</i>								
Sanitation	550,847	575,290	2,440	-	-	26,883	26,883	-
Sewer	2,174,449	838,244	825,663	29,192	-	(481,350)	(481,350)	-
Total Business-Type Activities	2,725,296	1,413,534	828,103	29,192	-	(454,467)	(454,467)	-
Total Primary Government	\$ 96,654,351	\$ 5,218,701	\$ 2,632,364	\$ 600,341	(87,748,478)	(454,467)	(88,202,945)	-
Component Units:								
Acton Community Housing Corporation	\$ 4,882	\$ -	\$ 30,347	\$ -	-	-	-	25,465
Total Component Unit	\$ 4,882	\$ -	\$ 30,347	\$ -	-	-	-	25,465
<i>General Revenues:</i>								
Property Taxes					81,106,156	-	81,106,156	-
Motor Vehicle and Other Excise Taxes					3,259,394	-	3,259,394	-
Penalties and Interest on Taxes					340,827	-	340,827	-
Other Taxes, Assessments and in Lieu Payments					42,283	-	42,283	-
Intergovernmental - Unrestricted					1,730,655	-	1,730,655	-
Interest and Investment Income					70,314	-	70,314	-
Other Revenue					38,746	-	38,746	-
Contributions to Permanent Funds					53,430	-	53,430	-
Reassignment (Assumption) of Other Post Employment Benefits Obligation					(61,718)	61,718	-	-
Total General Revenues and Transfers					86,580,087	61,718	86,641,805	-
Change in Net Position					(1,168,391)	(392,749)	(1,561,140)	25,465
Net Position:								
Beginning of the Year					81,697,106	18,682,967	100,380,073	846,104
End of the Year					\$ 80,528,715	\$ 18,290,218	\$ 98,818,933	\$ 871,569

Town of Acton, Massachusetts
Balance Sheet
Governmental Funds
June 30, 2017

	<u>General</u>	<u>Community Preservation Act</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and Cash Equivalents	\$ 12,550,462	\$ 5,664,906	\$ 4,627,455	\$ 22,842,823
Investments	1,394,063	-	4,349,598	5,743,661
Accounts Receivable:				
Property Taxes	590,037	5,359	-	595,396
Tax Liens	1,007,816	5,348	-	1,013,164
Motor Vehicle Excise	203,419	-	-	203,419
User Charges	46,438	-	124,203	170,641
Clause 41A Property Taxes	116,025	-	-	116,025
Special Assessments	-	-	99,582	99,582
Departmental	5,851	-	155,065	160,916
Intergovernmental	5,536,036	-	2,083,977	7,620,013
Tax Foreclosures	515,944	1,344	-	517,288
Due from Other Funds	36,966	-	-	36,966
Total Assets	<u>\$ 22,003,057</u>	<u>\$ 5,676,957</u>	<u>\$ 11,439,880</u>	<u>\$ 39,119,894</u>
Liabilities:				
Warrants Payable	\$ 535,248	\$ 2,552	\$ 492,556	\$ 1,030,356
Accrued Payroll Payable	331,404	177	76,319	407,900
Due to Other Funds	-	-	36,966	36,966
Due to Component Unit	-	30,000	-	30,000
Notes Payable	-	-	1,000,000	1,000,000
Total Liabilities	<u>866,652</u>	<u>32,729</u>	<u>1,605,841</u>	<u>2,505,222</u>
Deferred Inflows of Resources:				
Unavailable Revenue	<u>7,727,630</u>	<u>12,051</u>	<u>2,297,947</u>	<u>10,037,628</u>
Total Deferred Inflows of Resources	<u>7,727,630</u>	<u>12,051</u>	<u>2,297,947</u>	<u>10,037,628</u>
Fund Equity:				
Fund Balances:				
Nonspendable	-	-	2,181,647	2,181,647
Restricted	-	5,632,177	4,825,073	10,457,250
Committed	2,445,811	-	1,059,082	3,504,893
Assigned	3,450,109	-	-	3,450,109
Unassigned	7,512,855	-	(529,710)	6,983,145
Total Fund Balances	<u>13,408,775</u>	<u>5,632,177</u>	<u>7,536,092</u>	<u>26,577,044</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,003,057</u>	<u>\$ 5,676,957</u>	<u>\$ 11,439,880</u>	<u>\$ 39,119,894</u>

Town of Acton, Massachusetts
Reconciliation of the Balance Sheet - Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2017

Total Governmental Fund Balances	\$ 26,577,044
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	118,487,872
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds	9,520,340
Certain changes in the net pension liability are required be included in the pension expense in future periods. These changes are reported as deferred outflows/(deferred inflows) of resources related to pensions.	
Deferred Outflows of Resources - Pensions	4,768,715
Deferred Inflows of Resources - Pensions	(2,216,755)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due	(186,911)
Deferred Outflows/Inflows of Resources on Debt Refundings are required to be reported in the statement of net position and amortized as expenses in future periods.	
Deferred Outflows of Resources - Debt Refunding	306,250
Deferred Inflows of Resources - Debt Refunding	(7,500)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(14,898,290)
Compensated Absences	(476,403)
Lease Payable	(166,974)
Other Liabilities	(1,618,138)
Landfill Closure/Postclosure Costs	(45,000)
Other Post Employment Benefit Obligations	(13,834,776)
Net Pension Liability	<u>(45,680,759)</u>
Net Position of Governmental Activities	<u>\$ 80,528,715</u>

Town of Acton, Massachusetts
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2017

	<u>General</u>	<u>Community Preservation Act</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>				
Property Taxes	\$ 79,845,950	\$ 954,516	\$ -	\$ 80,800,466
Tax Liens	278,729	2,315	-	281,044
Excises	3,366,434	-	-	3,366,434
Penalties and Interest	338,825	2,002	-	340,827
Licenses and Permits	933,312	-	-	933,312
Fees and Other Departmental	545,752	-	-	545,752
Intergovernmental	2,761,790	187,873	1,668,557	4,618,220
Charges for Services	35,133	-	2,169,840	2,204,973
Fines and Forfeits	105,022	-	-	105,022
Earnings on Investments	70,314	21,448	162,391	254,153
In Lieu of Taxes	42,283	-	-	42,283
Contributions	-	-	151,216	151,216
Miscellaneous	36,446	-	-	36,446
Total Revenues	<u>88,359,990</u>	<u>1,168,154</u>	<u>4,152,004</u>	<u>93,680,148</u>
<u>Expenditures:</u>				
Current				
General Government	8,120,989	331,192	396,120	8,848,301
Public Safety	8,337,245	-	1,163,467	9,500,712
Education	56,544,752	-	-	56,544,752
Intergovernmental	249,699	-	-	249,699
Highways and Public Works	3,092,725	-	1,419,205	4,511,930
Human Services	2,328,770	34,394	1,067,881	3,431,045
Culture and Recreation	1,441,728	78,072	496,144	2,015,944
Employee Benefits and Insurance	7,680,340	-	-	7,680,340
Debt Service				
Principal	2,045,990	13,781	-	2,059,771
Interest	490,761	245	-	491,006
Capital Outlay	-	-	1,232,415	1,232,415
Total Expenditures	<u>90,332,999</u>	<u>457,684</u>	<u>5,775,232</u>	<u>96,565,915</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,973,009)</u>	<u>710,470</u>	<u>(1,623,228)</u>	<u>(2,885,767)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	199,352	-	306,197	505,549
Transfers (Out)	(245,000)	-	(260,549)	(505,549)
Premium on Bond Issue	-	-	164,390	164,390
Proceeds from Bonds	-	-	1,854,040	1,854,040
Total Other Financing Sources (Uses)	<u>(45,648)</u>	<u>-</u>	<u>2,064,078</u>	<u>2,018,430</u>
Net Change in Fund Balance	<u>(2,018,657)</u>	<u>710,470</u>	<u>440,850</u>	<u>(867,337)</u>
Fund Balance, Beginning	15,427,432	4,921,707	7,095,242	27,444,381
Fund Balance, Ending	<u>\$ 13,408,775</u>	<u>\$ 5,632,177</u>	<u>\$ 7,536,092</u>	<u>\$ 26,577,044</u>

Town of Acton, Massachusetts
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances - Governmental Funds
to the Government-wide Statement of Activities
Fiscal Year Ended June 30, 2017

Net Change in Fund Balances -Total Governmental Funds \$ (867,337)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	3,551,077	
Capital Contributions	5,500	
Depreciation	<u>(2,249,662)</u>	
Net Effect of Reporting Capital Assets		1,306,915

Governmental funds do not report on the same basis of accounting as the entity wide statements. As a result, the governmental funds do not report assets/liabilities related to Other Post Employment Benefits. These amounts represent the reassignment of OPEB assets and the assumption of the OPEB liabilities.

Reassignment/Assumption of Other Post Employment Benefits Asset/Obligation		(61,718)
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In the statement of activities, only the gain or (loss) on the sale of capital assets is reported, whereas in the governmental funds the entire proceeds of the sale are reported. This represents the difference in reporting the sale of capital assets. (49,102)

Revenues in the Statement of Activities that do not provide current financial resources are fully unearned in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unearned revenue from the prior fiscal year. (865,566)

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

Issuance of Bonds	(1,854,040)	
Premium on Bonds	(164,390)	
Amortization of Premium from Bond	101,793	
Capital Lease Principal Payments	96,732	
Principal Payments on Bonds	<u>2,081,371</u>	
Net Effect of Reporting Long Term Debt		261,466

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These amounts represent the change in these accounts from the prior fiscal year.

Compensated Absence Payable Accrual	(102,759)	
Landfill Closure/Postclosure Payable	2,500	
Accrued Interest Payable	(3,689)	
Other Post Employment Benefits Payable	243,670	
Deferred Outflows/Inflows - Refunding Issues	(50,833)	
Deferred Outflows/Inflows - Pensions	218,533	
Other Long Term Liability	110,842	
Net Pension Liability	<u>(1,311,313)</u>	
Net Effect of Reporting Other Items		(893,049)

Change in Net Position of Governmental Activities \$ (1,168,391)

Town of Acton, Massachusetts
Statement of Net Position
Proprietary Funds
June 30, 2017

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current:			
Cash and Cash Investments	\$ 651,868	\$ 5,846,920	\$ 6,498,788
Accounts Receivable, Net of Allowance for Uncollectible:			
User Charges	-	89,806	89,806
Special Assessments	-	739,457	739,457
Liens	-	30,636	30,636
Other	-	27,435	27,435
Total Current Assets	651,868	6,734,254	7,386,122
Noncurrent:			
Accounts Receivable:			
Special Assessments	-	9,696,195	9,696,195
Assets Not Being Depreciated	435,300	99,469	534,769
Assets Being Depreciated, Net	359,001	14,795,205	15,154,206
Total Noncurrent Assets	794,301	24,590,869	25,385,170
Total Assets	1,446,169	31,325,123	32,771,292
Liabilities			
Current:			
Warrants Payable	15,047	42,152	57,199
Accrued Wages Payable	3,299	670	3,969
Accrued Interest Payable	-	88,518	88,518
Compensated Absences	3,121	-	3,121
Lease Payable	24,152	-	24,152
Bonds Payable	-	889,800	889,800
Total Current Liabilities	45,619	1,021,140	1,066,759
Noncurrent:			
Compensated Absences	2,081	-	2,081
Lease Payable	434	-	434
Bonds Payable	-	13,411,800	13,411,800
Total Noncurrent Liabilities	2,515	13,411,800	13,414,315
Total Liabilities	48,134	14,432,940	14,481,074
Net Position			
Net Investment in Capital Assets	769,715	593,074	1,362,789
Unrestricted	628,320	16,299,109	16,927,429
Total Net Position	\$ 1,398,035	\$ 16,892,183	\$ 18,290,218

Town of Acton, Massachusetts
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2017

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues:			
Charges for Services	\$ 575,290	\$ 838,244	\$ 1,413,534
Total Operating Revenues	<u>575,290</u>	<u>838,244</u>	<u>1,413,534</u>
Operating Expenditures:			
General Services	475,228	681,040	1,156,268
Depreciation	75,619	730,721	806,340
Total Operating Expenditures	<u>550,847</u>	<u>1,411,761</u>	<u>1,962,608</u>
Operating Income (Loss)	<u>24,443</u>	<u>(573,517)</u>	<u>(549,074)</u>
Nonoperating Revenues (Expenses):			
Intergovernmental	-	682,753	682,753
Committed Interest	-	126,841	126,841
Earnings on Investments	2,440	16,069	18,509
Interest on Debt	-	(762,688)	(762,688)
Total Nonoperating Revenues (Expenses)	<u>2,440</u>	<u>62,975</u>	<u>65,415</u>
Income (Loss) Before Transfers and Capital Contributions	<u>26,883</u>	<u>(510,542)</u>	<u>(483,659)</u>
(Reassignment) Assumption of Other Post Employment Benefits (Asset) Obligation	(5,243)	66,961	61,718
Capital Contributions	-	29,192	29,192
Change in Net Position	<u>21,640</u>	<u>(414,389)</u>	<u>(392,749)</u>
Total Net Position - Beginning	<u>1,376,395</u>	<u>17,306,572</u>	<u>18,682,967</u>
Total Net Position - Ending	<u>\$ 1,398,035</u>	<u>\$ 16,892,183</u>	<u>\$ 18,290,218</u>

Town of Acton, Massachusetts
Statement of Cash Flows
Proprietary Fund
Fiscal Year Ended June 30, 2017

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 575,290	\$ 841,251	\$ 1,416,541
Payments to Employees	(212,252)	(14,348)	(226,600)
Payments to Vendors	(256,850)	(673,861)	(930,711)
Net Cash Flows Provided (Used) by Operating Activities	106,188	153,042	259,230
Cash Flows from Non Capital Related Financing Activities:	-	-	-
Net Cash Flows Provided (Used) by Non Capital Related Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities:			
Special Assessments	-	871,483	871,483
Committed Interest on Special Assessments	-	126,841	126,841
Lease Payments	(24,152)	-	(24,152)
Principal Payments on Bonds	-	(717,017)	(717,017)
Interest Expense	-	(233,593)	(233,593)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(24,152)	47,714	23,562
Cash Flows from Investing Activities:			
Earnings on Investments	2,440	16,069	18,509
Net Cash Flows Provided (Used) by Investing Activities	2,440	16,069	18,509
Net Increase (Decrease) in Cash and Cash Equivalents	84,476	216,825	301,301
Cash and Cash Equivalents, July 1, 2016	567,392	5,630,095	6,197,487
Cash and Cash Equivalents, June 30, 2017	\$ 651,868	\$ 5,846,920	\$ 6,498,788
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 24,443	\$ (573,517)	\$ (549,074)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	75,619	730,721	806,340
(Increase) Decrease in Assets:			
Accounts Receivable - Customer	-	3,007	3,007
Increase (Decrease) in Liabilities:			
Warrants, Wages, Absences and Accounts Payables	6,126	(7,169)	(1,043)
Net Cash Provided by Operating Activities	\$ 106,188	\$ 153,042	\$ 259,230
Schedule of non-cash investing and financial activities:			
(Reassignment) Assumption of Other Post Employment Benefits (Asset) Obligation	\$ (5,243)	\$ 66,961	\$ 61,718
	\$ (5,243)	\$ 66,961	\$ 61,718

Town of Acton, Massachusetts
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Agency <u>Funds</u>
Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,633,642
Investments:	298,458	-	-
Global Equity	-	1,532,161	-
Core Fixed Income	-	399,694	-
High Yield Fixed Income	-	269,794	-
Private Equity	-	353,063	-
Real Estate	-	303,101	-
Commodities	-	123,239	-
Portfolio Completion Strategies Overlay	-	316,425 33,308	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 298,458</u>	<u>\$ 3,330,785</u>	<u>\$ 1,633,642</u>
Liabilities			
Warrants Payable	\$ -	\$ -	\$ 9,179
Due to Component Unit	-	-	650,860
Other	-	-	973,603
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,633,642</u>
Net Position			
Restricted for:			
Post Employment Benefits Other than Pensions	-	3,330,785	-
Other Purposes	298,458	-	-
Total Net Position	<u>\$ 298,458</u>	<u>\$ 3,330,785</u>	<u>\$ -</u>

Town of Acton, Massachusetts
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2017

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>
Additions:		
Employer Contributions	\$ -	\$ 1,708,518
Net Investment Income	11,438	361,110
Total Additions	11,438	2,069,628
Deductions:		
Trust Distributions	1,894	-
Benefit Payments	-	1,108,518
Total Deductions	1,894	1,108,518
Increase (Decrease) in Net Position	9,544	961,110
Net Position:		
Beginning of the Year	288,914	2,369,675
Ending of the Year	\$ 298,458	\$ 3,330,785

Town of Acton, Massachusetts
Notes to the Financial Statements
June 30, 2017

I. **Summary of Significant Accounting Policies**

The accounting policies of the Town of Acton, Massachusetts, as reflected in the accompanying financial statements for the year ended June 30, 2017, conform to accounting principles generally accepted in the United States of America for local government units. The more significant accounting policies of the Town are summarized below.

(A) **Reporting Entity**

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

Discretely Presented Component Unit

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

Major Fund Criteria

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

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

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

(C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. For the most part, the effect of interfund activity has been removed from the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions (restricted in use for capital items). Taxes and other revenues not categorized as program revenues are reported as general revenues.

Fund Financial Statements

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

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

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

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing

and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

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

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

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

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

The private-purpose trust fund is used to 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 to be spent. The Town maintains a private purpose trust fund for several charitable trusts funds.

The agency fund is used to account for assets held in a purely custodial capacity. The Town's agency funds consist primarily of payroll withholdings, police and fire details, escrow deposits and unclaimed property.

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

i Deposits and Investments

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

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

ii Property Taxes

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

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

iii Capital Assets

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

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

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

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

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

iv. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until that time.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The Town’s governmental fund financial statements (balance sheet) reflect deferred inflows of resources for revenues that do not meet the “available” criteria. The government wide financial statements (statement of net position) reflect deferred outflows and deferred inflows of resources related to pensions. In addition, the statement of net position reflects deferred outflows and deferred inflows of resources related to debt refunding issues.

v. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

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

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital related debt.

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

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

Fund Financial Statements (Fund Balances)

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

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

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

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

vi. Compensated Absences

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

vii. Long-Term Obligations

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

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

viii. Use of Estimates

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

ix. Warrants Payable

The balance in this account consists of those warrants approved by the Selectmen for payment between July 1, 2017 and July 15, 2017. These warrants have been recorded as expenditures during the fiscal year ended June 30, 2017 and the corresponding credit is to the account entitled warrants payable.

x. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

xi. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Middlesex County Retirement System and additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

II Stewardship, Compliance and Accountability

(A) Budgetary Information

i General Budget Policies

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

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

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

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

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

ii Budget Basis of Accounting

The final budget appearing in the required supplementary information section of the financial statements includes the fiscal year 2017 amounts voted at the annual Town meeting adjusted for any special Town meeting votes applicable to fiscal 2017 and any transfers authorized by the Finance Committee.

The following reconciliation summarizes the differences between the general fund budget basis and the Generally Accepted Accounting Principles (GAAP) basis (fund financial statements) for the year ended June 30, 2017. The budget basis for the Community Preservation Act fund is GAAP.

	<u>Revenues</u>
As Reported Budget Basis	\$ 88,443,243
Adjustments:	
Sixty Day Accrual - Net	(89,366)
MWPAT Subsidies	6,113
As Reported GAAP Statement	<u>\$ 88,359,990</u>
	<u>Expenditures</u>
As Reported Budget Basis	\$ 90,326,886
Adjustments:	
MWPAT Subsidies	6,113
As Reported GAAP Statement	<u>\$ 90,332,999</u>

iii Fund Deficits and Appropriation Deficits

At June 30, 2017, individual fund deficits existed as follows:

<u>Nonmajor Governmental Funds</u>	
Town Grants	\$723,733
Town Revolving Funds	15,576
Capital Projects	<u>176,535</u>
Total	<u>\$915,844</u>

These Town Grant deficits will be funded through grant proceeds in fiscal year 2018. The Revolving Fund deficit will be funded with fiscal year 2018 revenues. The capital projects deficit has a related \$300,000 short term borrowing issued. The deficit will be funded when the long term debt is issued.

III Detailed Notes on All Funds

A. Deposits and Investments

i.) Deposits

a.) Custodial Credit Risk - Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. Massachusetts General Laws Chapter 44 Section 55 provide that municipalities "shall not at any one time have on deposit in a bank or trust company or banking company an amount exceeding sixty per cent of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given". As of June 30, 2017, the Town's bank balance was \$31,833,024 and \$14,010,462 of that amount was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town does not have a formal policy regarding custodial credit risk on deposits.

ii.) Investments

a.) As of June 30, 2017, the Town had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1-5</u>	<u>5-10</u>
Debt Related Securities:				
U.S. Treasuries	\$ 249,151	\$ 249,151	\$ -	\$ -
Total Debt Related Securities	<u>249,151</u>	<u>249,151</u>	<u>-</u>	<u>-</u>

<u>Investment Type</u>	<u>Fair Value</u>
Other Investments:	
Money Market Mutual Funds	2,627,844
Equities	1,769,944
Right & Warrants	1,117
Pension Reserve Investment Trust	3,330,785
Mass. Municipal Depository Trust	<u>1,394,063</u>
Total Other Investments	<u>9,123,753</u>
Total Investments	<u>\$ 9,372,904</u>

The Town is a participant in the State Retiree Benefits Trust Fund (SRBTF). The Town's other post employment benefits trust funds are invested by the SRBTF in the Pension Reserve Investment Trust (PRIT) Fund, which is a pooled investment trust. The SRBTF meets the criteria of an external investment pool. The PRIT Fund is managed by the Pension Reserves Investment Management (PRIM) Board. The Town owns units or shares in the PRIT Fund's General Allocation Account. The fair values of the positions in each investment pool are the same as the value of each Pool's share. The investments of the pool are measured at net asset value method. At June 30, 2017, the effective weighted duration of the debt investments ranged from 0.15 years to 16.31 years. The Pool is not rated.

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

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

The cash portfolio had a weighted average maturity of 43 days. The weighted average maturity of the short term bond portfolio is approximately 2.6 years.

At June 30, 2017, the Cash Portfolio's securities were rated as follows:

Tier Rating Percentages Based on Total Investments	
First Tier	Second Tier
100.00%	0.00%

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

At June 30, 2017, the Short Term Bond Portfolio's securities were rated as follows:

<u>Portfolio Composition:</u>	<u>Percentage of Total Net Position</u>
AAA	62.7%
AA	2.9%
A	14.3%
BBB	16.0%
Cash Equivalents	3.7%
Other Assets and Liabilities—Net	0.4%
Total	<u>100.0%</u>

b.) Interest Rate Risk

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

c.) Credit Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasuries	<u>\$ 249,151</u>	AA+

d.) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have a formal policy regarding concentration of credit risk. The Town did not have more than 5% of its investments in any one individual security.

e.) Custodial Credit Risk - Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Town's investments in U.S. Treasury Notes (\$249,151) and equity securities (\$1,769,944) are exposed to custodial credit risk because the related securities are uninsured, unregistered, and held by the government's brokerage firm, which is also the counterparty for these particular securities. The Town does not have a formal policy regarding custodial credit risk on investments

Fair Value Measurement

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

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

Level 2 - Inputs to the valuation methodology include:

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

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

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

The Town has the following recurring fair value measurements as of June 30, 2017:

		<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
		Quoted Prices in Active Markets for <u>Identical Assets</u>	Significant Other Observable <u>Inputs</u>	Significant Unobservable <u>Inputs</u>
		<u>Total</u>		
Investment by Fair Value Level:				
Debt:				
U. S. Treasuries	\$ 249,151	\$ 249,151	\$ -	\$ -
Money Market Mutual Fund	2,627,844	2,627,844	-	-
Equities:				
Common Stock	1,769,944	1,769,944	-	-
Other	1,117	-	1,117	-
Total Assets in the Fair Value Hierarchy	<u>4,648,056</u>	<u>4,646,939</u>	<u>1,117</u>	<u>-</u>
Investments Not Subject to Fair Value Hierarchy reporting:				
Pension Reserve Investment Trust	3,330,785	Measured at Net Asset Value		
Mass. Municipal Depository Trust	1,394,063	Measured at Amortized Cost		
	<u>4,724,848</u>			
Total Investments	<u>\$ 9,372,904</u>			

The investments classified in Level 1 of the fair value hierarchy were valued using prices quoted in active markets for those securities.

B. Accounts Receivable

At June 30, 2017, receivables for the individual major governmental funds and the non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Gross <u>Amount</u>	Allowance for <u>Uncollectible</u>	Net <u>Amount</u>
<u>Accounts Receivable:</u>			
Real and Personal Property Taxes	\$ 595,396	\$ -	\$ 595,396
Tax Liens	1,013,164	-	1,013,164
Motor Vehicle Excise Taxes	508,679	(305,260)	203,419
User Charges	170,641	-	170,641
Clause 41 A Property Taxes	116,025	-	116,025
Special Assessments	99,582	-	99,582
Departmental	160,916	-	160,916
Intergovernmental	7,620,013	-	7,620,013
Tax Foreclosures	517,288	-	517,288
Total	<u>\$ 10,801,704</u>	<u>\$ (305,260)</u>	<u>\$ 10,496,444</u>

At June 30, 2017 the accounts receivable of the Sewer enterprise fund is comprised of the following:

	Gross <u>Amount</u>	Allowance for <u>Uncollectible</u>	Net <u>Amount</u>
<u>Accounts Receivable:</u>			
Sewer - User Charges	\$ 89,806	\$ -	\$ 89,806
Sewer - Special Assessments	10,435,652	-	10,435,652
Sewer - Liens	30,636	-	30,636
Sewer - Other	27,435	-	27,435
Total	<u>\$ 10,583,529</u>	<u>\$ -</u>	<u>\$ 10,583,529</u>

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

<u>Unavailable Revenue Category</u>	<u>General Fund</u>	Other Governmental <u>Funds</u>	<u>Total</u>
Real and Personal Property Taxes	\$ 452,515	\$ 5,359	\$ 457,874
Departmental	5,851	82,604	88,455
Clause 41 A Property Taxes	116,025	-	116,025
Tax Liens	1,007,816	5,348	1,013,164
Motor Vehicle Excise Taxes	47,005	-	47,005
Special Assessments	-	99,583	99,583
Tax Foreclosures	515,944	1,344	517,288
User Charges	46,438	124,203	170,641
Intergovernmental	5,536,036	1,991,557	7,527,593
	<u>\$ 7,727,630</u>	<u>\$ 2,309,998</u>	<u>\$ 10,037,628</u>

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C. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Government Activities:				
Assets Not Being Depreciated:				
Land	\$ 67,273,589	\$ 1,511,608	\$ -	\$ 68,785,197
Construction in Progress	108,170	523,274	-	631,444
Total Capital Assets Not Being Depreciated	<u>67,381,759</u>	<u>2,034,882</u>	<u>-</u>	<u>69,416,641</u>
Assets Being Depreciated:				
Buildings	16,356,435	-	-	16,356,435
Improvements Other Than Buildings	2,610,758	75,000	-	2,685,758
Infrastructure	48,876,818	461,040	-	49,337,858
Equipment	8,442,768	815,393	(240,671)	9,017,490
Vehicles	2,354,687	576,712	(136,921)	2,794,478
Total Capital Assets Being Depreciated	<u>78,641,466</u>	<u>1,928,145</u>	<u>(377,592)</u>	<u>80,192,019</u>
Less Accumulated Depreciation for:				
Buildings	(6,034,539)	(386,207)	-	(6,420,746)
Improvements Other Than Buildings	(1,667,482)	(117,375)	-	(1,784,857)
Infrastructure	(14,292,498)	(963,163)	-	(15,255,661)
Equipment	(5,655,598)	(480,482)	190,998	(5,945,082)
Vehicles	(1,528,449)	(302,435)	116,442	(1,714,442)
Total Accumulated Depreciation	<u>(29,178,566)</u>	<u>(2,249,662)</u>	<u>307,440</u>	<u>(31,120,788)</u>
Capital Assets Being Depreciated, Net	<u>49,462,900</u>	<u>(321,517)</u>	<u>(70,152)</u>	<u>49,071,231</u>
Governmental Activities Capital Assets, Net	<u>\$ 116,844,659</u>	<u>\$ 1,713,365</u>	<u>\$ (70,152)</u>	<u>\$ 118,487,872</u>

Depreciation expense was charged to functions as follows:

Government Activities:	
General Government	\$ 175,474
Public Safety	543,965
Highways and Public Works	1,263,511
Human Services	55,339
Culture and Recreation	211,373
Total Governmental Activities Depreciation Expense	<u>\$ 2,249,662</u>

C. Capital Assets

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Business-Type Activities:				
Assets Not Being Depreciated:				
Land	\$ 534,769	\$ -	\$ -	\$ 534,769
Total Capital Assets Not Being Depreciated	<u>534,769</u>	<u>-</u>	<u>-</u>	<u>534,769</u>
Assets Being Depreciated:				
Buildings	10,185,166	-	-	10,185,166
Improvements Other Than Buildings	48,796	-	-	48,796
Infrastructure	15,760,086	-	-	15,760,086
Equipment	1,314,798	-	-	1,314,798
Vehicles	23,300	-	-	23,300
Total Capital Assets Being Depreciated	<u>27,332,146</u>	<u>-</u>	<u>-</u>	<u>27,332,146</u>
Less Accumulated Depreciation for:				
Buildings	(4,855,938)	(340,846)	-	(5,196,784)
Improvements Other Than Buildings	(17,283)	(2,440)	-	(19,723)
Infrastructure	(5,516,126)	(391,617)	-	(5,907,743)
Equipment	(958,953)	(71,437)	-	(1,030,390)
Vehicles	(23,300)	-	-	(23,300)
Total Accumulated Depreciation	<u>(11,371,600)</u>	<u>(806,340)</u>	<u>-</u>	<u>(12,177,940)</u>
Capital Assets Being Depreciated, Net	<u>15,960,546</u>	<u>(806,340)</u>	<u>-</u>	<u>15,154,206</u>
Business-Type Activities Capital Assets, Net	<u>\$ 16,495,315</u>	<u>\$ (806,340)</u>	<u>\$ -</u>	<u>\$ 15,688,975</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Sanitation	\$ 75,619
Sewer	730,721
Total Business-Type Activities Depreciation Expense	<u>\$ 806,340</u>

D. Capital Leases

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

Assets acquired through capital leases are as follows:

Asset:	<u>Total</u>	<u>Governmental Activities</u>	<u>Enterprise Funds</u>
Caterpillar Wheel Loader	\$ 120,530	\$ -	\$ 120,530
John Deere Backhoe Loader	165,750	165,750	-
Mack Dump Trucks (2)	266,368	266,368	-
Accumulated Depreciation	(158,864)	(98,599)	(60,265)
Total	<u>\$ 393,784</u>	<u>\$ 333,519</u>	<u>\$ 60,265</u>

The future minimum lease payments and the present value of the minimum lease payments at June 30, 2017, are as follows:

Fiscal Year Ending:	<u>Total</u>	<u>Governmental Activities</u>	<u>Enterprise Funds</u>
2018	\$ 130,569	\$ 104,857	\$ 25,712
2019	35,165	35,165	-
2020	<u>35,165</u>	<u>35,165</u>	<u>-</u>
Total Minimum Lease Payment	200,899	175,187	25,712
Less: Amount Representing Interest	(9,339)	(8,213)	(1,126)
Present Value of Minimum Lease Payments	<u>\$ 191,560</u>	<u>\$ 166,974</u>	<u>\$ 24,586</u>

E. Debt

i Short Term Debt

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively. The Town's short term debt activity for fiscal year 2017 is disclosed below.

<u>Purpose</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2017</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Governmental Activities:						
Bond Anticipation Notes:						
Land Purchase	\$ 900,000	\$ -	\$ 900,000	\$ -		
Kelley Corner Improvements	-	300,000	-	300,000	1.25%	June 15, 2018
Fire Apparatus and Equipment	-	700,000	-	700,000	1.25%	June 15, 2018
Total	\$ 900,000	\$ 1,000,000	\$ 900,000	\$ 1,000,000		

ii Long Term Obligations

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 5 to 20 years. General obligation bonds outstanding at June 30, 2017 are as follows:

(a) General Obligation Bonds Outstanding at June 30, 2017

Governmental Activities:

<u>General Obligation Bond</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturities</u>	<u>Final Maturity</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2017</u>
School Project	2014	\$ 12,220,000	2.00% - 4.00%	2023	\$ 8,810,000		\$ 1,155,000	\$ 7,655,000
Public Safety	2004	6,400,000	3.50% - 4.50%	2024	2,445,000	-	325,000	2,120,000
MWPAT - Water study	2005	218,403	5.00%	2023	98,925	-	12,366	86,559
Land acquisition	2007	545,000	4.70%	2017	50,000	-	50,000	-
MWPAT - Water study	2008	154,350	0.00%	2023	72,032	-	10,290	61,742
MWPAT - Title V	2009	174,305	0.00%	2028	104,584	-	8,715	95,869
Library building	2010	1,860,000	3.00% - 4.00%	2018	370,000	-	190,000	180,000
School facilities	2010	851,805	2.00% - 3.30%	2024	480,000	-	60,000	420,000
School building remodeling	2010	245,270	2.00% - 3.30%	2024	125,000	-	20,000	105,000
Town equipment	2010	279,386	2.00% - 3.30%	2024	156,957	-	19,620	137,337
Ambulance	2010	503,819	2.00% - 3.30%	2024	283,044	-	35,380	247,664
Building Remodel - Town Hall	2013	400,000	1.375% - 3.00%	2028	310,000	-	30,000	280,000
Surface Drain - Quarry Rd Drainage	2013	189,000	1.375% - 3.00%	2028	140,000	-	15,000	125,000
Portable Intersection Traffic Control	2013	150,000	1.375% - 3.00%	2023	105,000	-	15,000	90,000
Departmental Equipment Radio Narrow banding	2013	103,000	1.375% - 3.00%	2023	70,000	-	10,000	60,000
Departmental Equipment Standby Generator Senior Center	2013	75,000	1.375% - 3.00%	2023	45,000	-	10,000	35,000
Departmental Equipment DPW F-350 Truck	2013	44,000	1.375% - 3.00%	2022	30,000	-	5,000	25,000
Departmental Equipment DPW Skid Steer (Bobcat)	2013	134,100	1.375% - 3.00%	2028	100,000	-	10,000	90,000
Departmental Equipment DPW Towable Generator	2013	55,000	1.375% - 3.00%	2018	20,000	-	10,000	10,000
Departmental Equipment DPW Utility Truck	2013	42,000	1.375% - 3.00%	2021	25,000	-	5,000	20,000
Departmental Equipment DPW Sander/Dump truck	2013	190,346	1.375% - 3.00%	2028	145,000	-	15,000	130,000
Departmental Equipment DPW One ton Truck	2013	51,000	1.375% - 3.00%	2023	35,000	-	5,000	30,000
Police Communication Installation	2013	116,500	1.375% - 3.00%	2018	40,000	-	20,000	20,000
Dept Equipment Goward Playground	2013	150,000	1.375% - 3.00%	2028	120,000	-	10,000	110,000
Computer Hardware Unified Network File Storage	2013	79,100	1.375% - 3.00%	2023	45,000	-	10,000	35,000
Computer Hardware Core Network Replace	2013	47,000	1.375% - 3.00%	2023	35,000	-	5,000	30,000
School Project	2013	267,606	1.375% - 3.00%	2028	205,000	-	20,000	185,000
Land Acquisition	2017	899,040	2.00%-4.00%	2032	-	899,040	-	899,040
Departmental Equipment - Fire Pumper	2017	650,000	2.00%-4.00%	2027	-	650,000	-	650,000
Departmental Equipment - Ambulance	2017	245,000	4.00%	2022	-	245,000	-	245,000
Departmental Equipment - Fire Vehicle	2017	60,000	4.00%	2022	-	60,000	-	60,000
Total Governmental Activities					\$ 14,465,542	\$ 1,854,040	\$ 2,081,371	\$ 14,238,211

E. Debt (Continued)

Business Type Activities:

<u>General Obligation Bond</u>	<u>Sale Date</u>	<u>Original Borrowing</u>	<u>Interest Rates to Maturities</u>	<u>Final Maturity</u>	<u>Balance July 1, 2016</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2017</u>
Sewer	2004	694,000	3.50% - 4.50%	2024	280,000	-	35,000	245,000
MWPAT - Sewer	2005	817,200	4.20% - 5.00%	2019	209,400	-	67,800	141,600
MWPAT - Sewer	2005	1,852,634	5.20% - 5.50%	2031	1,265,000	-	65,000	1,200,000
MWPAT - Sewer	2005	7,800,326	5.06% - 5.50%	2031	5,325,000	-	275,000	5,050,000
MWPAT - Sewer	2005	12,159,555	4.58% - 5.12%	2031	8,085,000	-	420,000	7,665,000
Total Business Type Activities					\$ 15,164,400	\$ -	\$ 862,800	14,301,600

(b) Summary of Debt Service Requirements to Maturity

<u>Fiscal Year Ended</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	2,245,410	484,703	889,800	718,404	\$ 3,135,210	\$ 1,203,107
2019	2,068,844	404,068	921,800	664,136	2,990,644	1,068,204
2020	2,103,844	326,372	875,000	614,194	2,978,844	940,566
2021	2,138,844	247,909	905,000	550,025	3,043,844	797,934
2022	2,118,844	168,384	940,000	501,931	3,058,844	670,315
2023 - 2027	3,178,708	182,207	5,090,000	1,644,679	8,268,708	1,826,886
2028 - 2032	383,717	15,798	4,680,000	571,181	5,063,717	586,979
	<u>\$ 14,238,211</u>	<u>\$ 1,829,441</u>	<u>\$ 14,301,600</u>	<u>\$ 5,264,550</u>	<u>\$ 28,539,811</u>	<u>\$ 7,093,991</u>

E. Debt (Continued)

(c) Bond Authorizations

Long-term debt authorizations voted by the Town which have not been issued or rescinded as of June 30, 2017, are as follows:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount</u>
April 7, 2014	Community Preservation Open Space	90,960
April 4, 2016	Kelly's Corner Design	756,000
April 3, 2017	Fire Apparatus	<u>700,000</u>
	Total	<u>\$1,546,960</u>

iii Prior Year Defeased Debt

In prior years, the government defeased general obligation bonds by placing the proceeds of the new bonds into an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2017, \$8,440,000 of defeased bonds remain outstanding.

iv Legal Debt Margin

The government is subject to a debt limit that is 5 percent of equalized valuation of the Town. The legal debt margin applies to debt issued "inside the debt limit." Some debt may be issued "outside the debt limit." At June 30, 2017, the Town's equalized valuation was \$4,306,412,900. The debt limit at June 30, 2017 is \$215,321,645. The Town's outstanding debt as of June 30, 2017 that was subject to the debt limit was \$20,699,811 or 9.6% (10.3% when including authorized/unissued) of the amount allowed by the legal debt margin.

v Changes in Long Term Liabilities

The general fund has, typically, liquidated the governmental activities long term liabilities. Changes in the government's long-term liabilities for the year ended June 30, 2017 are as follows:

	Balance			Current	
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2017</u>	<u>Portion</u>
<u>Governmental Activities</u>					
Bonds Payable	\$ 14,465,542	\$ 1,854,040	\$ (2,081,371)	\$ 14,238,211	\$ 2,245,410
Add: Unamortized Premium	<u>597,482</u>	<u>164,390</u>	<u>(101,793)</u>	<u>660,079</u>	<u>101,793</u>
Total Bonds Payable	<u>15,063,024</u>	<u>2,018,430</u>	<u>(2,183,164)</u>	<u>14,898,290</u>	<u>2,347,203</u>
Compensated Absences	373,644	252,217	(149,458)	476,403	190,561
Lease Payable	263,706	-	(96,732)	166,974	99,725
Landfill Closure Costs	47,500	-	(2,500)	45,000	2,500
Other (Sewer Betterments)	1,728,980	-	(110,842)	1,618,138	110,842
Net Pension Liability	44,369,446	1,311,313	-	45,680,759	-
Other Post Employment Benefits	<u>14,016,728</u>	<u>1,526,566</u>	<u>(1,708,518)</u>	<u>13,834,776</u>	<u>-</u>
Total Governmental Activities	<u>75,863,028</u>	<u>5,108,526</u>	<u>(4,251,214)</u>	<u>76,720,340</u>	<u>2,750,831</u>
<u>Business Type Activities</u>					
Bonds Payable	\$ 15,164,400	\$ -	\$ (862,800)	\$ 14,301,600	\$ 889,800
Compensated Absences	11,003	801	(6,602)	5,202	3,121
Lease Payable	48,738	-	(24,152)	24,586	24,152
Other Post Employment Benefits	<u>61,718</u>	<u>-</u>	<u>(61,718)</u>	<u>-</u>	<u>-</u>
Total Business Type Activities	<u>\$ 15,285,859</u>	<u>\$ 801</u>	<u>\$ (955,272)</u>	<u>\$ 14,331,388</u>	<u>\$ 917,073</u>

F. Governmental Fund Balance Classification

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

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

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

1. **Nonspendable**, includes amounts that cannot be spent because (a) they are not in spendable form (such as fund balance associated with inventories), or (b) they are legally or contractually required to stay intact (i.e. corpus of a permanent trust fund).

2. **Restricted**, constraints on the use of resources for specific purposes are imposed (a) by creditors, grantors or contributors, or (b) by law through constitutional provisions or through enabling legislation.

3. **Committed**, includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. For the Town, Town Meeting is the highest level of decision making authority that can vote, by article, to establish, modify or rescind a commitment of fund balance. Once committed, the limitation imposed by the vote remains in place until the funds are used for their intended purpose or a Town Meeting vote is taken to modify or rescind the commitment.

4. **Assigned**, intentions (by the Board of Selectmen, Town Administrator or Finance Director) that resources are to be used by the government for specific purposes, but the restrictions do not meet the criteria necessary to be classified as restricted or committed.

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

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

Details of Fund Balance Classifications

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

	<u>General Fund</u>	<u>Community Preservation</u>	<u>Non Major Funds</u>	<u>Total</u>
Fund Balances:				
Nonspendable:				
Cemetery	\$ -	\$ -	\$ 2,000,508	\$ 2,000,508
Library	-	-	87,900	87,900
Other	-	-	93,239	93,239
Total Nonspendable	<u>-</u>	<u>-</u>	<u>2,181,647</u>	<u>2,181,647</u>
Restricted for:				
Maintenance Roads and Bridges	-	-	164,307	164,307
Municipal Equipment	-	-	131,909	131,909
Other	-	-	324,398	324,398
School Capital Projects	-	-	119,830	119,830
Community Preservation	-	5,632,177	-	5,632,177
Municipal Donations and Gifts	-	-	1,018,968	1,018,968
Cemetery	-	-	1,377,986	1,377,986
Municipal Revolving Funds	-	-	446,097	446,097
Library	-	-	506,399	506,399
Septage Disposal	-	-	157,290	157,290
Ambulance	-	-	577,889	577,889
Total Restricted	<u>-</u>	<u>5,632,177</u>	<u>4,825,073</u>	<u>10,457,250</u>
Committed to:				
Capital Infrastructure & Equipment	1,319,363	-	-	1,319,363
Cemetery	91,642	-	154,343	245,985
Commuter Parking Lot	394,500	-	302,663	697,163
Digitize Records	58,681	-	-	58,681
Emergency Planning	57,180	-	-	57,180
Education	1	-	-	1
Maintenance Roads and Bridges	12,980	-	-	12,980
Network System	42,043	-	-	42,043
Other	108,900	-	545,019	653,919
Permit Tracking	130,553	-	-	130,553
Property Acquisition	37,162	-	-	37,162
Sidewalks	192,806	-	-	192,806
Transportation	-	-	57,057	57,057
Total Committed	<u>2,445,811</u>	<u>-</u>	<u>1,059,082</u>	<u>3,504,893</u>
Assigned to:				
General Government	817,617	-	-	817,617
Public Safety	32,163	-	-	32,163
Regional School Assessments	1,721,579	-	-	1,721,579
Highways and Public Works	118,655	-	-	118,655
Human Services	105,999	-	-	105,999
Culture & Recreation	5,445	-	-	5,445
Reduce the Tax Levy	648,650	-	-	648,650
Total Assigned	<u>3,450,109</u>	<u>-</u>	<u>-</u>	<u>3,450,109</u>
Unassigned	7,512,855	-	(529,710)	6,983,145
Total Fund Balances	<u>\$13,408,775</u>	<u>\$5,632,177</u>	<u>\$ 7,536,092</u>	<u>\$26,577,044</u>

G. Interfund Receivables, Payables and Transfers

Interfund receivables and payables for the year ended June 30, 2017 are summarized below:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 36,966	\$ -
Special Revenue Town Grants	-	36,966
Total	<u>\$ 36,966</u>	<u>\$ 36,966</u>

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

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

<u>Fund Financial Statements</u>	<u>Transfer In</u>	<u>Transfer (Out)</u>	<u>Total</u>
General	\$ 199,352	\$ (245,000)	\$ (45,648)
Non-Major Governmental	306,197	(260,549)	45,648
Total Transfers In/(Out)	<u>\$ 505,549</u>	<u>\$ (505,549)</u>	<u>\$ -</u>

<u>Entity Wide Financial Statements</u>	<u>Governmental Activities Net Transfer In (Out)</u>	<u>Business Type Activities Net Transfer In (Out)</u>	<u>Total</u>
General	\$ (45,648)	\$ -	\$ (45,648)
Non-Major Governmental	45,648	-	45,648
Total Transfers In/(Out)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

IV Other Information

A. Risk Management

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

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

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

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

employees is 25% for HMO plans and 50% for indemnity plans. All retired employees pay 50% of the established premium.

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

As of June 30, 2017, the Trust's financial statements reflected total assets of \$7,112,706, total liabilities of \$1,223,111, including \$763,499 estimated benefits obligations (the estimated benefit obligation as of June 30, 2016 was \$960,000), and a total net position of \$5,889,595. A copy of the Trust's audited financial statements may be obtained from the Town of Acton's Finance Department.

B. Workers' Compensation

Workers' compensation claims are administered by a third party administrator and are funded by a policy premium. This is paid for from the Town appropriation. The estimated future workers' compensation liability is not material at June 30, 2017, and is therefore not reported.

C. Pension Plans

a. General Information about the Pension Plan

Plan Description

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

The system is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws (M.G.L.). The authority to establish and amend benefit provisions requires a statutory change to Chapter 32. The Middlesex County Retirement System issues a stand-alone financial report that is available to the public at <https://middlesexretirement.org/wp-content/uploads/2017/07/FINAL-MCRS-Audit-Report-of-Financial-Statements-12-31-2016.pdf> or by writing to the Middlesex County Retirement System, 25 Linnell Circle, P.O. Box 160, Billerica, Massachusetts 01865.

Benefits Provided

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

Retirement Benefits

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

For employees hired prior to April 2, 2012, the annual amount of the retirement allowance is

based on the member's final three-year average salary multiplied by the number of years and full months of creditable service at the time of retirement and multiplied by a percentage according to the table below based on the age of the member at retirement.

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

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

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

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

Retirement Benefits - Superannuation

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

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

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

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

Ordinary Disability Benefits

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

Accidental Disability Benefit

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

Death Benefits

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

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

Contributions

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

The Town's contractually required contribution rate for the year ended June 30, 2017 was 26.59% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the Town were \$3,462,510 for the year ending June 30, 2017.

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

At June 30, 2017, the Town reported a liability of \$45,680,759 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Accordingly, update procedures were utilized to roll forward the liability to the measurement date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2016, the Town's proportion was 3.224047%.

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

For the year ended June 30, 2017, the Town recognized pension expense of \$4,555,290. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 205,732	\$ -
Change in assumptions	2,488,985	-
Net differences between projected and actual earnings on pension plan investments	1,896,570	-
Changes in proportion and differences between contributions and proportionate share of contributions	177,428	(2,216,755)
Contributions subsequent to the measurement date	-	-
	<u>\$ 4,768,715</u>	<u>\$ (2,216,755)</u>

Contributions made subsequent to the measurement date (deferred outflows of resources) are recognized as a reduction of the net pension liability in the next fiscal year. The Town did not have any deferred outflows of resources for contributions made subsequent to the measurement date. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2018	\$ 785,197
2019	785,197
2020	752,488
2021	229,078

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2016:

Valuation date	January 1, 2016			
Actuarial Cost Method	Entry age normal cost method			
Amortization Method	Prior year's total contribution increased by 6.5% for fiscal year 2018 through fiscal year 2024, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; ERI Liability amortized in level payments.			
Remaining Amortization Period	As of July 1, 2016, 3 years remaining for the 2002 ERI liability; 4 years remaining for the 2003 ERI liability; 6 years remaining for the 2010 ERI liability and 19 years for the remaining unfunded liability.			
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 market value.			
Investment Rate of Return/Discount Rate	7.75% net of pension plan investment expense, including inflation (7.875% in previous valuation)			
Inflation Rate	3.50% (4.0% in previous valuation)			
Projected Salary Increases	Years of			
(The ultimate values in the previous valuation were	<u>Service</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 4</u>
4.75% for Group 1 and 5.25% for Group 4)	0	6.00%	6.00%	7.00%
	1	5.50%	5.50%	6.50%
	2	5.50%	5.50%	6.00%
	3	5.25%	5.25%	5.75%
	4	5.25%	5.25%	5.25%
	5	4.75%	4.75%	5.25%
	6	4.75%	4.75%	4.75%
	7	4.50%	4.50%	4.75%
	8	4.50%	4.50%	4.75%
	9+	4.25%	4.50%	4.75%
Cost of Living Adjustments	3.00% of first \$14,000			
Rates of Retirement	Varies based upon age for general employees, police and fire employees.			
Rates of Disability	For general employees, it was assumed that 45% of all disabilities are ordinary (55% are service connected). For police and fire employees, 10% of all disabilities are assumed to be ordinary (90% are service connected).			
Mortality Rates were based on the tables noted below:				
Healthy:				
Pre-Retirement	RP-2000 Employee Mortality Table projected generationally from 2009 with Scale BB2D (previously, RP- Employee Mortality Table projected 22 years with scale AA)			
Health Retiree	RP-2000 Health Annuitant Mortality Table projected generationally from 2009 with Scale BB2D (previously, RP- Healthy Annuitant Mortality Table projected 17 years with scale AA)			
Disabled	RP-2000 Health Annuitant Mortality Table projected generationally from 2015 using Scale BB2D (previously Healthy Annuitant Mortality Table set forward 3 years projected 17 years with Scale AA)			

In performing the actuarial valuation, various assumptions are made regarding mortality, retirement, disability and withdrawal rates as well as salary increases and investment returns. A comparison of the results of the current valuation and the prior valuation is made to determine how closely actual experience relates to expected. The RP-2000 Employee

Mortality Table projected generationally from 2009 with Scale BB2D and the RP-2000 Healthy Annuitant Mortality Table projected generationally from 2009 with Scale BB2D were determined to contain provisions appropriate to reasonably reflect future mortality improvement, based on a review of the mortality experience of the plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long Term Expected Rate of Return</u>
Domestic Equity	19.50%	7.50%
International Developed Markets Equity	16.80%	7.83%
Emerging Markets Equity	6.90%	9.61%
Core Fixed Income	12.30%	3.75%
Value Added Fixed Income	8.30%	7.26%
Private Equity	11.10%	9.50%
Real Estate	10.00%	6.50%
Timber/Natural Resources	3.60%	6.00%
Hedge Funds	9.00%	6.48%
Liquidating Portfolios	0.40%	6.48%
Portfolio Completion Strategies	1.10%	6.48%
Overlay	1.00%	6.48%
	<u>100.00%</u>	

Rate of Return

The annual money-weighted rate of return on pension plan investments for December 31, 2016 (net of investment expenses) was 7.35%. (0.61% for December 31, 2015). The money-weighted rate of return expresses investment performance, net of pension plan investment expense, is adjusted for the changing amounts actually invested, measured monthly.

Discount Rate

The discount rate used to measure the total pension liability was 7.75% (7.875 % in the previous valuation). The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Middlesex County Retirement System contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Middlesex County Retirement System, calculated using the discount rate of 7.75%, as well as what the Middlesex County Retirement System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Town's proportionate share of the Net Pension Liability	\$ 55,163,653	\$ 45,680,759	\$ 37,666,402

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Middlesex County Retirement System financial report. The System issues a stand-alone financial report is available that can be obtained through the System's website at <https://middlesexretirement.org/wp-content/uploads/2017/07/FINAL-MCRS-Audit-Report-of-Financial-Statements-12-31-2016.pdf>

D. Other Postemployment Benefits (OPEB) Disclosures

The Governmental Accounting Standards Board (GASB) issued Statement #74 Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans which became effective for the current reporting period. GASB Statement #74 relates to reporting requirements of the Town's OPEB Trust fund. The net other post-employment benefits **liability** reported in the GASB Statement #74 disclosures differs from the net other post-employment benefits **obligation** amount reported in the Town's statement of net position. The reporting requirements related to the Town's statement of net position are currently guided by GASB Statement #45 Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. Under GASB Statement #45, the reporting of the Town's net other post-employment benefits liability is being "phased in" over a thirty year period. Concurrent with GASB Statement #74, the GASB issued Statement #75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement #75 (which becomes effective for the June 30, 2018 reporting period) eliminates the thirty year phase in of the other post-employment benefits liability. Therefore, the net other post employment liability reported in the Town's June 30, 2018 statement of net position will agree with the GASB Statement #74 disclosures related to the Town's OPEB Trust.

In fiscal year 2017, the Town determined that costs related to the Town's other post-employment benefits liability will no longer be charged to the Town's enterprise funds by way of direct or indirect charges. The Town has no intention to charge the enterprise funds for the other post-employment benefits related costs in the future. As a result the other post-employment benefits asset/obligation was reassigned/assumed from the Town's enterprise funds (business type activities) to the governmental activities.

Plan Description.

Plan Administration. The Town administers all activity related to the other post-employment benefits plan - a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible employees of the Town. Management of the plan is vested in the Commissioners and the Town’s Treasurer.

Plan Membership: At June 30, 2017, the plans membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefit payments	336
Active Plan Members	<u>149</u>
Total	485

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

Contributions. The Town pays 50% of the total premiums for health insurance and life insurance policies. Benefits paid by the Town are on a pay-as-you-go basis. In addition, contributions are made to an Other Postemployment Benefits Trust Fund. The contribution requirements of plan members and the Town are established and may be amended from time to time by local law or union agreements, within the constraints of Massachusetts General Laws. In fiscal year 2017 the Town contributed \$1,708,518 to the Plan, which includes funding \$600,000 to the OPEB Trust. The balance in the OPEB Trust as of June 30, 2017 was \$3,330,785.

Investments

Investment Policy. The plan’s policy in regard to the allocation of invested assets is approved and may be amended by the Treasurer with the approval of the Commissioners. The policy pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town’s OPEB Trust is invested in the Commonwealth of Massachusetts Pension Reserves Investment Trust (PRIT). The following was the adopted asset allocation policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Global Equity:	
Domestic Equity	18.00%
International Developed Markets Equity	16.00%
International Emerging Markets Equity	6.00%
Core Fixed Income	12.00%
High-Yield Fixed Income	10.00%
Real Estate	10.00%
Commodities	4.00%
Hedge Funds, GTAA, Risk Parity	13.00%
Private Equity	11.00%
Total	<u>100.00%</u>

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

Rate of Return

For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 12.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The components of the Net OPEB liability of the Town at June 30, 2017 were as follows:

Total OPEB Liability	\$19,909,003
Plan Fiduciary Net Position	(3,330,785)
Net OPEB Liability	<u>\$16,578,218</u>

Plan fiduciary net position as a percentage of the total OPEB liability	16.73%
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Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.50%
Salary Increases	6.0% decreasing to 4.25% based on service for Group 1 and Group 2 7.0% decreasing to 4.75% based on service for Group 4
Discount Rate	7.50%
Investment Rate of Return	7.50%
Health Cost Trend Rates	7.0% decreasing by 0.5% for 5 years to an ultimate rate of 4.5%
Mortality Rates were based on the tables noted below:	
Pre-Retirement:	
Healthy	RP-2000 Employee Table projected generationally with Scale BB2D from 2009
Post-Retirement:	
Healthy (Non-Teachers)	RP-2000 Healthy Annuitant Table projected generationally with Scale BB2D from 2009
Disabled (Non-Teachers)	RP-2000 Healthy Annuitant Table projected generationally with Scale BB2D from 2015
Healthy (Teachers)	RP-2014 White Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2016
Disabled (Teachers)	RP-2014 White Collar Healthy Annuitant Mortality Table set forward 4 years projected generationally with Scale BB2D from 2014

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 by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, are summarized in the table below:

<u>Asset Class</u>	<u>Long Term Expected Rate of Return</u>
Global Equity:	
Domestic Equity	6.44%
International Developed Markets Equity	7.40%
International Emerging Markets Equity	9.42%
Core Fixed Income	2.02%
High-Yield Fixed Income	4.43%
Real Estate	5.00%
Commodities	4.43%
Hedge Funds, GTAA, Risk Parity	3.75%
Private Equity	10.47%

Discount rate. The discount rate used to measure the total OPEB liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at the current contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current discount rate:

	1% Decrease <u>6.50%</u>	Discount Rate <u>7.50%</u>	1% Increase <u>8.50%</u>
Net OPEB Liability (asset)	\$18,877,306	\$16,578,218	\$14,643,424

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower (6.0% decreasing to (3.5%) or 1-percentage-point higher (8.0% decreasing to (5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.0% decreasing to <u>3.5%</u>)	Healthcare Cost Trend (7.0% decreasing to <u>4.5%</u>)	1% Increase (8.0% decreasing to <u>5.5%</u>)
Net OPEB Liability (asset)	\$14,541,304	\$16,578,218	\$19,020,441

Employer's Reporting GASB Statement #45

Annual OPEB Cost and OPEB Obligation: The annual Other Postemployment Benefit (OPEB) cost is calculated based on the Annual Required Contribution (ARC) of the Town, an amount that has been actuarially determined in accordance with the parameters of GASB #45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to

cover normal costs each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the fiscal year ended June 30, 2017, the amount contributed to the plan, and the Town's Net OPEB Obligation (NOO):

Annual Required Contribution (ARC)	\$1,180,006
Interest on Net OPEB Obligation	1,055,883
Adjustment to Annual Required Contribution	(771,041)
Annual OPEB Cost (Expense)	<u>1,464,848</u>
Contributions Made	<u>(1,708,518)</u>
Increase in Net OPEB Obligation	(243,670)
Net OPEB Obligation (NOO)- Beginning of Year	<u>14,078,446</u>
Net OPEB Obligation (NOO)- End of Year	<u><u>\$13,834,776</u></u>

The Town's annual required contribution, the percentage of the annual required contribution contributed to the plan and the net OPEB obligation for the past three years are as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Annual</u> <u>Required</u> <u>Contribution (ARC)</u>	<u>Percentage of</u> <u>ARC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2015	\$1,509,722	124.0%	\$13,977,891
2016	\$1,572,722	112.5%	\$14,078,446
2017	\$1,180,006	144.8%	\$13,834,776

Funded Status and Funding Progress. As of December 31, 2016, the most recent actuarial valuation date, the Actuarial Accrued Liability (AAL) for benefits was \$19,620,602, and the actuarial value of assets was \$3,066,154, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$16,544,448. The actuarial value of the assets as a percentage of the Actuarial Accrued Liability (funded ratio) was 15.63%. The covered payroll as of the valuation date was \$15,000,000 and the UAAL as a percentage of covered payroll was 110.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and considers the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2016, actuarial valuation, the entry age normal method was used (previously the projected unit credit method). The actuarial assumptions included a 7.50% investment rate of return (previously 7.75%), an annual non-Medicare medical/drug cost

trend rates of 7.0% initially, reduced by decrements of 0.50% annually for 5 years to an ultimate rate of 4.5% per year (previously 8.0% initially, reduced by decrements of 0.50% annually for 6 years to an ultimate rate of 5% per year) and a Medicare medical/drug cost trend rates of 4.0% for year 1, then 6.5% reduced by decrements of 0.50% annually for 4 years to an ultimate rate of 4.5% per year (previously 10.0% initially, reduced by decrements of 0.50% annually for 10 years to an ultimate rate of 5% per year). The assumptions included a 3.5% inflation rate. The actuarial value of assets is determined using market value. The UAAL is being amortized over a thirty year open amortization period with payments increasing at 3.5% per year.

E. Landfill Postclosure Care Costs

State and Federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site after closure. The Town has closed the landfill and has recorded its estimated postclosure care costs to be \$45,000 which has been recorded as a governmental activity liability at June 30, 2017. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

F. Commitments and Contingencies

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

The financial statements include encumbrances as noted below:

<u>Fund</u>	<u>Total</u>	<u>Assigned Fund Balance</u>	<u>Unrestricted Net Position</u>
General	\$ 1,078,780	\$ 1,078,780	\$ -
Sewer	45,627	-	45,627
Sanitation	46,112	-	46,112
	<u>\$ 1,170,519</u>	<u>\$ 1,078,780</u>	<u>\$ 91,739</u>

G. Tax Abatements

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

The Town entered into a property tax abatement agreement subject to Massachusetts General Laws Chapter 23A, Sections 3A-3F. The Economic Development Incentive program allows municipalities to negotiate agreements that provide enhancements to properties and/or assist in job creation and retention. The recipient of the agreement agreed to invest approximately \$3.1 million in the purchase, construction, renovation and improvement of a property. In addition, the company agreed to increase its Massachusetts’ workforce from 47 to 112 full time employees by December 31, 2017. The agreement states that the company “shall strive to maintain its workforce at this increased level for the duration” of the agreement (five years).

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

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

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

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

For the fiscal year ended June 30, 2017, the company received a tax abatement of \$47,650.

H. Implementation of New GASB Pronouncements

During fiscal year 2017, the following GASB pronouncements were implemented:

- The GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, which is required to be implemented in fiscal year 2017. The implementation of this pronouncement did not impact the financial statements.
- The GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is required to be implemented in fiscal year 2017. The implementation of this pronouncement required new disclosures and required supplementary information schedules related to the Town's Other Post-Employment Benefits Trust Fund.
- The GASB issued Statement No. 77, *Tax Abatement Disclosures*, which is required to be implemented in fiscal year 2017. The implementation of this pronouncement required new disclosures in the financial statements.
- The GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* which is required to be implemented in fiscal year 2017. The implementation of this pronouncement did not impact the financial statements.
- The GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14* which is required to be implemented in fiscal year 2017. The implementation of this pronouncement required the Town to reconsider the reporting requirements for its component unit, but, ultimately did not impact the financial statements.

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

- The GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in fiscal years beginning after June 15, 2017.
- The GASB issued Statement No. 81 *Irrevocable Split-Interest Agreements*, which is required to be implemented in fiscal years beginning after December 15, 2016.
- The GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73* which is required to be implemented in fiscal year 2018.
- The GASB issued Statement No. 83, *Certain Asset Retirement Obligations* which is required to be implemented in fiscal years beginning after June 15, 2018.
- The GASB issued Statement No. 84, *Fiduciary Activities* which is required to be implemented in fiscal years beginning after December 15, 2018.
- The GASB issued Statement No. 85, *Omnibus 2017* which is required to be implemented in fiscal years beginning after June 15, 2017.

- The GASB issued Statement No. 86, *Certain Debt Extinguishment Issues* which is required to be implemented in fiscal years beginning after June 15, 2017.
- The GASB issued Statement No. 87, *Leases* which is required to be implemented in fiscal years beginning after December 15, 2019.

Management is currently assessing the impact that the implementation of these pronouncements will have on the basic financial statements. Management's current assessment is that GASB Statement #75 will have a significant impact on the Town's basic financial statements by recognizing the entire actuarially accrued liability and expense, related to the Town's Other Post-Employment Benefits.

REQUIRED SUPPLEMENTARY INFORMATION

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Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<u>Revenues</u>						
Property Taxes	-	\$ 79,766,647	\$ 79,766,647	\$ 79,872,252	\$ -	\$ 105,605
Tax Liens	-	-	-	278,729	-	278,729
Excises	-	3,450,000	3,450,000	3,429,498	-	(20,502)
Penalties and Interest	-	210,000	210,000	338,825	-	128,825
Licenses and Permits	-	440,500	440,500	933,312	-	492,812
Fees and Other Departmental	-	360,000	360,000	545,752	-	185,752
Intergovernmental	-	2,398,332	2,398,332	2,761,790	-	363,458
Charges for Services	-	176,254	176,254	35,133	-	(141,121)
Fines and Forfeits	-	125,000	125,000	105,022	-	(19,978)
Earnings on Investments	-	60,000	60,000	64,201	-	4,201
In Lieu of Taxes	-	15,000	15,000	42,283	-	27,283
Miscellaneous	-	-	-	36,446	-	36,446
Total Revenues	-	<u>87,001,733</u>	<u>87,001,733</u>	<u>88,443,243</u>	-	<u>1,441,510</u>
<u>Expenditures</u>						
<u>General Government</u>						
Moderator						
Salaries	-	200	200	60	-	140
Expenses	-	17	17	-	-	17
Total	-	<u>217</u>	<u>217</u>	<u>60</u>	-	<u>157</u>
Town Manager						
Salaries	-	678,738	678,738	655,989	-	22,749
Expenses	213,616	610,522	1,518,522	1,656,410	153,962	(78,234)
Total	<u>213,616</u>	<u>1,289,260</u>	<u>2,197,260</u>	<u>2,312,399</u>	<u>153,962</u>	<u>(55,485)</u>
Green Advisory Board						
Salaries	315	13,436	13,751	12,933	-	1,133
Expenses	11,947	6,350	6,350	11,947	-	6,350
Total	<u>12,262</u>	<u>19,786</u>	<u>20,101</u>	<u>24,880</u>	-	<u>7,483</u>
Finance Committee						
Expenses	-	272	272	273	-	(1)
Total	-	<u>272</u>	<u>272</u>	<u>273</u>	-	<u>(1)</u>
Finance Director						
Salaries	-	276,758	276,758	266,038	-	10,720
Expenses	71,941	348,358	348,358	339,920	61,151	19,227
Total	<u>71,941</u>	<u>625,116</u>	<u>625,116</u>	<u>605,958</u>	<u>61,151</u>	<u>29,948</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
Comptroller						
Salaries	-	315,434	315,434	243,011	-	72,423
Expenses	<u>1,500</u>	<u>4,122</u>	<u>4,122</u>	<u>4,078</u>	<u>2,000</u>	<u>(456)</u>
Total	<u>1,500</u>	<u>319,556</u>	<u>319,556</u>	<u>247,089</u>	<u>2,000</u>	<u>71,967</u>
Board Of Assessors						
Salaries	-	266,751	266,751	245,099	-	21,652
Expenses	<u>21,339</u>	<u>19,607</u>	<u>19,607</u>	<u>11,779</u>	<u>7,500</u>	<u>21,667</u>
Total	<u>21,339</u>	<u>286,358</u>	<u>286,358</u>	<u>256,878</u>	<u>7,500</u>	<u>43,319</u>
Collector						
Salaries	-	109,909	109,909	93,260	-	16,649
Expenses	<u>474</u>	<u>21,126</u>	<u>21,126</u>	<u>36,349</u>	<u>17,755</u>	<u>(32,504)</u>
Total	<u>474</u>	<u>131,035</u>	<u>131,035</u>	<u>129,609</u>	<u>17,755</u>	<u>(15,855)</u>
Human Resource						
Salaries	-	250,411	250,411	241,751	-	8,660
Expenses	<u>27,640</u>	<u>199,385</u>	<u>199,385</u>	<u>177,288</u>	<u>29,298</u>	<u>20,439</u>
Total	<u>27,640</u>	<u>449,796</u>	<u>449,796</u>	<u>419,039</u>	<u>29,298</u>	<u>29,099</u>
Information Technology						
Salaries	-	390,355	390,355	337,610	-	52,745
Expenses	<u>673,279</u>	<u>1,152,950</u>	<u>1,152,950</u>	<u>1,262,869</u>	<u>555,412</u>	<u>7,948</u>
Total	<u>673,279</u>	<u>1,543,305</u>	<u>1,543,305</u>	<u>1,600,478</u>	<u>555,412</u>	<u>60,694</u>
Town Clerk						
Salaries	-	153,468	153,468	151,043	-	2,425
Expenses	<u>-</u>	<u>3,119</u>	<u>3,119</u>	<u>2,558</u>	<u>-</u>	<u>561</u>
Total	<u>-</u>	<u>156,587</u>	<u>156,587</u>	<u>153,602</u>	<u>-</u>	<u>2,985</u>
Elections						
Salaries	-	40,300	40,300	50,148	-	(9,848)
Expenses	<u>8,838</u>	<u>59,600</u>	<u>59,600</u>	<u>47,496</u>	<u>-</u>	<u>20,942</u>
Total	<u>8,838</u>	<u>99,900</u>	<u>99,900</u>	<u>97,644</u>	<u>-</u>	<u>11,094</u>
Planning						
Salaries	-	264,398	264,398	263,289	-	1,109
Expenses	<u>39,451</u>	<u>8,251</u>	<u>8,251</u>	<u>21,488</u>	<u>21,390</u>	<u>4,824</u>
Total	<u>39,451</u>	<u>272,649</u>	<u>272,649</u>	<u>284,778</u>	<u>21,390</u>	<u>5,932</u>
Land Use						
Salaries	-	110,000	110,000	114,865	-	(4,865)
Expenses	<u>-</u>	<u>18,700</u>	<u>18,700</u>	<u>16,708</u>	<u>10,454</u>	<u>(8,461)</u>
Total	<u>-</u>	<u>128,700</u>	<u>128,700</u>	<u>131,572</u>	<u>10,454</u>	<u>(13,326)</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
Municipal Properties						
Salaries	-	640,438	640,438	643,171	-	(2,733)
Expenses	<u>144,227</u>	<u>1,051,528</u>	<u>1,303,528</u>	<u>1,213,558</u>	<u>314,625</u>	<u>(80,429)</u>
Total	<u>144,227</u>	<u>1,691,966</u>	<u>1,943,966</u>	<u>1,856,729</u>	<u>314,625</u>	<u>(83,162)</u>
Total - General Government	<u>1,214,567</u>	<u>7,014,502</u>	<u>8,174,817</u>	<u>8,120,989</u>	<u>1,173,547</u>	<u>94,848</u>
<u>Public Safety</u>						
Police						
Salaries	-	3,967,470	3,967,470	3,997,035	-	(29,565)
Expenses	<u>103,374</u>	<u>356,100</u>	<u>356,100</u>	<u>420,669</u>	<u>9,695</u>	<u>29,111</u>
Total	<u>103,374</u>	<u>4,323,570</u>	<u>4,323,570</u>	<u>4,417,703</u>	<u>9,695</u>	<u>(454)</u>
Fire						
Salaries	-	2,790,339	2,790,339	2,770,003	-	20,336
Expenses	<u>14,315</u>	<u>205,080</u>	<u>205,080</u>	<u>251,280</u>	<u>16,325</u>	<u>(48,210)</u>
Total	<u>14,315</u>	<u>2,995,419</u>	<u>2,995,419</u>	<u>3,021,282</u>	<u>16,325</u>	<u>(27,874)</u>
Dispatch						
Salaries	-	566,001	566,001	583,857	-	(17,856)
Expenses	<u>2,856</u>	<u>-</u>	<u>-</u>	<u>7,554</u>	<u>1,174</u>	<u>(5,872)</u>
Total	<u>2,856</u>	<u>566,001</u>	<u>566,001</u>	<u>591,412</u>	<u>1,174</u>	<u>(23,728)</u>
Building Inspector						
Salaries	-	213,806	213,806	211,358	-	2,448
Expenses	<u>7,346</u>	<u>13,300</u>	<u>13,300</u>	<u>15,799</u>	<u>293</u>	<u>4,555</u>
Total	<u>7,346</u>	<u>227,106</u>	<u>227,106</u>	<u>227,156</u>	<u>293</u>	<u>7,003</u>
Emergency Management						
Salaries	-	24,300	24,300	23,000	-	1,300
Expenses	<u>30,500</u>	<u>30,050</u>	<u>30,050</u>	<u>36,379</u>	<u>4,677</u>	<u>19,495</u>
Total	<u>30,500</u>	<u>54,350</u>	<u>54,350</u>	<u>59,379</u>	<u>4,677</u>	<u>20,795</u>
Dog Officer						
Expenses	<u>545</u>	<u>22,770</u>	<u>22,770</u>	<u>20,313</u>	<u>-</u>	<u>3,003</u>
Total	<u>545</u>	<u>22,770</u>	<u>22,770</u>	<u>20,313</u>	<u>-</u>	<u>3,003</u>
Total - Public Safety	<u>158,936</u>	<u>8,189,216</u>	<u>8,189,216</u>	<u>8,337,245</u>	<u>32,163</u>	<u>(21,256)</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<u>Education</u>						
Acton Boxborough Reg Assmt.	-	55,547,097	55,547,097	55,547,097	-	-
Minuteman Tech- Assmt.	-	997,655	997,655	997,655	-	-
Total - Education	-	56,544,752	56,544,752	56,544,752	-	-
<u>Intergovernmental</u>						
State And County Expenses	-	248,959	248,959	249,699	-	(740)
Total	-	248,959	248,959	249,699	-	(740)
Total - Intergovernmental	-	248,959	248,959	249,699	-	(740)
<u>Highways and Public Works</u>						
Engineering						
Salaries	-	276,154	276,154	265,720	-	10,434
Expenses	306,081	24,800	24,800	93,332	249,749	(12,200)
Total	306,081	300,954	300,954	359,052	249,749	(1,766)
Highway						
Salaries	-	1,038,419	1,038,419	986,903	-	51,516
Expenses	469,871	41,935	41,935	83,550	417,639	10,617
	469,871	1,080,354	1,080,354	1,070,453	417,639	62,134
Roads						
Expenses	46,012	253,609	253,609	244,928	48,025	6,669
Total	46,012	253,609	253,609	244,928	48,025	6,669
Snow And Ice						
Salaries	-	149,437	149,437	219,992	-	(70,555)
Expenses	-	389,521	389,521	457,866	-	(68,345)
Total	-	538,958	538,958	677,858	-	(138,900)
Gas And Diesel						
Expenses	32,033	264,300	264,300	220,388	561	75,384
Total	32,033	264,300	264,300	220,388	561	75,384

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
Machinery						
Expenses	47,924	340,500	340,500	303,983	39,781	44,660
Total	<u>47,924</u>	<u>340,500</u>	<u>340,500</u>	<u>303,983</u>	<u>39,781</u>	<u>44,660</u>
Special Projects						
Expenses	92,723	161,500	161,500	216,064	26,465	11,695
Total	<u>92,723</u>	<u>161,500</u>	<u>161,500</u>	<u>216,064</u>	<u>26,465</u>	<u>11,695</u>
Total - Highways and Public Works	<u>994,644</u>	<u>2,940,175</u>	<u>2,940,175</u>	<u>3,092,725</u>	<u>782,219</u>	<u>59,875</u>
<u>Human Services</u>						
Board Of Health						
Salaries	-	94,502	94,502	93,551	-	951
Expenses	-	78,400	78,400	64,217	350	13,833
Total	<u>-</u>	<u>172,902</u>	<u>172,902</u>	<u>157,768</u>	<u>350</u>	<u>14,784</u>
Nursing Service						
Salaries	-	508,761	508,761	452,606	-	56,155
Expenses	4,549	146,044	146,044	165,470	12,949	(27,825)
Total	<u>4,549</u>	<u>654,806</u>	<u>654,806</u>	<u>618,076</u>	<u>12,949</u>	<u>28,330</u>
Council On Aging						
Salaries	-	304,184	304,184	302,780	-	1,404
Expenses	96	29,679	29,679	23,642	681	5,452
Total	<u>96</u>	<u>333,863</u>	<u>333,863</u>	<u>326,421</u>	<u>681</u>	<u>6,857</u>
Veterans Services						
Salaries	-	73,617	73,617	73,297	-	320
Expenses	4,092	125,984	125,984	90,450	2,132	37,494
Total	<u>4,092</u>	<u>199,601</u>	<u>199,601</u>	<u>163,747</u>	<u>2,132</u>	<u>37,815</u>
Commission On Disabilities						
Expenses	47	1,450	1,450	463	310	724
Total	<u>47</u>	<u>1,450</u>	<u>1,450</u>	<u>463</u>	<u>310</u>	<u>724</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Continued)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
Natural Resources						
Salaries	-	760,975	760,975	763,035	-	(2,060)
Expenses	<u>397,773</u>	<u>116,965</u>	<u>116,965</u>	<u>299,260</u>	<u>181,220</u>	<u>34,259</u>
Total	<u>397,773</u>	<u>877,940</u>	<u>877,940</u>	<u>1,062,295</u>	<u>181,220</u>	<u>32,199</u>
Total - Human Services	<u>406,557</u>	<u>2,240,562</u>	<u>2,240,562</u>	<u>2,328,770</u>	<u>197,641</u>	<u>120,708</u>
<u>Culture and Recreation</u>						
Cultural Council						
Expenses	<u>3,779</u>	<u>2,000</u>	<u>2,000</u>	<u>1,317</u>	<u>4,462</u>	<u>-</u>
Total	<u>3,779</u>	<u>2,000</u>	<u>2,000</u>	<u>1,317</u>	<u>4,462</u>	<u>-</u>
Memorial Library						
Salaries	-	1,078,657	1,078,657	1,062,312	-	16,345
Expenses	<u>25,420</u>	<u>271,275</u>	<u>271,275</u>	<u>313,040</u>	<u>5,445</u>	<u>(21,790)</u>
Total	<u>25,420</u>	<u>1,349,932</u>	<u>1,349,932</u>	<u>1,375,351</u>	<u>5,445</u>	<u>(5,445)</u>
Citizens Library						
Salaries	-	50,613	50,613	49,436	-	1,177
Expenses	<u>277</u>	<u>8,830</u>	<u>8,830</u>	<u>8,469</u>	<u>-</u>	<u>638</u>
Total	<u>277</u>	<u>59,443</u>	<u>59,443</u>	<u>57,905</u>	<u>-</u>	<u>1,815</u>
Historic Commission						
Expenses	<u>-</u>	<u>376</u>	<u>376</u>	<u>65</u>	<u>-</u>	<u>311</u>
Total	<u>-</u>	<u>376</u>	<u>376</u>	<u>65</u>	<u>-</u>	<u>311</u>
Celebrations						
Expenses	<u>-</u>	<u>8,900</u>	<u>8,900</u>	<u>7,090</u>	<u>-</u>	<u>1,811</u>
Total	<u>-</u>	<u>8,900</u>	<u>8,900</u>	<u>7,090</u>	<u>-</u>	<u>1,811</u>
Total - Culture and Recreation	<u>29,476</u>	<u>1,420,651</u>	<u>1,420,651</u>	<u>1,441,728</u>	<u>9,907</u>	<u>(1,508)</u>
<u>Employee Benefits and Insurances</u>						
Pension Assessment	-	3,477,510	3,477,510	3,395,100	-	82,410
Medicare	-	171,217	171,217	198,393	-	(27,176)
Insurances and Other Benefits	<u>5,183</u>	<u>4,428,473</u>	<u>4,423,290</u>	<u>4,086,847</u>	<u>9,750</u>	<u>331,876</u>
Total	<u>5,183</u>	<u>8,077,200</u>	<u>8,072,017</u>	<u>7,680,340</u>	<u>9,750</u>	<u>387,110</u>
Total - Employee Benefits and Insurances	<u>5,183</u>	<u>8,077,200</u>	<u>8,072,017</u>	<u>7,680,340</u>	<u>9,750</u>	<u>387,110</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
General Fund
Fiscal Year Ended June 30, 2017
(Concluded)

	Carried forward from <u>Prior Year</u>	Original <u>Budget</u>	Revised <u>Budget</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<u>Debt Service</u>						
Principal	-	2,042,685	2,042,685	2,042,685	-	-
Interest	-	508,538	508,538	487,953	-	20,585
Total	-	<u>2,551,223</u>	<u>2,551,223</u>	<u>2,530,638</u>	-	<u>20,585</u>
Total - Debt Service	-	<u>2,551,223</u>	<u>2,551,223</u>	<u>2,530,638</u>	-	<u>20,585</u>
Total Expenditures	<u>2,809,363</u>	<u>89,227,240</u>	<u>90,382,372</u>	<u>90,326,886</u>	<u>2,205,227</u>	<u>659,622</u>
Excess of Revenues Over (Under)						
Expenditures	<u>(2,809,363)</u>	<u>(2,225,507)</u>	<u>(3,380,639)</u>	<u>(1,883,643)</u>	<u>(2,205,227)</u>	<u>2,101,132</u>
Transfers In	-	21,925	198,925	199,351	-	426
Transfers (Out)	-	<u>(2,045,000)</u>	<u>(2,045,000)</u>	<u>(2,045,000)</u>	-	-
Total Other Financing Sources (Uses)	-	<u>(2,023,075)</u>	<u>(1,846,075)</u>	<u>(1,845,649)</u>	-	<u>426</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)						
	<u>(2,809,363)</u>	<u>(4,248,582)</u>	<u>(5,226,714)</u>	<u>(3,729,292)</u>	<u>(2,205,227)</u>	<u>2,101,558</u>
Fund Balance Beginning of the Year	-	15,044,132	15,044,132	15,044,132	-	-
Fund Balance End of the Year	<u>\$ (2,809,363)</u>	<u>\$ 10,795,550</u>	<u>\$ 9,817,418</u>	<u>\$ 11,314,840</u>	<u>\$ (2,205,227)</u>	<u>\$ 2,101,558</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Community Preservation Act Fund
Fiscal Year Ended June 30, 2017

	Carried Forward from <u>Prior Year</u>	<u>Original</u>	<u>Final</u>	Actual Amounts <u>(Budgetary Basis)</u>	Carried Forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<u>Revenues</u>						
Property Taxes	\$ -	\$ 984,685	\$ 984,685	\$ 956,831	\$ -	\$ (27,854)
Penalties and Interest	-	-	-	2,002	-	2,002
Intergovernmental	-	187,873	187,873	187,873	-	-
Earnings on Investment	-	20,000	20,000	21,448	-	1,448
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	1,192,558	1,192,558	1,168,154	-	(24,404)
<u>Expenditures</u>						
<u>Community Preservation Act Commission</u>						
<u>General Government</u>						
Expenses	2,590,464	190,682	190,682	331,192	2,409,853	40,101
<u>Human Services</u>						
Expenses	586,184	-	-	34,394	551,790	-
<u>Culture and Recreation</u>						
Expenses	10,686	584,543	584,543	78,072	486,106	31,051
<u>Debt Service</u>						
Expenses	-	17,333	17,333	14,026	3,307	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	3,187,334	792,558	792,558	457,684	3,451,056	71,152
Excess (Deficiency) Of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(3,187,334)	400,000	400,000	710,470	(3,451,056)	46,748
Excess (Deficiency) Of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	(3,187,334)	400,000	400,000	710,470	(3,451,056)	46,748
Fund Balance Beginning of the Year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	4,921,707	4,921,707	4,921,707	-	-
Fund Balance End of the Year	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ (3,187,334)	\$ 5,321,707	\$ 5,321,707	\$ 5,632,177	\$ (3,451,056)	\$ 46,748

See Notes to the Required Supplementary Information

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Town's proportionate share of net pension liability (asset) (%)	3.224047%	3.439441%	3.417115%	<i>(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)</i>						
Town's proportionate share of net pension liability (asset) (\$)	\$ 45,680,759	\$ 44,369,446	\$ 41,050,336							
Town's covered-employee payroll	\$ 13,020,403	\$ 13,048,335	\$ 12,546,476							
Town's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	350.84%	340.04%	327.19%							
Plan fiduciary net position as a percentage of the pension liability	45.49%	46.13%	47.65%							

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

See Notes to the Required Supplementary Information

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contribution	\$ 3,462,510	\$ 3,243,883	\$ 2,512,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>(3,462,510)</u>	<u>(3,243,883)</u>	<u>(2,512,579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 13,020,403	\$ 13,048,335	\$ 12,546,476	<i>(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)</i>						
Contributions as a percentage of covered-employee payroll	26.59%	24.86%	20.03%							

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
 Required Supplementary Information
 Schedule of Funding Progress and Employer's Contributions- Other Post Employment Benefits - (GASB 45)
 June 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
12/31/12	\$0	\$31,187,810	\$31,187,810	0%	\$11,905,512	262.0%
12/31/14	\$1,722,069	\$21,694,152	\$19,972,083	7.94%	\$12,546,476	159.2%
12/31/16	\$3,066,154	\$19,620,602	\$16,554,448	15.63%	\$15,000,000	110.4%

This schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Schedule of Employer's Contributions

Fiscal Year Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net OPEB Obligation
2015	\$1,509,722	124.0%	\$13,977,891
2016	\$1,572,722	112.5%	\$14,078,446
2017	\$1,180,006	144.8%	\$13,834,776

See Notes to the Required Supplementary Information

Required Supplementary Information
Town of Acton, Massachusetts
Valuation Details - Other Post Employment Benefits - (GASB 45)
Fiscal Year Ended June 30, 2017

Valuation Date	December 31, 2016
Actuarial Cost Method	Entry Age Normal - Level percentage of payroll (previously Projected Unit Credit)
Amortization Method	Payments Increasing at 3.5%
Remaining Amortization Period	30 Years Open
Asset Valuation Method	Market Value

Actuarial Assumptions:

Discount Rate	7.50% (previously 7.75%)
Investment Rate of Return	7.50% (previously 7.75%)
Inflation Rate	3.5%
Non-Medicare Medical/Drug Cost Trend Rate	7.0% decreasing by 0.50% for 5 years to an ultimate level of 4.50% (previously 8.0% decreasing by 0.50% for 6 years to an ultimate level of 5.00% per year)
Medicare Advantage Trend Rates	4.0% for 1 year, then 6.5% decreasing by .05% for 4 years to an ultimate level of 4.50% (previously 10.0% decreasing by 0.50% for 10 years to an ultimate level of 5.00% per year)

Plan Membership:	
Current retirees, beneficiaries, and dependents	336
Current active members	<u>149</u>
Total	<u>485</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Required Supplementary Information
Schedule of Changes In the Net OPEB Liability and Related Ratios - (GASB 74)
June 30, 2017
Last 10 Fiscal Year

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total OPEB liability										
Service cost	\$ 242,070	<i>(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)</i>								
Interest	1,428,369									
Changes of benefit terms	-									
Difference between expected and actual experience	-									
Changes in assumptions	-									
Benefit payments	<u>(1,108,518)</u>									
Net change in total OPEB liability	561,921									
Total OPEB liability - beginning	<u>19,347,082</u>									
Total OPEB liability - ending (a)	<u><u>\$ 19,909,003</u></u>									
Plan Fiduciary net position										
Contributions - employer	\$ 1,708,518									
Net investment income	361,110									
Benefit payments	(1,108,518)									
Administrative expense	-									
Net change in plan fiduciary net position	<u>961,110</u>									
Plan fiduciary net position - beginning	<u>2,369,675</u>									
Plan fiduciary net position - ending (b)	<u><u>\$ 3,330,785</u></u>									
Town's net OPEB liability - ending (a) - (b)	<u><u>\$ 16,578,218</u></u>									
Plan fiduciary net position as a percentage of the total OPEB liability	16.73%									
Covered-employee payroll	\$ 15,000,000									
Town's net OPEB liability as a percentage of covered - employee payroll	110.52%									

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Required Supplementary Information
Schedule of Contributions - Other Post Employment Benefits - (GASB 74)
June 30, 2017
Last 10 Fiscal Year

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarial determined contribution	\$ 1,180,006	<i>(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)</i>								
Contributions in relating to the actuarially determined contribution	1,708,518									
Contribution deficiency (excess)	<u>\$ (528,512)</u>									
Covered-employee payroll	\$ 15,000,000									
Contributions as a percentage of covered-employee payroll	11.39%									

Notes to Schedule

Valuation date: 12/31/2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age Normal - Level percentage of payroll
Amortization method Level Percent of payroll
Amortization period 30 years from July 1, 2016
Asset valuation method Market Value
Inflation 3.5% per year
Healthcare cost trend rates 7.0% decreasing by 0.5% for 5 years to an ultimate rate of 4.5%
Investment rate of return 7.50%
Discount rate 7.50%

Mortality

Pre-Retirement:

Healthy RP-2000 Employee Table projected generationally with Scale BB2D from 2009

Post-Retirement:

Healthy (Non-Teachers) RP-2000 Healthy Annuitant Table projected generationally with Scale BB2D from 2009

Disabled (Non-Teachers) RP-2000 Healthy Annuitant Table projected generationally with Scale BB2D from 2015

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

Disabled (Teachers) RP-2014 White Collar Healthy Annuitant Mortality Table set forward 4 years projected generationally with Scale BB2D from 2014

Other information:

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

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Required Supplementary Information
Schedule of Investment Returns - (GASB 74)
June 30, 2017
Last 10 Fiscal Year

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
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Annual money-weighted rate of return,
net of investment expense

12.61% *(This Schedule is intended to be a ten year schedule. Additional years' information will be displayed as it becomes available)*

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Notes to the Required Supplementary Information
June 30, 2017

(A) Budgetary Information

a. General Budget Policies

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

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

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

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

b. Budget Basis of Accounting

The final budget appearing in the required supplementary information section of the financial statements includes the fiscal year 2017 annual Town meeting voted amounts adjusted for any special Town meeting votes applicable to fiscal 2017 and any transfers authorized by the Finance Committee.

The following reconciliation summarizes the differences between the general fund budget basis and the Generally Accepted Accounting Principles (GAAP) basis (fund financial statements) for the year ended June 30, 2017. The budget basis for the Community Preservation Act fund is GAAP.

	<u>Revenues</u>
As Reported Budget Basis	\$ 88,443,243
Adjustments:	
Sixty Day Accrual - Net	(89,366)
MWPAT Subsidies	6,113
As Reported GAAP Statement	<u>\$ 88,359,990</u>
	<u>Expenditures</u>
As Reported Budget Basis	\$ 90,326,886
Adjustments:	
MWPAT Subsidies	6,113
As Reported GAAP Statement	<u>\$ 90,332,999</u>

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

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

(I) Pension Plans

i. Plan Description

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

The Town is a member of the Massachusetts Contributory Retirement System and is governed by Chapter 32 of the Massachusetts General Laws (MGL). The authority to establish and amend benefit provisions requires a statutory change to Chapter 32. The Middlesex County Retirement System issues a stand-alone financial report that is available to the public at <https://middlesexretirement.org/wp-content/uploads/2017/07/FINAL-MCRS-Audit-Report-of-Financial-Statements-12-31-2016.pdf> or by writing to the to the Middlesex County Retirement System, 25 Linnell Circle, P.O. Box 160, Billerica, Massachusetts 01865.

ii. Funding Plan

Active members of the Middlesex County Retirement System contribute 5%, 7%, 8% or 9% of their gross regular compensation depending on the date upon which their membership began. An additional 2% is required from employees for earnings in excess of \$30,000. The Town is required to pay an actuarially determined rate. The contribution

requirements of plan members are determined by M.G.L. Chapter 32. The Town's contribution requirement is established and may be amended by the Middlesex County Retirement System with the approval of the Public Employee Retirement Administration Commission.

iii. Change in Assumptions

The following changes were effective January 1, 2016:

- The pre-retirement mortality assumption was changed from the RP-2000 Employee Mortality Table projected 22 years with Scale AA to the RP-2000 Employee Mortality Table projected generationally from 2009 with Scale BB2D.
- The mortality assumption for non-disabled retirees was changed from the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA to the RP-2000 Healthy Annuitant Mortality Table projected generationally from 2009 with Scale BB2D.
- The mortality assumption for disabled participants was changed from the RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA to the RP-2000 Healthy Annuitant Mortality Table projected generationally from 2015 with Scale BB2D.
- The investment return assumption was lowered from 7.875% to 7.75%.
- The administrative expense assumption was increased from \$3,400,000 for calendar 2014, increasing 4% per year, to \$3,500,000 for calendar 2016, and increasing 3.5%.

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

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

v. Schedule of the Town's Contributions

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

(C) Other Postemployment Benefits (OPEB) Disclosures

The Town of Acton administers a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare for eligible retirees and their spouses through the Town's health insurance plan, which covers both active and retired members.

a. Plan Description

Eligibility is met upon retirement depending on the employee's date of entering service. Group 1 employees who entered service before April 2, 2012 become eligible at age 55 with

10 years of creditable service or any age with 20 years of creditable service. Group 1 employees who entered service on or after April 2, 2012 become eligible at age 60 with ten years of creditable service. Currently there are 149 active employees and 336 retired employees (including beneficiaries and dependents) who are eligible to participate in the plan.

b. Contributions

The Town pays 50% of the total premiums for health insurance and life insurance policies. Benefits paid by the Town are on a pay-as-you-go basis. In addition, contributions are made to an Other Postemployment Benefits Trust Fund. The contribution requirements of plan members and the Town are established and may be amended from time to time by local law or union agreements, within the constraints of Massachusetts General Laws.

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets.

The significant decrease in the Unfunded Actuarial Accrued Liability (December 31, 2012 and December 31, 2014 valuations) was the result of the regionalization of the Acton Public Schools, gains and losses due to demographic changes, investment gains and contributions greater than expected.

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

- c. The Schedule of Funding Progress and Employer's Contributions presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated plan assets and information about the employer's contribution relative to the annual OPEB cost.
- d. The Schedule of Valuation Details presents factors that significantly affect the identification of trends in the amounts reported.
- e. The Schedule of Net OPEB Liability and Related Ratios (GASB74) provides information about the changes in the OPEB liability and the changes in the fiduciary net position of the plan. The schedule, also, provides the plan fiduciary net position as a percentage of the total OPEB liability, the covered employee payroll and the Town's net OPEB liability as a percentage of covered employee payroll.
- f. The Schedule of Contributions (GASB 74) details the Town's actuarially required contributions, the contributions made by the Town, the deficiency/(excess) of contributions made by the Town, the Town's covered-employee payroll and the Town's contributions as a percentage of covered-employee payroll.
- g. The Schedule of Investment Returns (GASB 74) details the Town's annual money weighted rate of return, net of investment expense.

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND
SCHEDULES

Nonmajor Governmental Fund Categories

Special Revenue Funds

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

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

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

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

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

Capital Project Funds

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

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

Land Purchase – This fund is used to account for all expenditures related to the Wright Hill land purchase.

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

Permanent Funds

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

Cemetery Fund – This fund is used to account for contributions and expenditures related to cemetery perpetual care and other cemetery related bequests.

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

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

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Town of Acton, Massachusetts
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Special Revenue				Subtotal Special Revenue Funds	Capital Projects Vehicles and Equipment	Capital Projects Land Purchase
	Special Revenue Town Grants	Special Revenue Revolving - Town	Donations and Gifts - Town	Special Revenue Other			
Assets:							
Cash and Cash Equivalents	\$ -	\$ 511,745	\$ 1,032,050	\$ 1,775,362	\$ 3,319,157	\$ 729,138	\$ -
Investments	-	-	-	-	-	-	-
Accounts Receivable:							
User Charges	-	-	-	124,203	124,203	-	-
Special Assessments	-	-	-	99,582	99,582	-	-
Departmental	-	50,550	-	104,515	155,065	-	-
Intergovernmental	2,083,977	-	-	-	2,083,977	-	-
Total Assets	<u>\$ 2,083,977</u>	<u>\$ 562,295</u>	<u>\$ 1,032,050</u>	<u>\$ 2,103,662</u>	<u>\$ 5,781,984</u>	<u>\$ 729,138</u>	<u>\$ -</u>
Liabilities:							
Warrants Payable	\$ 407,959	\$ 35,186	\$ 12,937	\$ 8,519	\$ 464,601	\$ 1,292	\$ -
Accrued Payroll Payable	670	30,462	145	45,042	76,319	-	-
Due to Other Fund	36,966	-	-	-	36,966	-	-
Due to Component Unit	-	-	-	-	-	-	-
Notes Payable	-	-	-	-	-	700,000	-
Total Liabilities	<u>445,595</u>	<u>65,648</u>	<u>13,082</u>	<u>53,561</u>	<u>577,886</u>	<u>701,292</u>	<u>-</u>
Deferred Inflows of Resources:							
Unavailable Revenues	1,991,557	50,550	-	255,840	2,297,947	-	-
Total Deferred Inflows of Resources	<u>1,991,557</u>	<u>50,550</u>	<u>-</u>	<u>255,840</u>	<u>2,297,947</u>	<u>-</u>	<u>-</u>
Fund Equity:							
Fund Balances:							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	446,097	1,018,968	735,179	2,200,244	27,846	-
Committed	-	-	-	1,059,082	1,059,082	-	-
Unassigned	(353,175)	-	-	-	(353,175)	-	-
Total Fund Balances	<u>(353,175)</u>	<u>446,097</u>	<u>1,018,968</u>	<u>1,794,261</u>	<u>2,906,151</u>	<u>27,846</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,083,977</u>	<u>\$ 562,295</u>	<u>\$ 1,032,050</u>	<u>\$ 2,103,662</u>	<u>\$ 5,781,984</u>	<u>\$ 729,138</u>	<u>\$ -</u>

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Town of Acton, Massachusetts
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	Capital Projects	Subtotal	Permanent Trust	Permanent Trust	Permanent Trust	Subtotal	Total Nonmajor
	<u>Other</u>	Capital Projects	<u>Cemetery</u>	<u>Library</u>	<u>Other</u>	Permanent Trust	<u>Funds</u>
Assets:							
Cash and Cash Equivalents	\$ 577,961	\$ 1,307,099	\$ -	\$ -	\$ 1,199	\$ 1,199	\$ 4,627,455
Investments	-	-	3,378,494	594,299	376,805	4,349,598	4,349,598
Accounts Receivable:							
User Charges	-	-	-	-	-	-	124,203
Special Assessments	-	-	-	-	-	-	99,582
Departmental	-	-	-	-	-	-	155,065
Intergovernmental	-	-	-	-	-	-	2,083,977
Total Assets	<u>\$ 577,961</u>	<u>\$ 1,307,099</u>	<u>\$ 3,378,494</u>	<u>\$ 594,299</u>	<u>\$ 378,004</u>	<u>\$ 4,350,797</u>	<u>\$ 11,439,880</u>
Liabilities:							
Warrants Payable	\$ 26,663	\$ 27,955	\$ -	\$ -	\$ -	\$ -	\$ 492,556
Accrued Payroll Payable	-	-	-	-	-	-	76,319
Due to Other Fund	-	-	-	-	-	-	36,966
Due to Component Unit	-	-	-	-	-	-	-
Notes Payable	300,000	1,000,000	-	-	-	-	1,000,000
Total Liabilities	<u>326,663</u>	<u>1,027,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,605,841</u>
Deferred Inflows of Resources:							
Unavailable Revenues	-	-	-	-	-	-	2,297,947
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,297,947</u>
Fund Equity:							
Fund Balances:							
Nonspendable	-	-	2,000,508	87,900	93,239	2,181,647	2,181,647
Restricted	427,833	455,679	1,377,986	506,399	284,765	2,169,150	4,825,073
Committed	-	-	-	-	-	-	1,059,082
Unassigned	(176,535)	(176,535)	-	-	-	-	(529,710)
Total Fund Balances	<u>251,298</u>	<u>279,144</u>	<u>3,378,494</u>	<u>594,299</u>	<u>378,004</u>	<u>4,350,797</u>	<u>7,536,092</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 577,961</u>	<u>\$ 1,307,099</u>	<u>\$ 3,378,494</u>	<u>\$ 594,299</u>	<u>\$ 378,004</u>	<u>\$ 4,350,797</u>	<u>\$ 11,439,880</u>

Concluded

Town of Acton, Massachusetts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Fund
Fiscal Year Ended June 30, 2017

	Special Revenue Town Grants	Special Revenue Revolving - Town	Special Revenue Donations and Gifts - Town	Special Revenue Other	Subtotal Special Revenue Funds	Capital Projects Vehicles and Equipment	Capital Projects Land Purchase
Revenues:							
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,668,557	-	-	-	1,668,557	-	-
Charges for Services	-	844,737	-	1,325,103	2,169,840	-	-
Earnings on Investments	-	-	-	-	-	-	-
Contributions	8,251	-	89,535	-	97,786	-	-
Total Revenues	<u>1,676,808</u>	<u>844,737</u>	<u>89,535</u>	<u>1,325,103</u>	<u>3,936,183</u>	<u>-</u>	<u>-</u>
Expenditures:							
Current							
General Government	242,645	-	25,741	126,667	395,053	-	-
Public Safety	109,041	261,455	4,000	788,696	1,163,192	-	-
Highways and Public Works	1,358,437	-	41,991	-	1,400,428	-	-
Human Services	166,078	204,585	1,233	695,918	1,067,814	-	-
Culture and Recreation	2,709	462,286	30,386	-	495,381	-	-
Capital Outlay	-	-	-	-	-	927,154	-
Total Expenditures	<u>1,878,910</u>	<u>928,326</u>	<u>103,351</u>	<u>1,611,281</u>	<u>4,521,868</u>	<u>927,154</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(202,102)</u>	<u>(83,589)</u>	<u>(13,816)</u>	<u>(286,178)</u>	<u>(585,685)</u>	<u>(927,154)</u>	<u>-</u>
Other Financing Sources (Uses):							
Transfers In	-	-	-	245,000	245,000	-	-
Transfers (Out)	(426)	-	(238,197)	(21,926)	(260,549)	-	-
Premium on Bond Issue	-	-	-	164,390	164,390	-	-
Proceeds from Bonds	-	-	-	-	-	955,000	899,040
Total Other Financing Sources (Uses)	<u>(426)</u>	<u>-</u>	<u>(238,197)</u>	<u>387,464</u>	<u>148,841</u>	<u>955,000</u>	<u>899,040</u>
Net Change in Fund Balance	<u>(202,528)</u>	<u>(83,589)</u>	<u>(252,013)</u>	<u>101,286</u>	<u>(436,844)</u>	<u>27,846</u>	<u>899,040</u>
Fund Balance, Beginning	<u>(150,647)</u>	<u>529,686</u>	<u>1,270,981</u>	<u>1,692,975</u>	<u>3,342,995</u>	<u>-</u>	<u>(899,040)</u>
Fund Balance, Ending	<u>\$ (353,175)</u>	<u>\$ 446,097</u>	<u>\$ 1,018,968</u>	<u>\$ 1,794,261</u>	<u>\$ 2,906,151</u>	<u>\$ 27,846</u>	<u>\$ -</u>

Continued on Next Page

Town of Acton, Massachusetts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Fund
Fiscal Year Ended June 30, 2017

	Capital Projects Other	Subtotal Capital Projects	Permanent Trust Cemetery	Permanent Trust Library	Permanent Trust Other	Subtotal Permanent Trust	Total Non Major Governmental Funds
Revenues:							
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0
Intergovernmental	-	-	-	-	-	-	1,668,557
Charges for Services	-	-	-	-	-	-	2,169,840
Earnings on Investments	-	-	127,191	22,666	12,534	162,391	162,391
Contributions	-	-	53,430	-	-	53,430	151,216
Total Revenues	-	-	180,621	22,666	12,534	215,821	4,152,004
Expenditures:							
Current							
General Government	-	-	-	-	1,067	1,067	396,120
Public Safety	-	-	-	-	275	275	1,163,467
Highways and Public Works	6,593	6,593	12,184	-	-	12,184	1,419,205
Human Services	-	-	-	-	67	67	1,067,881
Culture and Recreation	-	-	-	763	-	763	496,144
Capital Outlay	305,261	1,232,415	-	-	-	-	1,232,415
Total Expenditures	311,854	1,239,008	12,184	763	1,409	14,356	5,775,232
Excess of Revenues Over (Under) Expenditures	(311,854)	(1,239,008)	168,437	21,903	11,125	201,465	(1,623,228)
Other Financing Sources (Uses):							
Transfers In	-	-	-	-	61,197	61,197	306,197
Transfers (Out)	-	-	-	-	-	-	(260,549)
Premium on Bond Issue	-	-	-	-	-	-	164,390
Proceeds from Bonds	-	1,854,040	-	-	-	-	1,854,040
Total Other Financing Sources (Uses)	-	1,854,040	-	-	61,197	61,197	2,064,078
Net Change in Fund Balance	(311,854)	615,032	168,437	21,903	72,322	262,662	440,850
Fund Balance, Beginning	563,152	(335,888)	3,210,057	572,396	305,682	4,088,135	7,095,242
Fund Balance, Ending	\$ 251,298	\$ 279,144	\$ 3,378,494	\$ 594,299	\$ 378,004	\$ 4,350,797	\$ 7,536,092

Concluded

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Non Major Special Revenue - Transportation Fund
Fiscal Year Ended June 30, 2017

	Carried Forward from Prior Year	Original	Final	Actual Amounts (Budgetary Basis)	Carried Forward to Subsequent Year	Variance to Final Budget
<u>Revenues</u>						
Charges for Services	\$ -	\$ 195,000	\$ 195,000	\$ 241,293	\$ -	\$ 46,293
Earnings on Investments	-	-	-	145	-	145
Total Revenues	-	195,000	195,000	241,438	-	46,438
<u>Expenditures</u>						
Salaries and Wages	-	36,288	36,288	45,479	-	(9,191)
Expenses	32,013	520,000	520,000	512,815	27,222	11,976
Total Expenditures	32,013	556,288	556,288	558,294	27,222	2,785
<u>Other Financing Sources and (Uses)</u>						
Transfers In	-	361,288	361,288	361,288	-	-
Total Other Financing Sources and (Uses)	-	361,288	361,288	361,288	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(32,013)	-	-	44,432	(27,222)	49,223
Fund Balance Beginning of the Year	-	12,626	12,626	12,626	-	-
Fund Balance End of the Year	\$ -	\$ 12,626	\$ 12,626	\$ 57,058	\$ -	\$ -

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Non Major Special Revenue - Septage Fund
Fiscal Year Ended June 30, 2017

	Carried Forward from <u>Prior Year</u>	<u>Original</u>	<u>Final</u>	Actual Amounts (<u>Budgetary Basis</u>)	Carried Forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<u>Revenues</u>						
Charges for Services	\$ -	\$ 138,650	\$ 138,650	\$ 122,168	\$ -	\$ (16,482)
Earnings on Investments	-	-	-	678	-	678
Total Revenues	-	138,650	138,650	122,846	-	(15,804)
<u>Expenditures</u>						
Salaries and Wages	-	105,038	105,038	106,375	-	(1,337)
Expenses	2,150	33,612	33,612	31,049	170	4,543
Total Expenditures	2,150	138,650	138,650	137,424	170	3,206
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(2,150)	-	-	(14,578)	(170)	(12,598)
Fund Balance Beginning of the Year	-	171,867	171,867	171,867	-	-
Fund Balance End of the Year	\$ -	\$ 171,867	\$ 171,867	\$ 157,289	\$ -	\$ -

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Non Major Special Revenue - Ambulance Fund
Fiscal Year Ended June 30, 2017

	Carried Forward from <u>Prior Year</u>	<u>Original</u>	<u>Final</u>	Actual Amounts (<u>Budgetary Basis</u>)	Carried Forward to Subsequent <u>Year</u>	Variance to <u>Final Budget</u>
<u>Revenues</u>						
Charges for Services	\$ -	\$ 628,500	\$ 628,500	\$ 652,969	\$ -	\$ 24,469
Earnings on Investments	-	-	-	2,675	-	2,675
Total Revenues	-	628,500	628,500	655,644	-	27,144
<u>Expenditures</u>						
Salaries and Wages	-	528,243	540,953	531,561	-	9,392
Expenses	16,688	257,292	257,292	257,135	3,586	13,259
Total Expenditures	16,688	785,535	798,245	788,696	3,586	22,651
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(16,688)	(157,035)	(169,745)	(133,052)	(3,586)	49,795
Fund Balance Beginning of the Year	-	710,941	710,941	710,941	-	-
Fund Balance End of the Year	\$ -	\$ 553,906	\$ 541,196	\$ 577,889	\$ -	\$ -

Fiduciary Fund Categories

Private Purpose Trust Funds

Private purpose trust funds are used to account for resources that are held for the benefit of parties outside the government (i.e. charitable trusts, scholarship trusts).

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

Other Post-Employment Benefits Liability Trust Fund

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

Agency Fund

Agency funds are used to account for the short-term custodial collections of resources on behalf of another individual, entity or government.

Town of Acton, Massachusetts
Combining Statement of Net Position
Fiduciary Funds
June 30, 2017

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Total Fiduciary <u>Funds</u>
Assets			
Investments:	\$ 298,458	\$ -	298,458
Global Equity	-	1,532,161	1,532,161
Core Fixed Income	-	399,694	399,694
High Yield Fixed Income	-	269,794	269,794
Private Equity	-	353,063	353,063
Real Estate	-	303,101	303,101
Commodities	-	123,239	123,239
Portfolio Completion Strategies	-	316,425	316,425
Overlay	-	33,308	33,308
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 298,458</u>	<u>\$ 3,330,785</u>	<u>\$ 3,629,243</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position			
Restricted for:			
Post Employment Benefits Other than Pensions	-	3,330,785	3,330,785
Other Purposes	298,458	-	298,458
Total Net Position	<u>\$ 298,458</u>	<u>\$ 3,330,785</u>	<u>\$ 3,629,243</u>

Town of Acton, Massachusetts
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2017

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Total Fiduciary <u>Funds</u>
Additions:			
Employer Contributions	\$ -	\$1,708,518	\$ 1,708,518
Net Investment Income	11,438	361,110	372,548
Total Additions	<u>11,438</u>	<u>2,069,628</u>	<u>2,081,066</u>
Deductions:			
Trust Distributions	1,894	-	1,894
Benefit Payments	-	1,108,518	1,108,518
Total Deductions	<u>1,894</u>	<u>1,108,518</u>	<u>1,110,412</u>
Increase (Decrease) in Net Position	<u>9,544</u>	<u>961,110</u>	<u>970,654</u>
Net Position:			
Beginning of the Year	<u>288,914</u>	<u>2,369,675</u>	<u>2,658,589</u>
Ending of the Year	<u>\$ 298,458</u>	<u>\$3,330,785</u>	<u>\$ 3,629,243</u>

Town of Acton, Massachusetts
Statement of Changes in Assets and Liabilities
Agency Fund
Fiscal Year Ended June 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2017</u>
Assets				
Cash and Cash Investments	\$ 1,569,979	\$19,389,810	\$19,326,147	\$ 1,633,642
Total Assets	<u>1,569,979</u>	<u>19,389,810</u>	<u>19,326,147</u>	<u>1,633,642</u>
Liabilities				
Warrants Payable	8,297	9,609,131	9,608,249	9,179
Due to Component Unit	650,860	-	-	650,860
Other	910,822	9,780,679	9,717,898	973,603
Total Liabilities	<u>\$ 1,569,979</u>	<u>\$19,389,810</u>	<u>\$19,326,147</u>	<u>\$ 1,633,642</u>

Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trend

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Town of Acton, Massachusetts
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment in Capital Assets	\$ 112,137,634	\$ 112,630,806	\$ 123,516,112	\$ 125,181,483	\$ 124,135,789	\$ 128,017,274	\$ 128,335,782	\$ 109,815,077	\$ 111,660,065	\$ 112,815,540
Restricted	9,330,249	9,815,277	14,945,567	14,528,079	16,648,883	16,566,766	14,911,665	13,995,847	14,644,115	15,323,326
Unrestricted	<u>22,841,093</u>	<u>20,323,886</u>	<u>1,101,139</u>	<u>121,396</u>	<u>(2,014,908)</u>	<u>(822,724)</u>	<u>(1,182,386)</u>	<u>(42,376,959)</u>	<u>(44,607,074)</u>	<u>(47,610,151)</u>
Total Governmental Activities Net Position	<u>\$ 144,308,976</u>	<u>\$ 142,769,969</u>	<u>\$ 139,562,818</u>	<u>\$ 139,830,958</u>	<u>\$ 138,769,764</u>	<u>\$ 143,761,316</u>	<u>\$ 142,065,061</u>	<u>\$ 81,433,965</u>	<u>\$ 81,697,106</u>	<u>\$ 80,528,715</u>
Business-type Activities										
Net Investment in Capital Assets	1,121,828	1,318,690	1,510,488	1,393,955	1,122,678	1,122,317	1,112,535	1,211,364	1,282,177	1,362,789
Unrestricted	<u>23,632,188</u>	<u>22,264,589</u>	<u>24,038,048</u>	<u>22,948,277</u>	<u>21,845,108</u>	<u>21,595,820</u>	<u>21,100,340</u>	<u>19,051,754</u>	<u>17,400,790</u>	<u>16,927,429</u>
Total Business-type Activities Net Position	<u>\$ 24,754,016</u>	<u>\$ 23,583,279</u>	<u>\$ 25,548,536</u>	<u>\$ 24,342,232</u>	<u>\$ 22,967,786</u>	<u>\$ 22,718,137</u>	<u>\$ 22,212,875</u>	<u>\$ 20,263,118</u>	<u>\$ 18,682,967</u>	<u>\$ 18,290,218</u>
Primary Government										
Net Investment in Capital Assets	113,259,462	113,949,496	125,026,600	126,575,438	125,258,467	129,139,591	129,448,317	111,026,441	112,942,242	114,178,329
Restricted	9,330,249	9,815,277	14,945,567	14,528,079	16,648,883	16,566,766	14,911,665	13,995,847	14,644,115	15,323,326
Unrestricted	<u>46,473,281</u>	<u>42,588,475</u>	<u>25,139,187</u>	<u>23,069,673</u>	<u>19,830,200</u>	<u>20,773,096</u>	<u>19,917,954</u>	<u>(23,325,205)</u>	<u>(27,206,284)</u>	<u>(30,682,722)</u>
Total Primary Government Activities Net Position	<u>\$ 169,062,992</u>	<u>\$ 166,353,248</u>	<u>\$ 165,111,354</u>	<u>\$ 164,173,190</u>	<u>\$ 161,737,550</u>	<u>\$ 166,479,453</u>	<u>\$ 164,277,936</u>	<u>\$ 101,697,083</u>	<u>\$ 100,380,073</u>	<u>\$ 98,818,933</u>

Data Source: Audited Financial Statements

Notes:

Above amounts were adjusted to reflect prior period adjustments - except for the 2015 prior period adjustment related to the implementation of GASB #68.

Beginning in fiscal year 2010, the Community Preservation Act fund balance was reported as restricted fund balance. It had been reported as unrestricted.

Beginning in fiscal year 2010, Massachusetts School Building Authority's share of long term debt was considered non capital related.

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

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

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

Expenses	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
General Government	\$ 6,694,402	\$ 7,265,199	\$ 7,723,442	\$ 7,565,406	\$ 7,840,931	\$ 8,164,815	\$ 8,593,144	\$ 8,578,307	\$ 8,114,019	\$ 7,955,877
Public Safety	7,119,437	7,280,663	6,719,393	7,300,753	7,978,973	8,192,749	8,201,547	8,754,650	9,451,107	9,826,874
Education	49,770,110	50,645,080	55,527,097	57,160,597	58,736,652	59,827,670	62,551,163	53,013,169	54,096,552	56,544,752
Highways and Public Works	3,054,702	2,971,877	3,409,695	3,384,408	3,300,843	3,750,820	4,297,273	4,784,065	4,017,148	5,048,946
Human Services	1,803,986	1,932,660	1,442,893	1,509,794	1,821,505	2,681,919	2,632,642	2,688,262	3,397,297	3,491,168
Culture and Recreation	1,166,486	1,199,756	1,756,220	1,718,825	1,872,516	1,815,135	2,427,419	1,984,760	1,999,666	2,109,853
Employee Benefits	7,867,362	11,641,091	8,257,314	8,371,686	8,555,932	6,912,937	7,563,997	8,436,224	8,603,930	8,529,450
Intergovernmental	219,000	234,647	-	-	-	-	-	-	-	-
Interest on Long-term Debt	1,422,885	1,138,519	915,272	853,934	784,868	853,957	867,672	519,120	462,504	422,135
Total Government Activities Expenses	79,118,370	84,309,492	85,751,326	87,865,403	90,892,220	92,200,002	97,134,857	88,758,557	90,142,223	93,929,055
Business-Type Activities										
Sanitation	562,158	536,781	620,004	657,036	727,553	663,877	647,494	614,092	608,863	550,847
Sewer	2,427,678	2,370,246	2,427,828	2,400,915	2,366,763	2,352,886	2,255,755	2,315,422	2,281,636	2,174,449
Nursing	636,860	767,263	773,649	728,750	614,531	568,026	519,188	514,637	-	-
Total Business-Type Activities Expenses	3,626,696	3,674,290	3,821,481	3,786,701	3,708,847	3,584,789	3,422,437	3,444,151	2,890,499	2,725,296
Total Primary Government Expenses	\$ 82,745,066	\$ 87,983,782	\$ 89,572,807	\$ 91,652,104	\$ 94,601,067	\$ 95,784,791	\$ 100,557,294	\$ 92,202,708	\$ 93,032,722	\$ 96,654,351
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 337,243	\$ 239,853	\$ 721,958	\$ 385,134	\$ 395,755	\$ 358,437	\$ 419,124	\$ 491,725	\$ 537,334	\$ 605,942
Public Safety	989,413	1,060,347	929,412	815,258	1,300,079	1,503,328	1,881,840	1,729,649	1,553,846	1,700,612
Education	903,832	944,625	1,244,888	1,230,379	1,139,880	882,912	1,029,595	7,491	-	-
Highways and Public Works	161,152	112,174	1,000	25,994	9,420	6,013	3,092	15,651	2,229	200
Human Services	711,101	609,035	355,796	284,098	413,646	442,286	493,348	128,292	899,655	1,015,097
Culture and Recreation	43,513	51,473	461,933	383,932	427,867	396,163	389,820	384,469	438,890	483,316
Operating Grants and Contributions	9,841,626	11,040,558	11,933,644	12,938,309	13,519,601	14,151,048	13,129,117	5,265,591	2,312,191	1,804,261
Capital Grants and Contributions	569,197	571,307	513,776	523,327	-	4,524,343	542,488	446,212	152,695	571,149
Total Government Activities Program Revenues	13,557,077	14,629,372	16,162,407	16,586,431	17,206,248	22,264,530	17,888,424	8,469,080	5,896,840	6,180,577
Business-Type Activities										
Charges for Services:										
Sanitation	619,444	616,278	609,125	617,081	680,418	671,029	668,705	639,436	540,682	575,290
Sewer	1,042,800	1,387,686	1,090,808	1,147,946	880,224	930,586	892,959	949,261	872,133	838,244
Nursing	659,559	516,472	676,118	544,337	524,637	540,600	315,630	234,523	-	-
Operating Grants and Contributions	185,173	91,878	835,399	809,808	957,512	927,166	904,881	883,849	849,216	828,103
Capital Grants and Contributions	806,278	797,613	-	303,725	87,530	100,759	-	-	48,317	29,192
Total Business-Type Activities Program Revenues	3,313,254	3,409,927	3,211,450	3,422,897	3,130,321	3,170,140	2,782,175	2,707,069	2,310,348	2,270,829
Total Primary Government Program Revenues	\$ 16,870,331	\$ 18,039,299	\$ 19,373,857	\$ 20,009,328	\$ 20,336,569	\$ 25,434,670	\$ 20,670,599	\$ 11,176,149	\$ 8,207,188	\$ 8,451,406
Net (Expense)/Revenue										
Governmental Activities	\$ (65,561,293)	\$ (69,680,120)	\$ (69,588,919)	\$ (71,278,972)	\$ (73,685,972)	\$ (69,935,472)	\$ (79,246,433)	\$ (80,289,477)	\$ (84,245,383)	\$ (87,748,478)
Business-Type Activities	(313,442)	(264,363)	(610,031)	(363,804)	(578,526)	(414,649)	(640,262)	(737,082)	(580,151)	(454,467)
Total Primary Government Net Expense	\$ (65,874,735)	\$ (69,944,483)	\$ (70,198,950)	\$ (71,642,776)	\$ (74,264,498)	\$ (70,350,121)	\$ (79,886,695)	\$ (81,026,559)	\$ (84,825,534)	\$ (88,202,945)

(Continued)

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

General Revenues and Other Changes in Net Position	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Property Taxes	\$ 58,863,336	\$ 60,631,206	\$ 64,514,109	\$ 66,103,406	\$ 67,967,690	\$ 70,500,745	\$ 72,978,287	\$ 75,074,955	\$ 78,118,399	\$ 81,106,156
Motor Vehicle and Other Excise Taxes	2,897,507	2,449,134	2,607,181	2,612,767	2,568,195	2,823,357	2,919,465	3,239,547	3,444,387	3,259,394
Penalties and Interest on Taxes	185,981	115,996	129,092	323,733	389,984	150,149	210,867	213,593	227,064	340,827
Other Taxes, Assessments and In Lieu of	211,342	726,851	11,934	11,771	12,441	12,046	15,233	15,316	15,006	42,283
Intergovernmental - Unrestricted	3,284,233	2,942,724	1,324,707	1,271,625	1,276,872	1,274,777	1,302,663	1,321,715	1,592,198	1,730,655
Interest and Investment Income	712,994	278,320	196,502	130,319	100,921	96,587	87,867	104,468	74,847	70,314
Other Revenue	142,152	90,508	150,486	181,397	73,305	162,993	182,296	175,929	36,623	38,746
Contributions to Permanent Funds	-	-	57,360	91,571	103,860	75,370	-	34,670	-	53,430
Gain (Loss) on Disposal of Asset	-	-	(29,365)	(21,977)	(442,384)	(24,000)	(11,500)	-	-	-
Reassignment of Assets	-	-	-	-	-	-	-	169,113	-	-
(Reassignment) Assumption of Other Post Employment Benefits (Asset) Obligation	-	-	-	-	-	-	-	-	-	(61,718)
Assumption of Long Term Liabilities	-	-	-	-	-	-	-	(199,927)	-	-
Special Items - Loss on Disposal of School Operations	-	-	-	-	-	-	-	(22,473,561)	-	-
Transfers, Net	(94,638)	635,000	(4,950)	842,500	573,894	(145,000)	(135,000)	1,243,489	1,000,000	-
Total Governmental Activities	<u>66,202,907</u>	<u>67,869,739</u>	<u>68,957,056</u>	<u>71,547,112</u>	<u>72,624,778</u>	<u>74,927,024</u>	<u>77,550,178</u>	<u>58,919,307</u>	<u>84,508,524</u>	<u>86,580,087</u>
Business-Type Activities										
Gain (Loss) on Disposal of Asset	-	-	-	-	-	20,000	-	-	-	-
Reassignment of Assets	-	-	-	-	-	-	-	(169,113)	-	-
(Reassignment) Assumption of Other Post Employment Benefits (Asset) Obligation	-	-	-	-	-	-	-	-	-	61,718
Assumption of Long Term Liabilities	-	-	-	-	-	-	-	199,927	-	-
Transfers, Net	94,638	(635,000)	-	(842,500)	(795,920)	145,000	135,000	(1,243,489)	(1,000,000)	-
Total Business-type Activities	<u>94,638</u>	<u>(635,000)</u>	<u>-</u>	<u>(842,500)</u>	<u>(795,920)</u>	<u>165,000</u>	<u>135,000</u>	<u>(1,212,675)</u>	<u>(1,000,000)</u>	<u>61,718</u>
Total Primary Government	<u>\$ 66,297,545</u>	<u>\$ 67,234,739</u>	<u>\$ 68,957,056</u>	<u>\$ 70,704,612</u>	<u>\$ 71,828,858</u>	<u>\$ 75,092,024</u>	<u>\$ 77,685,178</u>	<u>\$ 57,706,632</u>	<u>\$ 83,508,524</u>	<u>\$ 86,641,805</u>
Changes in Net Position										
Governmental Activities	\$ 641,614	\$ (1,810,381)	\$ (631,863)	\$ 268,140	\$ (1,061,194)	\$ 4,991,552	\$ (1,696,255)	\$ (21,370,170)	\$ 263,141	\$ (1,168,391)
Business-Type Activities	(218,804)	(899,363)	(610,031)	(1,206,304)	(1,374,446)	(249,649)	(505,262)	(1,949,757)	(1,580,151)	(392,749)
Total Primary Government Changes in Net Position	<u>\$ 422,810</u>	<u>\$ (2,709,744)</u>	<u>\$ (1,241,894)</u>	<u>\$ (938,164)</u>	<u>\$ (2,435,640)</u>	<u>\$ 4,741,903</u>	<u>\$ (2,201,517)</u>	<u>\$ (23,319,927)</u>	<u>\$ (1,317,010)</u>	<u>\$ (1,561,140)</u>

(Concluded)

Data Source: Audited Financial Statements

Notes:

Beginning in fiscal year 2010, the intergovernmental general fund expenditures were reported by function.

Beginning in fiscal year 2010, the intergovernmental general fund revenues were reported as program revenues when applicable.

Beginning in fiscal year 2010, expenditures related to health insurance for school employees were reported as Education functional expenditures. Those expenditures were previously reported within the Employee Benefits function.

Above amounts were adjusted to reflect prior period adjustments

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

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

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

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 3,186,756	\$ 3,353,740	\$ 2,569,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,545,059	6,514,941	7,724,166	-	-	-	-	-	-	-
Committed	-	-	-	2,302,875	2,013,918	2,638,503	2,009,485	1,750,765	1,495,255	2,445,811
Assigned	-	-	-	2,126,226	1,308,583	2,269,913	1,596,387	2,807,648	3,783,178	3,450,109
Unassigned	-	-	-	7,823,281	9,691,909	9,959,734	12,103,520	12,292,571	10,148,999	7,512,855
Total General fund	<u>\$ 8,731,815</u>	<u>\$ 9,868,681</u>	<u>\$ 10,293,477</u>	<u>\$ 12,252,382</u>	<u>\$ 13,014,410</u>	<u>\$ 14,868,150</u>	<u>\$ 15,709,392</u>	<u>\$ 16,850,984</u>	<u>\$ 15,427,432</u>	<u>\$ 13,408,775</u>
All Other Governmental Funds										
Reserved	\$ 1,728,494	\$ 1,773,712	\$ 2,028,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Reported in:										
Special Revenue Funds	10,565,651	10,760,391	10,420,754	-	-	-	-	-	-	-
Capital Project Funds	(174,096)	(1,080,352)	148,950	-	-	-	-	-	-	-
Permanent Funds	1,593,718	1,368,242	1,479,395	-	-	-	-	-	-	-
Nonspendable	-	-	-	1,818,691	1,922,486	1,937,409	1,990,737	2,054,407	2,104,167	2,181,647
Restricted	-	-	-	9,663,298	11,587,369	12,546,863	11,374,285	10,354,933	10,152,591	10,457,250
Committed	-	-	-	2,158,920	2,353,385	2,454,423	1,730,267	726,077	810,167	1,059,082
Unassigned	-	-	-	(386,980)	(352,708)	-	-	(1,032,124)	(1,049,976)	(529,710)
Total All Other Governmental Funds	<u>\$ 13,713,767</u>	<u>\$ 12,821,993</u>	<u>\$ 14,077,837</u>	<u>\$ 13,253,929</u>	<u>\$ 15,510,532</u>	<u>\$ 16,938,695</u>	<u>\$ 15,095,289</u>	<u>\$ 12,103,293</u>	<u>\$ 12,016,949</u>	<u>\$ 13,168,269</u>

Data Source: Audited Financial Statements

(1) 2011 balances reflect implementation of GASB 54.

(2) The negative unreserved Capital Projects fund balances (fiscal years 2008, 2009) are the result of capital project expenditures before long term financing was in place.

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

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

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

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues:										
Property Taxes	\$ 58,990,869	\$ 61,235,586	\$ 64,130,848	\$ 65,760,590	\$ 67,761,562	\$ 70,211,964	\$ 72,690,281	\$ 74,648,301	\$ 77,893,090	\$ 80,800,466
Tax Liens	-	-	372,152	248,123	427,398	78,900	203,679	208,954	414,436	281,044
Excises	2,869,975	2,520,198	2,514,503	2,702,506	2,587,467	2,829,935	2,918,815	3,253,222	3,319,183	3,366,434
Penalties and Interest	185,981	115,996	185,509	323,733	389,984	150,149	210,867	213,593	227,064	340,827
Licenses and Permits	-	-	196,224	183,246	196,664	285,253	215,238	306,958	631,213	933,312
Fees and Other Departmental	2,017,634	1,710,219	473,940	717,439	613,321	686,450	1,042,001	764,232	770,465	545,752
Intergovernmental	12,826,638	13,791,368	13,279,181	14,320,167	14,645,294	15,866,576	15,679,896	6,923,374	3,958,516	4,618,220
Charges for Services	2,155,361	2,096,113	3,307,675	2,839,146	2,864,964	2,390,181	2,779,428	1,785,919	1,875,482	2,204,973
Fines and Forfeits	-	-	152,218	129,828	110,102	119,031	90,672	135,009	125,975	105,022
Earnings on Investments	897,319	290,108	285,776	252,556	135,015	312,898	376,760	210,015	245,075	254,153
In Lieu of Taxes	-	-	11,934	11,771	12,441	12,046	15,233	15,316	15,006	42,283
Contributions	918,242	738,721	743,102	697,835	1,268,702	1,138,539	975,828	244,925	210,475	151,216
Miscellaneous	-	-	138,774	184,693	308,585	162,993	50,000	186,717	30,623	36,446
Total Revenues	80,862,019	82,498,309	85,791,836	88,371,633	91,321,499	94,244,915	97,248,698	88,896,535	89,716,603	93,680,148
Expenditures										
General Government	5,848,662	6,378,881	7,363,318	7,138,188	7,305,105	7,756,004	8,287,796	8,321,990	7,803,863	7,590,737
Public Safety	6,924,214	6,137,576	6,278,627	6,822,714	7,461,956	7,712,351	7,721,001	8,289,794	8,951,572	9,230,425
Education	48,958,266	50,101,248	55,439,657	56,382,116	58,309,808	59,294,289	61,865,952	53,013,169	54,096,552	56,544,752
Highways and Public Works	2,559,079	2,086,664	2,474,696	2,369,243	2,273,413	2,638,370	3,095,661	3,564,970	2,890,774	3,876,016
Human Services	1,763,345	1,812,878	1,423,963	1,462,501	1,753,193	2,609,785	2,560,767	2,641,779	3,372,756	3,401,308
Culture and Recreation	989,443	1,082,525	1,588,729	1,533,189	1,689,249	1,626,342	2,213,992	1,807,082	1,782,149	1,890,784
Intergovernmental	219,000	234,647	232,927	221,957	266,187	301,874	336,501	239,728	238,057	249,699
Employee Benefits	7,837,536	8,845,267	5,455,257	5,534,807	5,662,223	5,606,493	5,885,558	7,302,774	7,381,406	7,680,340
Capital Outlay	3,268,406	3,277,352	2,871,559	3,623,282	1,214,244	2,498,417	2,827,531	3,393,824	3,403,003	3,551,077
Debt Service										
Principal	1,981,746	1,779,027	1,859,282	2,009,876	2,029,920	1,900,257	2,129,617	2,104,038	2,065,990	2,059,771
Interest	1,176,255	1,152,152	998,511	981,263	911,464	967,482	702,826	604,430	553,739	491,006
Debt Issuance	-	-	-	-	-	-	127,521	-	-	-
Total Expenditures	81,525,952	82,888,217	85,986,526	88,079,136	88,876,762	92,911,664	97,754,723	91,283,578	92,539,861	96,565,915
Excess of Revenues Over (Under) Expenditures	(663,933)	(389,908)	(194,690)	292,497	2,444,737	1,333,251	(506,025)	(2,387,043)	(2,823,258)	(2,885,767)
Other Financing Sources (Uses):										
Proceeds from Bonds	174,305	-	1,880,280	-	-	2,093,652	-	-	-	1,854,040
Premium	-	-	-	-	-	-	-	-	-	164,390
Issuance of Refunding Bonds	-	-	-	-	-	-	12,220,000	-	-	-
Premium from Refunding Bonds	-	-	-	-	-	-	768,190	-	-	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-	(12,860,669)	-	-	-
Capital Lease Financing	-	-	-	-	-	-	-	-	313,362	-
Transfers In	111,848	882,652	775,463	1,530,157	1,007,258	440,619	1,127,738	2,226,401	1,591,916	505,549
Transfers (Out)	(206,486)	(247,652)	(780,413)	(687,657)	(433,364)	(585,619)	(1,751,398)	(982,912)	(591,916)	(505,549)
Total Other Financing Sources (Uses)	79,667	635,000	1,875,330	842,500	573,894	1,948,652	(496,139)	1,243,489	1,313,362	2,018,430
Special Items										
Loss on Disposal of School Operations	-	-	-	-	-	-	-	(706,850)	-	-
Total Special Items	-	-	-	-	-	-	-	(706,850)	-	-
Net Change in Fund Balance	\$ (584,266)	\$ 245,092	\$ 1,680,640	\$ 1,134,997	\$ 3,018,631	\$ 3,281,903	\$ (1,002,164)	\$ (1,850,404)	\$ (1,509,896)	\$ (867,337)
Debt Service as a Percentage of										
Noncapital Expenditures	4.0%	3.7%	3.4%	3.5%	3.4%	3.2%	3.0%	3.1%	2.9%	2.7%

Notes:

Prior to fiscal year 2010, tax liens were reported with property taxes in the financial statements

From fiscal year 2010 forward, certain revenues previously reported in a combined "Fees and Other Departmental" category were reported by management in more specific categories (i.e. Licenses and Permits, Fines and Forfeits, Charges for Services, In Lieu of Taxes and Miscellaneous).

Beginning in fiscal year 2010, expenditures related to health insurance for school employees were reported as Education functional expenditures. Those expenditures were previously reported within the Employee Benefits function.

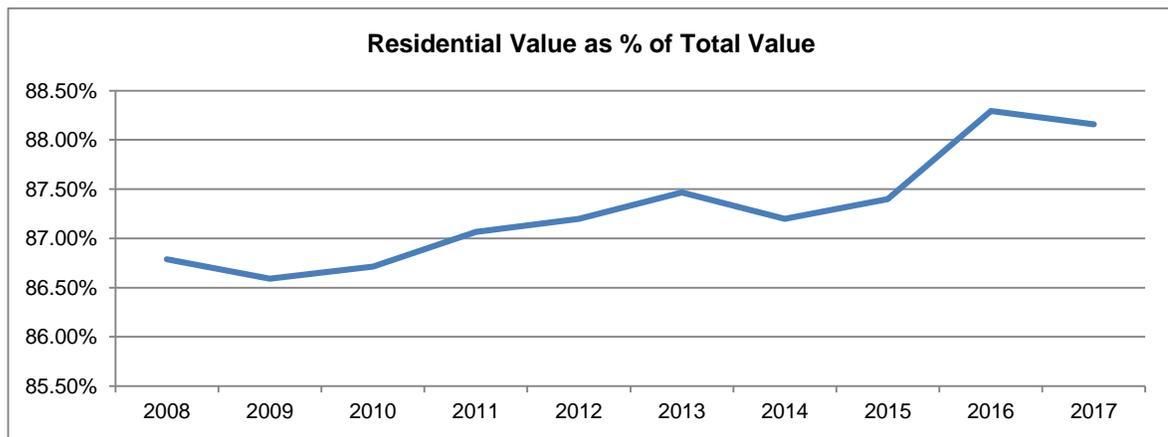
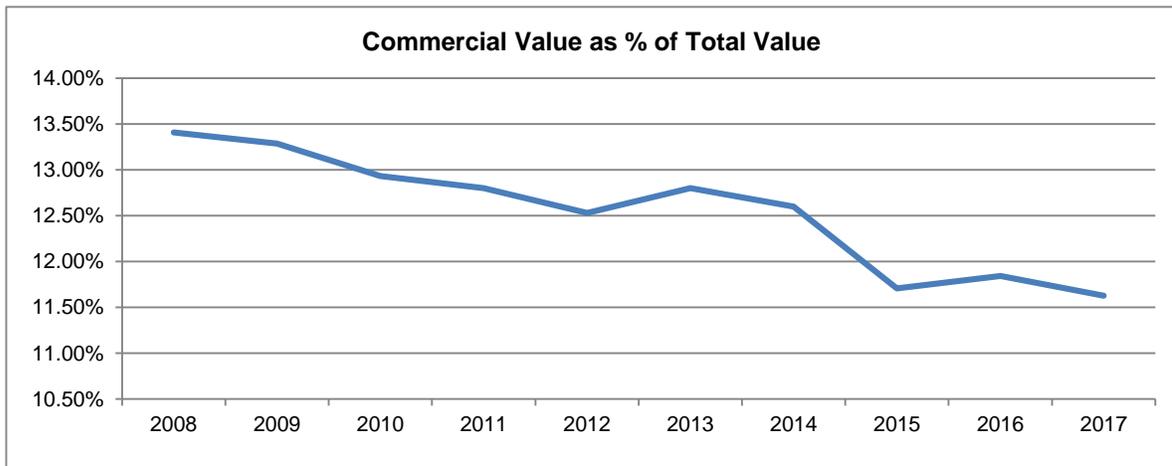
Beginning in fiscal year 2015, there was a transfer of operations of the Acton Public School System, Kindergarten to sixth grade, to the Acton-Boxborough Regional School District. Therefore, certain school related revenues (chapter 70 local aid, school grants and other special revenue funds) and expenditures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

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

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

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

Fiscal Year Ended June 30,	Residential Property	Residential % of Total Value	Commercial Property	Industrial Property	Personal Property	Total Commercial Property	Commercial % of Total Value	Total Taxable Assessed Value	Total Direct Tax Rate
2008	\$3,334,950,720	86.59%	\$358,212,176	\$111,533,010	\$46,680,230	\$516,425,416	13.41%	\$3,851,376,136	\$15.39
2009	\$3,252,816,010	86.71%	\$336,316,163	\$103,515,920	\$58,607,037	\$498,439,120	13.29%	\$3,751,255,130	\$16.53
2010	\$3,257,545,318	87.07%	\$321,119,694	\$97,872,285	\$64,884,117	\$483,876,096	12.93%	\$3,741,421,414	\$17.12
2011	\$3,174,679,623	87.20%	\$309,194,597	\$90,955,570	\$65,944,035	\$466,094,202	12.80%	\$3,640,773,825	\$18.08
2012	\$3,185,180,125	87.47%	\$299,215,620	\$91,837,570	\$65,316,803	\$456,369,993	12.53%	\$3,641,550,118	\$18.55
2013	\$3,208,128,927	87.20%	\$312,904,977	\$94,158,445	\$63,924,158	\$470,987,580	12.80%	\$3,679,116,507	\$19.10
2014	\$3,247,953,628	87.40%	\$305,863,245	\$92,840,385	\$69,608,967	\$468,312,597	12.60%	\$3,716,266,225	\$19.45
2015	\$3,448,511,074	88.29%	\$303,720,173	\$91,365,090	\$62,157,821	\$457,243,084	11.71%	\$3,905,754,158	\$19.05
2016	\$3,556,433,998	88.16%	\$316,225,705	\$91,392,100	\$70,131,545	\$477,749,350	11.84%	\$4,034,183,348	\$19.23
2017	\$3,738,480,702	88.37%	\$321,116,548	\$91,159,455	\$79,697,808	\$491,973,811	11.63%	\$4,230,454,513	\$19.06



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 fiscal year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls (new growth) and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation

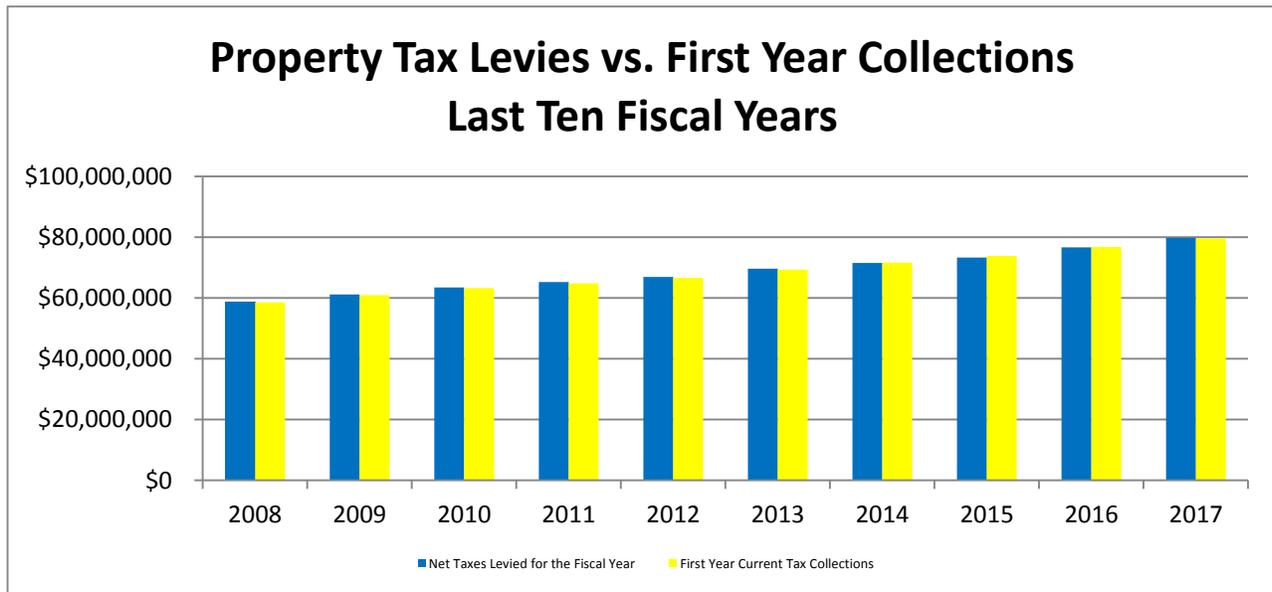
Data Source:
Board of Assessors & Town's tax recapitulation sheets

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

<u>Name</u>	<u>Nature of Business</u>	2017				2008			
		Assessed Valuation	Amount of Tax	Percentage of Total Taxable Assessed Value	Rank	Assessed Valuation	Amount of Tax	Percentage of Total Taxable Assessed Value	Rank
Avalon Acton Inc.	Rental Housing	\$ 40,624,000	\$ 774,293	0.94%	1	\$ 9,806,400	\$ 150,921	0.26%	9
NSTAR Services	Utility	\$ 26,774,262	\$ 510,317	0.62%	2	\$ 17,234,551	\$ 265,240	0.45%	3
Haartz Auto Fabric	Manufacturer	\$ 19,769,800	\$ 376,812	0.46%	3	\$ 20,968,900	\$ 322,711	0.55%	2
E&A Northeast Ltd. Prtn.	Realty Investment	\$ 13,506,300	\$ 257,430	0.31%	4	\$ 12,886,400	\$ 198,322	0.34%	5
TIAA Realty Inc.	Realty Investment	\$ 12,464,100	\$ 237,566	0.29%	5	\$ 12,810,500	\$ 197,154	0.34%	6
ND/Winrock Acton LLC	Office/R&D	\$ 11,880,800	\$ 226,448	0.28%	6	\$ -	\$ -	0.00%	-
Verizon New England, Inc.	Telecommunications	\$ 11,280,500	\$ 215,006	0.26%	7	\$ 7,840,700	\$ 120,668	0.21%	10
Atlantic Acton Realty Trust	Realty Investment	\$ 10,223,600	\$ 194,862	0.24%	8	\$ 10,954,200	\$ 168,585	0.29%	7
Seachange International Inc.	Manufacturer	\$ 8,264,300	\$ 157,518	0.19%	9	\$ 10,479,200	\$ 161,275	0.28%	8
Auto Dealers Exchange	Auto Sales	\$ 8,029,500	\$ 153,042	0.19%	10	\$ -	\$ -	0.00%	
Koll Bren LLP	Realty Investment	\$ -	\$ -	0.00%	-	\$ 37,013,000	\$ 569,630	0.97%	1
LB February 2005 Nagog LLC	Realty Investment	\$ -	\$ -	0.00%	-	\$ 15,257,500	\$ 234,813	0.40%	4
		<u>\$ 162,817,162</u>	<u>\$ 3,103,295</u>	<u>3.78%</u>		<u>\$ 155,251,351</u>	<u>\$ 2,389,318</u>	<u>4.08%</u>	

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Less Abatements & Exemptions Provided	(1) & (2)	(3)	Percentage of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	(4)
			Net Taxes Levied for the Fiscal Year	First Year Current Tax Collections				Percentage of Net Levy
2008	\$59,272,679	(\$605,267)	\$58,667,412	\$58,556,159	99.81%	\$63,851	\$58,620,010	99.92%
2009	\$62,008,247	(\$846,421)	\$61,161,826	\$60,958,789	99.67%	\$139,260	\$61,098,049	99.90%
2010	\$64,053,135	(\$558,253)	\$63,494,882	\$63,223,631	99.57%	\$51,047	\$63,274,678	99.65%
2011	\$65,825,191	(\$612,708)	\$65,212,483	\$64,819,703	99.40%	\$292,980	\$65,112,683	99.85%
2012	\$67,550,755	(\$615,641)	\$66,935,114	\$66,629,784	99.54%	\$293,782	\$66,923,566	99.98%
2013	\$70,271,125	(\$655,946)	\$69,615,179	\$69,362,198	99.64%	\$298,966	\$69,661,164	100.07%
2014	\$72,281,378	(\$745,041)	\$71,536,337	\$71,589,738	100.07%	\$342,926	\$71,932,664	100.55%
2015	\$74,404,617	(\$1,084,723)	\$73,319,894	\$73,813,295	100.67%	\$183,643	\$73,996,938	100.92%
2016	\$77,577,346	(\$942,864)	\$76,634,482	\$76,771,612	100.18%	\$249,824	\$77,021,436	100.50%
2017	\$80,632,463	(\$865,816)	\$79,766,647	\$79,598,879	99.79%	\$0	\$79,598,879	99.79%



Data Source:

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

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

Fiscal Year Ended June 30,	(1) Population	(2) Personal Income	(3) Assessed Valuation	Governmental Activities Debt									
				General Obligation Bonds	Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value					
2008	22,181	\$ 1,170,226,000	\$ 3,851,376,136	\$ 26,957,735	\$ -	\$ 1,215	2.30%	0.70%					
2009	21,908	\$ 1,085,528,000	\$ 3,751,255,130	\$ 25,178,708	\$ -	\$ 1,149	2.32%	0.67%					
2010	21,918	\$ 1,216,704,000	\$ 3,741,421,414	\$ 25,199,706	\$ -	\$ 1,150	2.07%	0.67%					
2011	22,071	\$ 1,245,096,000	\$ 3,640,773,825	\$ 23,189,830	\$ -	\$ 1,051	1.86%	0.64%					
2012	21,649	\$ 1,263,772,440	\$ 3,641,550,118	\$ 21,159,910	\$ -	\$ 977	1.67%	0.58%					
2013	21,564	\$ 1,282,729,027	\$ 3,679,116,507	\$ 21,353,305	\$ -	\$ 990	1.66%	0.58%					
2014	21,256	\$ 1,301,969,962	\$ 3,716,266,225	\$ 19,471,474	\$ -	\$ 916	1.50%	0.52%					
2015	21,366	\$ 1,182,757,662	\$ 3,905,754,158	\$ 17,249,750	\$ 87,685	\$ 811	1.47%	0.44%					
2016	22,031	\$ 1,219,570,067	\$ 4,034,183,348	\$ 15,063,024	\$ 263,706	\$ 696	1.26%	0.38%					
2017	21,445	\$ 1,326,351,805	\$ 4,230,454,513	\$ 14,898,290	\$ 166,974	\$ 703	1.14%	0.36%					

Fiscal Year Ended June 30,	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
2008	\$ 21,110,903	\$ -	\$ 48,068,638	\$ 2,167	4.11%	1.25%
2009	\$ 20,444,692	\$ -	\$ 45,623,400	\$ 2,082	4.20%	1.22%
2010	\$ 19,757,123	\$ -	\$ 44,956,829	\$ 2,051	3.69%	1.20%
2011	\$ 19,047,400	\$ -	\$ 42,237,230	\$ 1,914	3.39%	1.16%
2012	\$ 18,312,800	\$ -	\$ 39,472,710	\$ 1,823	3.12%	1.08%
2013	\$ 17,586,000	\$ -	\$ 38,939,305	\$ 1,806	3.04%	1.06%
2014	\$ 16,804,000	\$ -	\$ 36,275,474	\$ 1,707	2.79%	0.98%
2015	\$ 16,000,200	\$ 72,141	\$ 33,409,776	\$ 1,564	2.82%	0.86%
2016	\$ 15,164,400	\$ 48,738	\$ 30,539,868	\$ 1,386	2.50%	0.76%
2017	\$ 14,301,600	\$ 24,586	\$ 29,391,450	\$ 1,371	2.22%	0.69%

Data Source:

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

Town of Acton, Massachusetts
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2017

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Acton Boxborough Regional School District	\$ 12,915,000	88.75%	\$ 11,462,063
Lease Obligations			166,974
General Government Debt			14,898,290
Town Direct Debt			15,065,264
Total Direct and Overlapping Debt			\$ 26,527,327

Data Source:

Acton Boxborough Regional School District - based on regional school agreement

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

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Equalized Valuation (1)	\$ 3,909,227	\$ 4,102,028	\$ 3,988,811	\$ 3,988,811	\$ 3,858,860	\$ 3,858,860	\$ 3,865,006	\$ 3,865,006	\$ 4,306,413	\$ 4,306,413
Debt Limit - 5% Equalized Valuation	195,461	205,101	199,441	199,441	192,943	192,943	193,250	193,250	215,321	215,321
Less:										
Outstanding Debt Applicable to Limit (2)	(30,599)	(29,028)	(29,267)	(27,487)	(25,708)	(26,194)	(24,152)	(22,382)	(20,615)	(20,700)
Authorized and Unissued Debt (2)	<u>(876)</u>	<u>(3,897)</u>	<u>(2,265)</u>	<u>(2,265)</u>	<u>(4,317)</u>	<u>(1,499)</u>	<u>(1,345)</u>	<u>(1,345)</u>	<u>(1,345)</u>	<u>(1,547)</u>
Total Debt Applicable to Limitation	<u>(31,475)</u>	<u>(32,925)</u>	<u>(31,532)</u>	<u>(29,752)</u>	<u>(30,025)</u>	<u>(27,693)</u>	<u>(25,497)</u>	<u>(23,727)</u>	<u>(21,960)</u>	<u>(22,247)</u>
Legal Debt Margin	<u>\$ 163,986</u>	<u>\$ 172,176</u>	<u>\$ 167,909</u>	<u>\$ 169,689</u>	<u>\$ 162,918</u>	<u>\$ 165,250</u>	<u>\$ 167,753</u>	<u>\$ 169,523</u>	<u>\$ 193,361</u>	<u>\$ 193,074</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	16.10%	16.05%	15.81%	14.92%	15.56%	14.35%	13.19%	12.28%	10.20%	10.33%

Data Source:

- (1) MA Division of Local Services (DataBank)
- (2) Town's Finance Department

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

<u>Year</u>	(1) <u>Population</u>	(2) Personal <u>Income</u>	(3) Per Capita Personal <u>Income</u>	(3) Median <u>Age</u>	(4) School <u>Enrollment</u>	(2) Unemployment <u>Rate</u>
2008	22,181	\$ 1,170,226,000	\$ 52,758	37.80	5,028	4.00%
2009	21,908	\$ 1,085,528,000	\$ 49,549	37.80	5,028	5.50%
2010	21,918	\$ 1,216,704,000	\$ 55,512	41.90	5,075	5.90%
2011	22,071	\$ 1,245,096,000	\$ 56,413	40.80	5,051	5.50%
2012	21,649	\$ 1,263,772,440	\$ 58,376	40.80	4,968	4.30%
2013	21,564	\$ 1,282,729,027	\$ 59,485	40.80	4,928	4.50%
2014	21,256	\$ 1,301,969,962	\$ 61,252	40.80	4,822	3.90%
2015	21,366	\$ 1,182,757,662	\$ 55,357	40.80	4,779	3.20%
2016	22,031	\$ 1,219,570,067	\$ 55,357	41.90	4,676	2.80%
2017	21,445	\$ 1,326,351,805	\$ 61,849	43.10	4,854	2.90%

Data Source:

(1) Town Clerk

(2) Massachusetts Division of Local Services databank website and US census data

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

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

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

		2017			2008		
		Employees	Rank	Percentage of Town Employment	Employees	Rank	Percentage of Town Employment
Acton Boxborough Regional School (2)	Municipal School District	915	1	7.57%	-	-	-
Haartz Inc.	Manufacturing	287	2	2.37%	302	2	2.70%
Roche Bros. Inc.	Retail Trade	264	3	2.18%	241	3	2.16%
Town of Acton (3)	Municipality	215	4	1.78%	506	1	4.53%
Acton Medical	Health Care Services	197	5	1.63%	190	4	1.70%
Lifecare Center of Acton	Nursing and Rehabilitation Services	163	6	1.35%	165	5	1.48%
Idylwilde Farm	Agricultural/Retail	108	7	0.89%	98	9	0.88%
Donelan's Market	Grocery	110	8	0.91%	121	7	1.08%
Stop & Shop	Grocery	96	9	0.79%	90	10	0.81%
Honeywell/Data Instruments	Manufacturing	68	10	0.56%	150	6	1.34%
LMI Inc..	Manufacturing	-	-	-	102	8	0.91%
Total		<u>1,508</u>			<u>1,965</u>		
Total Employment for the Town of Acton (1)		<u>12,085</u>			<u>11,179</u>		

Data Source:
Official Statements

- (1) MA Division of Local Services DataBank
- (2) School Employees from Acton Boxborough Regional School District
- (3) In fiscal year 2015, the Town's school system was regionalized. As a result, all Town of Acton's school employees became employees of the Acton-Boxborough Regional School District.

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

Function	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government	39.95	40.70	38.95	37.95	39.34	39.34	40.43	28.36	28.15	43.10
Public Safety	90.25	92.40	91.98	92.18	92.18	91.78	97.18	97.40	97.40	101.18
Public Works	21.45	21.45	21.00	21.00	21.75	21.75	21.25	31.82	32.55	22.70
Education	307.80	318.80	316.50	316.40	327.00	339.30	331.30	0.00	0.00	0.00 (1)
Human Services	18.79	20.19	21.02	21.70	23.34	23.61	23.86	16.90	16.71	21.29
Culture and Recreation	15.69	16.27	18.22	18.56	18.96	18.67	18.90	29.97	30.34	19.23
Nursing	7.45	7.75	7.75	7.23	6.48	6.25	6.28	5.97	5.97	6.28
Sewer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.20
Total	502.38	518.56	516.41	516.01	530.04	541.69	540.19	211.42	212.11	214.98

Data Source:

Town - Budget Documents

School - Department of Secondary and Elementary Education website

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

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

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Finance										
Registered Voters	14,035	13,736	13,808	12,377	14,388	14,237	13,926	13,297	15,490	14,984
Taxable Property Parcels Assessed	8,562	8,598	8,604	8,701	8,719	8,745	8,834	9,067	9,136	9,131
Public Safety										
Police										
Physical Arrests	183	210	227	195	144	160	160	162	186	173
Traffic Violations	2,020	2,355	1,874	1,355	1,104	1,287	1,466	2,294	2,290	2,495
Fire and Rescue										
Emergency Responses	4,772	4,380	4,517	4,823	4,834	4,834	4,068	4,564	4,948	4,818
Fires Extinguished	94	74	93	87	90	71	35	39	51	38
Number of Inspections Conducted	677	730	720	729	722	944	772	755	960	826
Emergency Medical Responses	1,462	1,479	1,535	1,592	1,439	1,539	1,279	1,402	1,552	1,560
Building Inspection										
Building Permits	619	665	685	896	1,040	980	1,194	1,447	1,368	1,155
Estimated Construction Value (in Thousands)	35,648	22,812	24,824	33,345	39,005	40,228	51,262	36,730	35,706	34,003
Highways and Public Works										
Public Works										
Street Resurfacing (miles)	2	3	1	2	3	3	3	7	5	6
Salt Used (tons)	3,861	4,640	3,143	3,579	1,561	5,583	4,724	3,441	2,609	3,640
Sanitation										
Refuse Collected (tons)	N/A	3,584	3,784	3,672	3,640	3,513	3,535	3,408	2,411	2,163
Recycling (tons)	N/A	2,511	1,901	1,699	1,641	2,314	3,267	1,562	2,390	3,101
Sewage System										
Average Daily Sewage Treatment (Thousands of Gallons)	127,978	139,572	139,149	134,760	145,045	138,535	145,208	132,060	125,115	132,775
Number of House Connections	530	550	573	585	604	620	636	648	658	672
Human Services										
Senior Center										
Number of 60+ Residents per Town Census	3,495	3,511	3,717	3,938	4,060	4,210	4,344	4,489	4,815	4,870
Number of Elders Served	1,020	1,068	1,123	1,149	1,226	1,167	1,175	1,191	1,237	1,262
Number of Non-Seniors Served	220	245	210	112	94	61	21	29	49	51
Nursing Services										
Home Visits:										
Registered Nurse	1,883	1,652	1,714	1,623	1,489	1,673	1,207	1,258	1,887	1,582
Home Health Aide	2,659	2,431	1,545	2,190	1,983	2,073	1,586	1,547	1,621	806
Physical Therapy	1,390	1,257	1,360	1,158	1,192	1,194	534	481	581	537
Occupational Therapy	83	91	73	70	70	123	28	131	207	134
Speech Therapy	N/A	14	1	2	1	35	N/A	N/A	5	N/A
Medical Social Work	N/A	1	1	5	N/A	N/A	N/A	N/A	N/A	N/A
Total Home Visits	6,015	5,446	4,694	5,048	4,735	5,098	3,355	3,417	4,300	3,059
Health Promotion Activities:										
TB Testing	21	14	31	26	15	6	N/A	15	8	8
Blood Pressure Checks	235	720	776	402	595	806	798	718	355	781
Podiatry Clinic	292	420	381	381	255	285	289	182	180	188
Influenza Vaccinations	1,590	1,385	1,540	1,326	845	1,690	1,006	618	1,200	1,405
Other Vaccinations	66	140	124	23	17	27	17	24	35	66
H1N1 Vaccinations	N/A	4,000	N/A							
Culture and Recreation										
Public Library										
Volumes in Collections	161,250	164,181	167,872	166,734	179,188	192,073	191,500	200,573	244,952	263,927
Total Volumes Borrowed	609,947	665,137	686,737	679,790	658,938	634,492	580,323	562,385	559,544	539,528

Data Source:
Various Town Departments

N/A - Information not available

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

Function/Program	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Government										
Number of Buildings	15	15	17	17	17	15	15	15	17	17
Public Safety										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	5	5	5	5	5	5	5	5	6	6
Animal Control Facilities	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations	3	3	3	3	3	3	3	3	3	3
Number of Fire Trucks	12	12	12	12	12	12	12	12	12	12
Number of Ambulances	1	1	2	2	2	2	2	2	2	2
Education										
Number of Elementary Schools	4	4	4	4	4	4	4	0	0	0 (1)
Highway and Public Works										
Public Works										
Miles of Streets	107.3	107.3	107.5	108.3	108.3	108.4	108.4	108.4	108.4	108.4
Miles of Highways	10.3	10.3	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Number of Cemeteries	2	2	2	2	2	2	2	2	2	3
Number of Snow Plows	13	13	13	13	13	13	13	13	13	20
Human Services										
Council on Aging - Senior Center	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Land (Acreage)	30.25	30.25	30.25	30.25	32.25	32.25	32.25	32.25	32.25	32.25
Number of Playgrounds	7	7	6	6	6	5	6	6	6	7
Number of Ball fields	10	10	10	10	12	12	12	12	12	12
Number of Tennis Courts	2	2	2	2	2	2	2	2	2	2
Number of Public Beaches/Pools	1	1	1	1	1	1	1	1	1	1
Number of Libraries	2	2	2	2	2	2	2	2	2	2
Sanitation										
Landfill (Acreage)	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5	17.5
Sewer										
Miles of Sanitary Sewers	10.21	10.21	10.21	10.21	10.21	10.21	10.21	10.21	10.21	10.21
Number of Treatment Plants	1	1	1	1	1	1	1	1	1	1

Data Source:
Finance Department

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