



# Town of Acton, Massachusetts

## Popular Annual Financial Report

### Fiscal Year ending June 30, 2023

#### About the “PAFR”

As part of Acton’s commitment to keeping residents informed about how tax dollars are invested, the Town is pleased to present this Popular Annual Financial Report (PAFR).

This PAFR presents a summary of financial information from the following sources: FY23 Annual Comprehensive Financial Report (ACFR), Annual Town Budgets, Middlesex County Retirement System Actuarial Valuation, Acton OPEB Actuarial Valuation, Public Employee Retirement Administration Commission, and the Commonwealth of Massachusetts Division of Local Services.

The intent is that the information presented in this PAFR will allow the reader to better understand the Town’s finances.

Additional financial documents can be found at [actonma.gov/budget](https://actonma.gov/budget)

#### About Acton

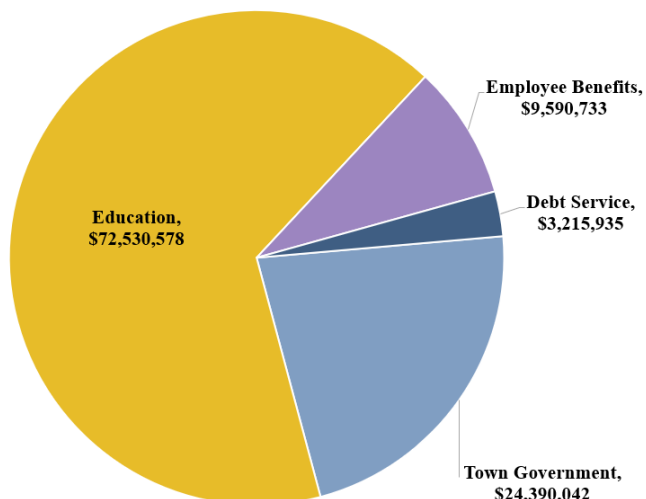
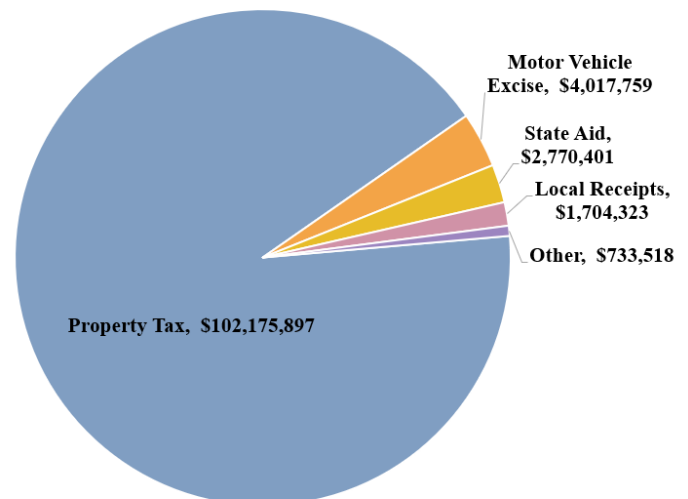
The Town of Acton was incorporated in 1735 and is located in Middlesex County, approximately 21 miles northwest of Boston. With over 24,000 residents, Acton is primarily a bedroom community with more than ninety percent of real estate tax generated from residential properties. Acton is known for its rich history, recreational and conservation assets, and high-quality municipal services, highlighted by K-12 education provided by the Acton-Boxborough Regional School District and Minuteman Regional Vocational Technical High School.

An Open Town Meeting, in which every Acton registered voter may participate, serves as the Town’s legislative body. An elected Select Board establishes policy to be implemented by an appointed Town Manager, who directs the Town’s day-to-day operations. School Committees oversee the two school districts, which are managed by School Superintendents.

## General Fund Revenues & Expenditures

(stated on a GAAP basis)

**Revenues:** Property taxes are the single largest revenue source for Acton comprising 92% of annual general fund revenue. Motor Vehicle Excise Tax and State Aid account for 6% of revenues. Local Receipts (closely tied to economic activity) and Other comprise the remaining 2% of revenue.



**Expenditures:** A large majority (66%) of General Fund expenditures goes to the Schools (Acton-Boxborough Regional School District and Minuteman Regional Vocational Technical High School). Services provided by the Town Government make up 22% of expenditures; Employee Benefits, 9%; and Debt Service, 3%.

# General Fund Financial Statements

Balance Sheet					
		FY23	FY22	Amount Change	Percent Change
Assets: Resources owned	← <u>Assets</u>				
	Cash and Short-Term Investments	\$ 14,121,090	\$ 12,869,247	\$ 1,251,843	9.73%
	Investments				
	Receivables	\$ 2,230,303	\$ 3,235,030	\$ (1,004,727)	-31.06%
	Other	\$ 856,529	\$ 1,256,483	\$ (399,954)	-31.83%
	<b>Total Assets</b>	<b>\$ 17,207,922</b>	<b>\$ 17,360,760</b>	<b>\$ (152,838)</b>	<b>-0.88%</b>
Liabilities: amounts owed	← <u>Liabilities</u>				
	Warrants Payable	\$ 512,394	\$ 330,957	\$ 181,437	54.82%
	Accrued Liabilities	\$ 733,815	\$ 606,465	\$ 127,350	21.00%
	Other	\$ 215,329	\$ 150,329	\$ 65,000	43.24%
	<b>Total Liabilities</b>	<b>\$ 1,461,538</b>	<b>\$ 1,087,751</b>	<b>\$ 373,787</b>	<b>34.36%</b>
Deferred Inflows: resources to be recognized in the future	← <u>Deferred Inflows</u>				
	Taxes Paid in Advance		\$ 94,639	\$ (94,639)	9.73%
	Unavailable Revenue	\$ 2,739,006	\$ 3,782,122	\$ (1,043,116)	9.73%
	<b>Total Deferred Inflows</b>	<b>\$ 2,739,006</b>	<b>\$ 3,876,761</b>	<b>\$ (1,137,755)</b>	<b>9.73%</b>
Fund Balance: reserves	← <u>Fund Balance</u>				
	Committed	\$ 521,691	\$ 421,835	\$ 99,856	23.67%
	Assigned	\$ 2,148,725	\$ 2,378,915	\$ (230,190)	-9.68%
	Unassigned	\$ 10,336,962	\$ 9,595,498	\$ 741,464	7.73%
	<b>Total Fund Balance</b>	<b>\$ 13,007,378</b>	<b>\$ 12,396,248</b>	<b>\$ 611,130</b>	<b>4.93%</b>
	<b>Total Liabilities, Deferred Inflows &amp; Fund Balance</b>	<b>\$ 17,207,922</b>	<b>\$ 17,360,760</b>	<b>\$ (152,838)</b>	<b>-0.88%</b>

## Balance Sheet Summary

- Fund balances have specific restrictions:
  - Committed (by Town Meeting, for example: stabilization funds)
  - Assigned (for example: purchase orders approved by the Town Manager)
  - Unassigned (available for appropriation)
- Committed fund balances contain self-imposed constraints on spending. Most of the committed funds are warrant articles or continuing appropriations authorized by Town Meeting. In FY23, the committed fund balance included funding for Stormwater Management, Dam Management, and a Net Zero Vehicle replacement program, among other initiatives. FY23 committed funds were approximately 24% higher than in FY22

Statement of Revenues, Expenditures, and Changes in Fund Balance					
		FY23	FY22	Amount Change	Percent Change
<u>Revenues</u>					
Property Tax	✓	\$ 102,175,897	✓ \$ 97,988,480	\$ 4,187,417	4.27%
Motor Vehicle Excise		\$ 4,017,759	\$ 3,755,408	\$ 262,351	6.99%
State Aid		\$ 2,770,401	\$ 2,725,655	\$ 44,746	1.64%
Local Receipts		\$ 1,704,323	\$ 1,732,644	\$ (28,321)	-1.63%
Other		\$ 733,518	\$ 237,994	\$ 495,524	208.21%
<b>Total Revenue</b>		<b>\$ 111,401,898</b>	<b>\$ 106,440,181</b>	<b>\$ 4,961,717</b>	<b>4.66%</b>
<u>Expenditures</u>					
Town Government	✓	\$ 24,390,042	✓ \$ 26,327,091	\$ (1,937,049)	-7.36%
Education		\$ 72,530,578	\$ 69,733,801	\$ 2,796,777	4.01%
Employee Benefits	✓	\$ 9,590,733	✓ \$ 9,091,202	\$ 499,531	5.49%
State and County Charges		\$ 336,421	\$ 337,883	\$ (1,462)	-0.43%
Debt Service		\$ 3,215,935	\$ 3,356,482	\$ (140,547)	-4.19%
<b>Total Expenditures</b>		<b>\$ 110,063,709</b>	<b>\$ 108,846,459</b>	<b>\$ 1,217,250</b>	<b>1.12%</b>
<u>Other Financing Sources (Uses)</u>					
Right to use lease financing		\$ -	\$ 2,541,726	\$ (2,541,726)	-100.00%
Transfers In		\$ 226,561	\$ 664,329	\$ (437,768)	-65.90%
Transfers Out		\$ (953,620)	\$ (508,856.00)	\$ (444,764)	87.40%
<b>Total Other Financing</b>		<b>\$ (727,059)</b>	<b>\$ 2,697,199</b>	<b>\$ (3,424,258)</b>	<b>-126.96%</b>
<b>Changes in Fund Balance</b>		<b>\$ 611,130</b>	<b>\$ 290,921</b>	<b>\$ 320,209</b>	<b>110.07%</b>
<u>Fund Balance</u>					
Beginning of Year		\$ 12,396,248	\$ 12,105,327	\$ 290,921	2.40%
<b>End of Year</b>		<b>\$ 13,007,378</b>	<b>\$ 12,396,248</b>	<b>\$ 611,130</b>	<b>4.93%</b>
Excess/Deficiency		\$ 1,338,189	\$ (2,406,278)	\$ 3,744,467	-155.61%

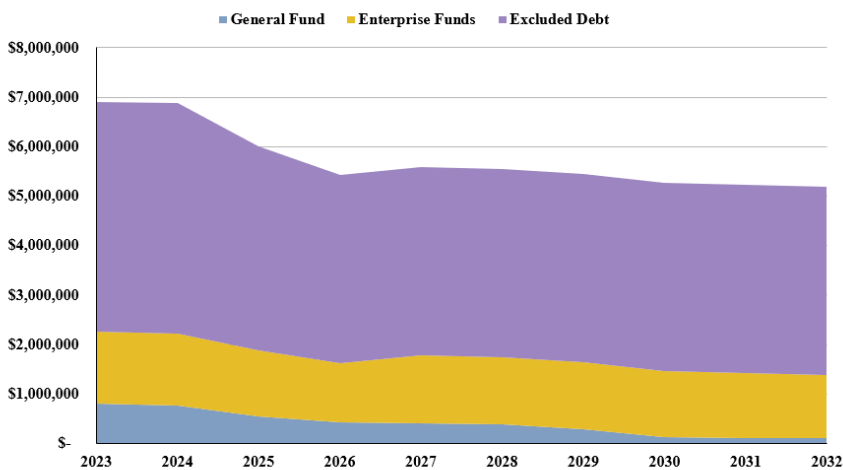
## Statement of Revenues, Expenses, & Changes in Fund Balance

- Total revenues increased by \$4.9 million from FY22 to FY23
- The increase in property tax revenue was \$4.19 million or 4.27%.
- FY23 Local Receipts, which mainly include revenues from licenses and fees, as well as Motor Vehicle Excise taxes, experienced a strong increase with approximately \$234,000 more collected in FY23 than in FY22.
- Fund balance remains strong at about \$12.4 million, more than 11% of total expenditures. Fund balance is one the reasons for Acton's AAA credit rating—a strong credit rating allows communities to borrow money at more advantageous rates and terms, a helpful tool for future capital projects.

# Major Liabilities

Liabilities are commitments the Town has made and will eventually have to pay. The three major liabilities for communities are generally: Debt, Pension, and Other Post Employment Benefits (OPEB). These liabilities are important to monitor as they can place a burden on future taxpayers if not addressed with a responsible funding plan. Accounting standards are also beginning to require municipalities to fully account for bonds payable, net pension liability, and new OPEB liability.

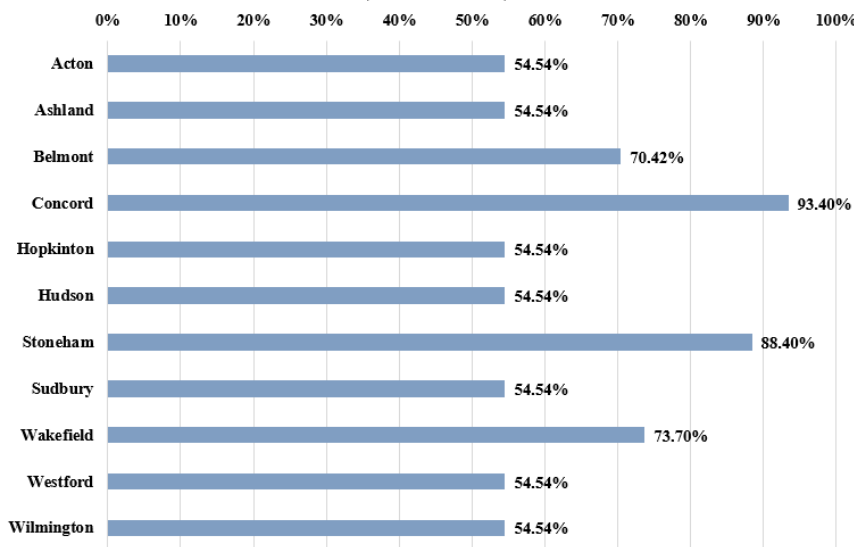
Annual Debt Service for Long-Term Obligations



## Debt

- The Town borrows money to pay for various capital projects, including the construction of new schools, fire stations, renovations of existing facilities, and the purchase of heavy equipment.
- The chart to the left shows the future repayment of debt that has been issued as of June 30, 2023
- Source: *FY23 Annual Comprehensive Financial Report, Town Manager's FY25 Recommended Budget*

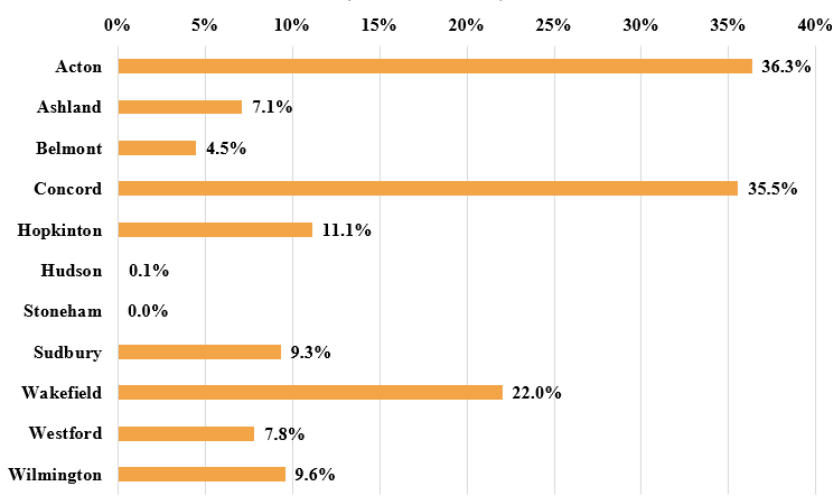
Pension Funded Ratios  
(as of 12/31/2022)



## Pension

- Acton is a member of the Middlesex County Retirement System
- Acton's pension plan is 54.54% funded as of January 1, 2022 and is projected to be fully funded by 2036.
- As of January 1, 2022, the Actuarial Value of Assets is \$64 million.
- The Actuarial Accrued Liability is \$115.8 million with an Unfunded Accrued Liability (the difference between the pension assets and liabilities) of \$52 million.
- Source: *Pension Actuarial Valuation (January 1, 2022), MA DOR Division of Local Services Data Bank*

OPEB Funded Ratios  
(as of 12/30/2021)



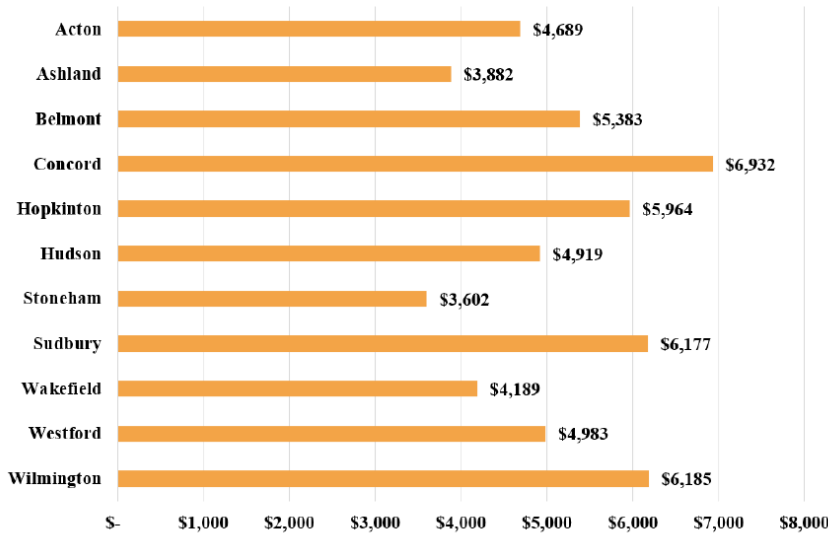
## OPEB

- Other Post Employment Benefits (OPEB) represents the Town's liability for the cost of healthcare benefits to be received by the Town's retirees
- To comply with new accounting standards, the Town established the OPEB Trust Fund in 2015
- The Plan is 40.7% funded as of December 31, 2022 and is projected to be fully funded by 2034.
- As of June 30, 2023, the Trust Fund assets are valued at \$9.3 million.
- The Actuarial Accrued Liability is \$22.9 million with an Unfunded Actuarial Accrued Liability of \$13.6 million.
- Source: *Town of Acton Actuarial Valuation and Review of Other Post Employment Benefits (OPEB) measured at December 31, 2022.*

# Spending and Taxes

Having proper levels of spending and taxes is crucial towards ensuring that a municipality remains fiscally sustainable and able to respond to community needs. The following information shows how Acton compares with neighboring communities in terms of total per capita spending, average residential tax bills, and annual budget growth. Metrics are benchmarked against comparable communities located in Middlesex County with an Open Town Meeting form of government and a population between 18,000 and 30,000.

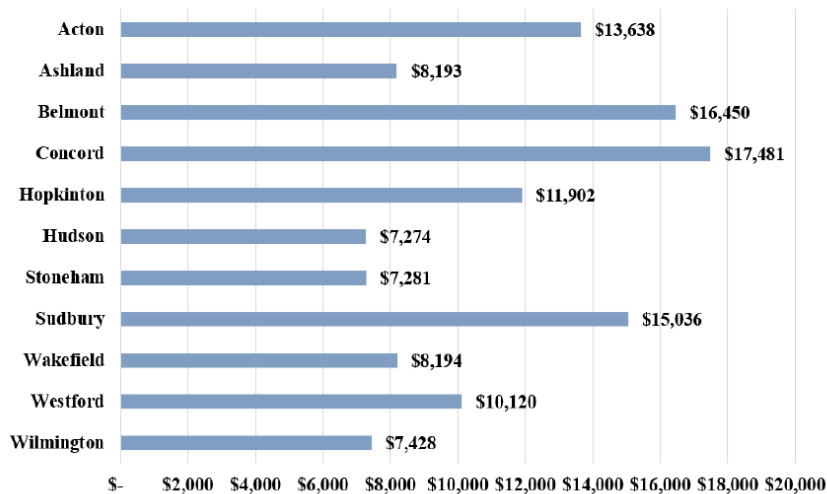
**Expenditures per Capita (FY23)**



## Per Capita Spending

- Total per capita spending is determined by using the most recent numbers posted to the Mass. Department of Revenue's Division of Local Services (DLS) databank reports.
- Population and expenditure numbers are based on Fiscal Year 2023.
- The chart to the left demonstrates that with spending of \$4,689 per person, Acton ranks in the normal range of the comparison group.
- Source: *MA DOR Division of Local Services Databank*

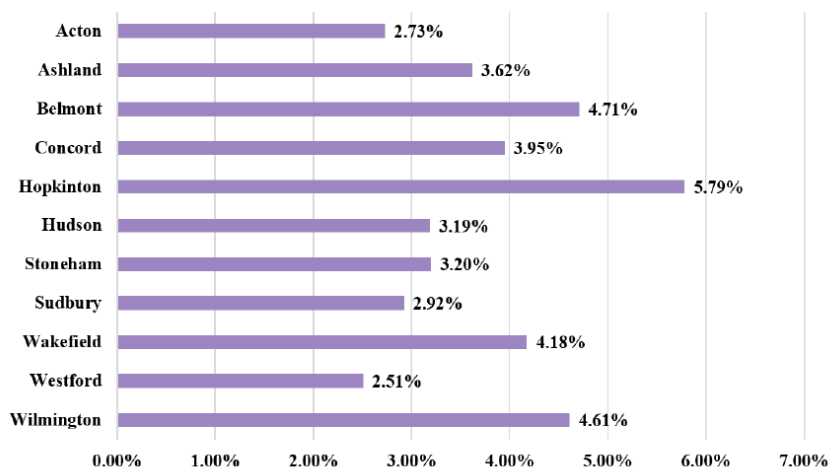
**Average Single Family Tax Bill (FY23)**



## Average Single Family Tax Bill

- The average single-family tax bill metric is used to measure budgetary impact on taxpayers.
- The chart to the left demonstrates that Acton's average single-family tax bill of \$13,638 ranks in the median of the comparison group.
- Source: *MA DOR Division of Local Services Databank*

**10-Year Compound Annual Budget Growth (FY14-FY23)**



## Compound Annual Budget Growth

- The annual growth of a municipal budget can vary depending on service levels, new projects and initiatives, and community priorities.
- The 10-year compound annual budget growth rate can be used to measure a community's spending over a longer period of time rather than year-over-year.
- The chart to the left shows how Acton's 10-year annual growth rate compares amongst similar communities.
- Source: *MA DOR Division of Local Services Databank*



# Capital Initiatives

Municipal governments are responsible for the acquisition and maintenance of capital assets on behalf of the community. Assets are defined by the Massachusetts Department of Revenue as the “community-owned collection of significant, long-lasting, and expensive real and personal property, such as land, buildings, equipment, infrastructure and rolling stock.” To maintain and replace assets, governments are encouraged to develop Capital Improvement Plans (CIP) to identify current and future capital needs, associated costs, and funding sources. In Fiscal Year 2021, the Town created its first CIP, identifying more than \$68 million in capital needs. Future updates to capital plans may be found by visiting the Town Manager’s webpage located at [actonma.gov/townmanager](https://actonma.gov/townmanager)

## **Former River Street Dam**

At the 2016 Special Town Meeting, the Town acquired 53 River Street, a 7.26 acre former industrial site which borders the Fort Pond Brook and contains a riverfront, wetlands, 2.5 acres of upland, and the remnants of a mill and dam dating back to the mid-1800s. The Town received a \$1.4 million grant from the Massachusetts Executive Office of Energy and Environmental Affairs’ (EEA) Dam and Seawall Repair or Removal Program to help fund removal of the dam. Removal was completed in Fall 2023, allowing for the Town to move forward with the creation of a historic park.



*Pictured above: 53 River Street prior to the removal of the dam.*



*Pictured above: 53 River Street following the removal of the dam in Fall 2023*

## **Gardner Field Playground**

In September 2023, the Town of Acton, community members, Senator Eldridge, Representative Sena, Representative Cataldo, and Congresswoman Trahan’s Office celebrated the reopening of the Gardner Playground with a ribbon cutting ceremony. The project was a true community effort as it received funding from Community Preservation Act funds, the Friends of Gardner Field, a State Earmark, American Rescue Plan Act (ARPA) funding, and Town funds. The park features a universally-designed playground with accessible equipment, as well as additional parking to serve the West Acton community and to accommodate community events.



*Pictured left: Nearly completed Gardner Field Playground, featuring accessible play equipment*

