

TOWN OF ACTON, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Fiscal Year Ended
June 30, 2015

On the Cover:

The Acton Memorial Library has a rich tradition of meeting the diverse needs of its patrons. William Allan Wilde built the library in 1890. The original red brick and brownstone building housed a collection of 3,973 books and served a community of about 1,900 people. In 1967 the library was expanded with an addition by local architect Joseph Schiffer to enable the library to provide services for approximately 10,000 people and to hold a collection of 40,000 books.

At Town Meeting in 1996, Acton citizens voted overwhelmingly to approve an article to expand the library from 10,000 to 30,000 square feet. The expanded building, designed to accommodate 102,000 books, included more space for people, collections, and computers, a much larger Children's Room, two meeting rooms, and increased parking. The expanded library opened its doors to the public in February, 1999.



Open year round, NARA Park is a relatively new park off Rt. 27 in Acton, MA. This is a beautiful place to bring your family for some summer fun. It's never too hot here, as there always seems to be the perfect breeze to make things just right.

During the summer, the beach portion has variety of boats (canoes, paddleboats) that can be rented for a small charge. The remaining park & playground area is free during the summer.

There is a reasonably priced concession stand that provides hot dogs & pizza and various ice creams and snacks. There is a nice deck with umbrella table seating as well as covered seating. They have nice restrooms and outdoor showers for hosing off.

The Park has a playground and large tented area in the summer which can be rented for outings, along with a smaller pavilion area. There is an amphitheater which has many concerts throughout the summer, including the weekly summer concert series. The amphitheater is, also, available for rental. The bowl of the amphitheater holds 3,000+/- people.

NARA Park has multiple-fields for sports. The Park has a one mile trail that goes around the perimeter which is great for running or walking.



Truly an elegant structure, the historic 1860 Exchange Hall is listed on the National Register of Historic Places and is one of Acton's most important buildings both historically and architecturally. It is an elaborate example of the Bracketed-Italianate style architecture.

For over 150 years, Exchange Hall has been a vital part of the economic and social life of Acton. Acton was a dancing town and the third floor was intended for community use.

Exchange Hall provided a meetinghouse for South Acton's first religious society from 1861-1878, and hosted lectures by Henry David Thoreau in the 1860's and Henry Ward Beecher in the 1870's. It was the site of many visits by John "Honey Fitz" Fitzgerald, ex-mayor of Boston, congressman and grandfather of President Kennedy. Honey Fitz sang "Sweet Adeline" from the hall stage on many occasions. He and Mary Josephine "Josie" Hannon, from Acton, were the parents of Rose Fitzgerald Kennedy.

With the building's restoration in 2009, Exchange Hall continues the tradition by offering the hall for private or public dances, social gatherings, concerts, lectures and classes. A spring dance floor, installed in the late 1800's, has never needed repair.

Town of Acton, Massachusetts



Comprehensive Annual Financial Report

*For the Fiscal Year
July 1, 2014 through June 30, 2015*

Prepared by the Finance Department

Town of Acton, Massachusetts
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2015
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INTRODUCTORY SECTION



Town of Acton

*472 Main Street
Acton, MA 01720*

(978) 929-6624 Telephone

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

Letter of Transmittal

December 21, 2015

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, 2015 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, 2015 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 unqualified opinion that the Town of Acton's financial statements for the fiscal year ended June 30, 2015 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 \$500,000 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 21,366. 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. Effective July 1, 2014, the Town's kindergarten through grade six public schools system joined the Acton-Boxborough Regional School District. As of that date, all of the Town's educational services are provided by the Acton-Boxborough Regional School District. The complete 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 approximately 12.5% of the Towns assessed value. The Town has approximately 827 private businesses within its boundaries that employ approximately 8,631 employees. Businesses within the borders of Acton provide an estimated \$500,394,405 in wages. Service industries comprise the vast majority of business in Acton (728) with Professional and Business Services and Financial Activities companies leading the way (223). Based on data from the U.S Census, the Town of Acton's median household income (\$120,865) is considerably higher than the average in Massachusetts (\$67,846). In addition, the Town of Acton continues to experience unemployment rates well below state, county and national averages.

The Town's residential assessed values have risen in each of the last four fiscal years to its highest value ever, after a decline from its previous high water mark in 2008. The Building Department issued 1,447 building permits in 2015 worth an estimated construction value of over \$36.7 million. The number of permits issued represents a ten year high.

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 \$8.2 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 2015, property taxes were 88% of the revenues. In the previous nine fiscal years, property taxes have represented between 73% and 75% of the governmental fund revenues. In fiscal year 2015, intergovernmental revenues represented 7.8% of the governmental fund revenues, while Intergovernmental revenues have fluctuated between 14% and 17% of governmental fund revenues during the prior nine fiscal years. The change in percentages is the result of the regionalization of the school system, not a higher reliance on property taxes. Beginning in fiscal year 2015, the local general fund education aid from the Commonwealth of Massachusetts and the special revenue fund state/federal education grants (previously received by the Town of Acton) were revenues of the Acton-Boxborough Regional School District. As a result, the total revenues of the Town Acton decreased and the property tax revenues percentage of total revenues increased. The reduction in education grant revenues caused the change in the intergovernmental percentage.

The Town's other postemployment benefits (OPEB) unfunded actuarial accrued liability has declined significantly to \$21.7 million from \$31.2 million according to the latest actuarial study. 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 to 7.75% from 6.25% and larger than anticipated contributions to the OPEB Trust were other factors in the decrease.

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 & Poors and Moodys. 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

The Town's overall debt position is favorable and the Town's debt service carrying charges have been very low at less than 4% of total governmental expenditures in each of the past five fiscal years.

Awards and Acknowledgements

The Town has led in the formation of CrossTown Connect, a transportation management association, consisting of 5 public partners (Acton, Boxborough, Littleton, Maynard and Westford) and 5 private partners (Guitierrez Company, IBM, Juniper Networks, Mill and Main and Red Hat). Together these partners are implementing programs that address the transportation needs of Seniors, People With Disabilities, Commuters, Reverse Commuters, Special Populations and the General Public. CrossTown Connect was recognized this year by the International City/County Managers Association with a Community Partnership Award. This award recognizes programs or processes that demonstrate innovation, excellence, and success in multi-participant involvement between or among a local government and other governmental entities, private sector businesses, individuals, or nonprofit agencies to improve the quality of life for residents or provide more efficient and effective services.

For the sixth year the Acton Nursing Service has been recognized by Home Care Elite as one of the top home care providers in the country. HomeCare Elite is an annual compilation of the most successful home care providers in the United States. This market-leading review, from OCS HomeCare by National Research Corporation and DecisionHealth, names the top 25 percent of agencies in home health performance measures. The Acton Nursing Service is one of only two public home care providers in Massachusetts and exemplifies the town's commitment to care for its most vulnerable populations.

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, 2014. This was the first 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.

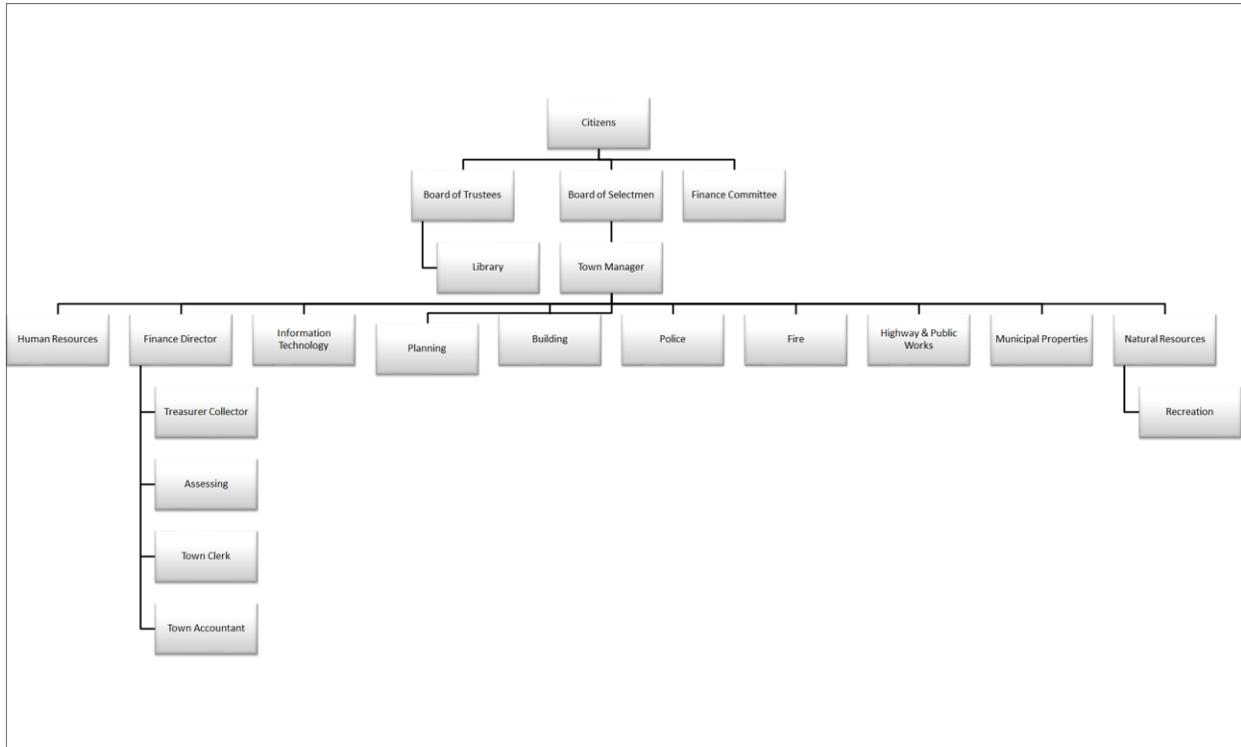
The publication of this CAFR represents an important achievement by the Town of Acton to provide enhanced financial information to its citizens, elected and appointed officials and investors. The preparation of this report would not have been possible without the efficient and dedicated services of the 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 Organization Chart



Town of Acton, Massachusetts

Principal Officials

Title	Name	Term Expires
Chair, Board of Selectmen	Katherine E. Green	2016
Vice - Chair, Board of Selectmen	Peter Berry	2017
Clerk, Board of Selectmen	Janet K. Adachi	2016
Member, Board of Selectmen	Chingsung Chang	2018
Member, Board of Selectmen	Frances J. Osman	2017
Chair, Finance Committee	Michael F. Majors	2016
Vice Chair, Finance Committee	Margaret W. Busse	2017
Clerk, Finance Committee	Doug Tindal	2017
Finance Committee Member	Roland Bourdon	2016
Finance Committee Member	Stephen R. Noone	2016
Finance Committee Member	Shuyu Lee	2017
Finance Committee Member	Jason Cole	2018
Finance Committee Member	Bob Evans	2018
Finance Committee Member	Dave Wellinghoff	2018
Town Manager	Steven Ledoux	2017
Assistant Town Manager	Mark Hald	N/A
Finance Director	Stephen Barrett	N/A
Assistant Finance Director	Brian McMullen	N/A
Town Accountant	Lisa Krause	2016
Police Chief	Frank Widmayer, III	N/A
Fire Chief	Patrick Futterer	N/A
Town Clerk	Eva Szkaradek	2017



Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**Town of Acton
Massachusetts**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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, 2015, 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, 2015 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 December 21, 2015, 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
December 21, 2015

Town of Acton, Massachusetts
Management's Discussion and Analysis
Required Supplementary Information
June 30, 2015

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, 2015.

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 \$101,697,083 (*net position*).
- The government's total net position decreased by \$23,319,927 (not including the prior period adjustment). The Governmental Activities decreased by \$21,370,170 or 15.0%. The business type activities decreased by \$1,949,757 or 8.8%. The significant decrease in the net position of the governmental activities resulted, primarily (i.e. \$22,473,561) from the transfer of operations of the elementary school system to the Acton-Boxborough Regional School District. In accordance with the regionalization agreement, ownership of school capital assets (including buildings) was transferred to the Acton-Boxborough Regional School District.
- A prior period adjustment related to the implementation of GASB Statement #68, *Accounting and Financial Reporting for Pensions an amendment of GASB #27*, was made that reduced the beginning balance net position by \$39,712,176.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$12,292,571, or 14.5% of total general fund expenditures.
- The Town of Acton, Massachusetts' total general obligation bonds payable decreased by \$3,025,524 or 8.3% during the current year. The change is attributed to a decrease in the Governmental Activities (\$2,221,724 or 11.4%) and a decrease in the Business-type Activities (\$803,800 or 4.8%). 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, nursing services 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 three 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, nursing services 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. All three 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. The fiscal year 2014 amounts were adjusted to reflect the prior period adjustments.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 41,927,076	\$ 43,935,605	\$ 19,304,597	\$ 21,566,183	\$ 61,231,673	\$ 65,501,788
Capital Assets	115,554,418	138,096,255	17,211,564	17,916,535	132,765,982	156,012,790
Total Assets	<u>157,481,494</u>	<u>182,031,860</u>	<u>36,516,161</u>	<u>39,482,718</u>	<u>193,997,655</u>	<u>221,514,578</u>
Deferred Outflows of Resources	561,546	481,250	-	-	561,546	481,250
Current Liabilities	4,425,821	4,755,506	1,014,249	997,451	5,440,070	5,752,957
Long Term Liabilities	72,160,754	74,923,469	15,238,794	16,272,392	87,399,548	91,195,861
Total Liabilities	<u>76,586,575</u>	<u>79,678,975</u>	<u>16,253,043</u>	<u>17,269,843</u>	<u>92,839,618</u>	<u>96,948,818</u>
Deferred Inflows of Resources	22,500	30,000	-	-	22,500	30,000

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net Position:						
Net Investment in Capital Assets	109,815,077	128,335,782	1,211,364	1,112,535	111,026,441	129,448,317
Restricted	13,995,847	14,911,665	-	-	13,995,847	14,911,665
Unrestricted	(42,376,959)	(40,443,312)	19,051,754	21,100,340	(23,325,205)	(19,342,972)
Total Net Position	<u>\$ 81,433,965</u>	<u>\$ 102,804,135</u>	<u>\$ 20,263,118</u>	<u>\$ 22,212,875</u>	<u>\$ 101,697,083</u>	<u>\$ 125,017,010</u>

The net position of the Town decreased by \$23,319,927.

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 2,757,277	\$ 4,216,819	\$ 1,823,220	\$ 1,877,294	\$ 4,580,497	\$ 6,094,113
Operating Grants and Contributions	5,265,591	13,129,117	883,849	904,881	6,149,440	14,033,998
Capital Grants and Contributions	446,212	542,488	-	-	446,212	542,488
General Revenues:						
Property Taxes	75,074,955	72,978,287	-	-	75,074,955	72,978,287
Motor Vehicle and Other Excises	3,239,547	2,919,465	-	-	3,239,547	2,919,465
Intergovernmental Not Restricted to a Specific Program	1,321,715	1,302,663	-	-	1,321,715	1,302,663
Other	543,976	484,763	-	-	543,976	484,763
Total Revenues	<u>88,649,273</u>	<u>95,573,602</u>	<u>2,707,069</u>	<u>2,782,175</u>	<u>91,356,342</u>	<u>98,355,777</u>
Expenses						
General Government	8,578,307	8,593,144	-	-	8,578,307	8,593,144
Public Safety	8,754,650	8,201,547	-	-	8,754,650	8,201,547
Education	53,013,169	62,551,163	-	-	53,013,169	62,551,163
Highways and Public Works	4,784,065	4,297,273	-	-	4,784,065	4,297,273
Human Services	2,688,262	2,632,642	-	-	2,688,262	2,632,642
Culture and Recreation	1,984,760	2,427,419	-	-	1,984,760	2,427,419
Employee Benefits and Insurance	8,436,224	7,563,997	-	-	8,436,224	7,563,997
Debt Service	519,120	867,672	-	-	519,120	867,672
Sanitation	-	-	614,092	647,494	614,092	647,494
Sewer	-	-	2,315,422	2,255,755	2,315,422	2,255,755
Nursing	-	-	514,637	519,188	514,637	519,188
Total Expenses	<u>88,758,557</u>	<u>97,134,857</u>	<u>3,444,151</u>	<u>3,422,437</u>	<u>92,202,708</u>	<u>100,557,294</u>
Increase (Decrease) in Net Position						
Before Special Items and Transfers	(109,284)	(1,561,255)	(737,082)	(640,262)	(846,366)	(2,201,517)
Reassignment of Assets	169,113	-	(169,113)	-	-	-
Assumption of Long Term Liabilities	(199,927)	-	199,927	-	-	-
Special Items	(22,473,561)	-	-	-	(22,473,561)	-
Transfers In (Out)	1,243,489	(135,000)	(1,243,489)	135,000	-	-
Increase (Decrease) in Net Position	<u>(21,370,170)</u>	<u>(1,696,255)</u>	<u>(1,949,757)</u>	<u>(505,262)</u>	<u>(23,319,927)</u>	<u>(2,201,517)</u>
Net Position - Beginning as Restated	<u>102,804,135</u>	<u>104,500,390</u>	<u>22,212,875</u>	<u>22,718,137</u>	<u>125,017,010</u>	<u>127,218,527</u>
Net Position - Ending	<u>\$ 81,433,965</u>	<u>\$ 102,804,135</u>	<u>\$ 20,263,118</u>	<u>\$ 22,212,875</u>	<u>\$ 101,697,083</u>	<u>\$ 125,017,010</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 \$101,697,083.

By far, the largest portion of the Town of Acton, Massachusetts' net position (\$111,026,441) 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. The decrease in the governmental activities net investment in capital assets was due to the transfer of ownership of school capital assets to the Acton-Boxborough Regional School District.

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 \$23,325,205) 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 \$21,370,170 (not including the prior period adjustment). Key elements of this change are as follows:

Additional Pension Expense (GASB 68)	(1,199,531)
Transfer of Operations - Elementary	
School to Regional School District	(22,473,561)
Other	2,302,922
Total	<u>\$ (21,370,170)</u>

The deficit (\$42,376,959) in the Unrestricted Net Position in the governmental activities is primarily a result of reporting the Town's Net Pension Liability (\$41,050,336) and the Other Post Employment Benefits liability (\$13,918,516).

In fiscal year 2015, property taxes accounted for approximately 85% of the revenues. In fiscal years 2014 and 2013 they accounted for 76% and 72 %, respectively, of the revenues. The significant % increase in fiscal year 2015 as compared to the other years is due to the regionalization of the elementary school system. In previous years, local education and state/federal education grants were received by the Town. In fiscal 2015, those revenues were received by the Acton-Boxborough Regional School. Therefore, the property taxes were a higher percentage of the revenues.

Business Type Activities

The net position of the Business Type Activities decreased by \$1,212,675. Key elements of this change are as follows:

The net position of the Sanitation Fund decreased by \$1,294,881. This occurred because reserves were utilized and transferred out for capital items (\$311,000) for other post employment benefit funding (\$674,845) and to meet other budgetary requirements (\$343,118). Fiscal year 2015 operating revenues and expenditures met expectations.

The net position of the Sewer Fund decreased by \$491,745. Revenues increased by 2.1% while expenditures increased by 2.6%. The primary reason for the decrease in net position is the depreciation on infrastructure that was purchased by capital grants.

The Town established the nursing enterprise fund in order to provide financial data about the profitability of the nursing services. Over the years, the Town has supplemented the enterprise fund. The operating loss for fiscal year 2015 was \$280,114. Revenues decreased \$81,107 or 25.6%. The decrease is a result of a market change in reimbursement coverage for nursing services. As insurance reimbursements and federal/state funding declined, the Town's supplement has increased. As a result, the Town voted to close the nursing enterprise fund to the general fund as of June 30, 2015. In future years, the nursing services will be reported as a department in the general fund.

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 \$28,954,277. This represents a decrease of \$1,850,404 from the prior fiscal year. Key elements to the change are as follows:

- The fund balance in the general fund increased by \$1,141,592 during the current fiscal year. The major reason for the increase was that substantially all revenue categories outperformed their budgets.
- The fund balance of the Community Preservation fund increased by \$142,682. The increase is the result raising revenues in fiscal year 2015 for projects that will begin in future years.
- The fund balance in the capital projects fund decreased by \$1,395,503 due to the expenditure of funds borrowed in prior fiscal years.
- The fund balance in the non major special revenue funds decreased by \$1,797,976. The most significant portion of the decrease (\$706,850) was related to the loss on the transfer of operations of the Acton Public Elementary School System to the Acton-Boxborough Regional School District. In addition, the commuter parking special revenue fund utilized its reserves (\$397,556) for related projects and an ambulance was purchased (\$229,816) with special revenue reserves. 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 \$58,801 due to significant earnings on investments and new contributions during the fiscal year.

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 \$12,292,571 while total fund balance was \$16,850,984. 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 14.5% of total general fund expenditures, while total fund balance represents approximately 19.9% of that same amount.

Other General Fund Highlights

- The Town utilized \$416,037 of its unassigned fund balance to fund the current year’s budget. However, the results of operations replenished the Town’s unassigned fund balance.
- The Towns revenues exceeded their budget by \$1,550,886. A significant portion of excess resulted from property taxes collections exceeding (\$487,144) the net tax budget (due to less abatements being granted than anticipated in the budget process), unbudgeted tax lien collections (\$208,954) and excise tax revenues exceeding (\$231,930) expectations .
- The Town’s departments expended and encumbered \$456,467 less than budgeted. Significant amounts were unexpended in the Employee Benefits accounts (\$226,880) due to less than anticipated pension assessment and health insurance premiums and in the DPW Gas and Diesel account (\$133,336) due to decreasing costs. In addition, the Information and Technology Department had unexpended budgets (\$211,292). 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, 2015 was \$7,644,931.

The following table reflects the trend in all the components of fund balance and details the certified free cash for the previous seven 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

<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

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 2015, the C.P.A. fund supported a project in the general fund by transferring \$170,000 from its reserves. The increase (\$142,682) in fund balance in the C.P.A. fund is partially the result of projects carrying into the subsequent fiscal year. The C.P.A. fund still maintains a sizable restricted fund balance (\$4,786,742).

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 \$1,585,869 and the decrease in net position was \$1,294,881. Unrestricted Net Position of the Sewer Enterprise Fund at the end of the year was \$17,465,885 and the decrease in net position was \$491,745. The Nursing Enterprise Fund was closed to the general fund at the end of fiscal year 2015. 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 revenues exceeded their budgets by \$487,144 and \$208,954 respectively, fees and departmental revenues exceeded their budget by \$164,232 and excise tax revenues exceeded its budget by \$231,930.

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, 2015, amounts to \$132,765,982 (net of accumulated depreciation) a decrease of \$23,246,808 from the prior fiscal year. This investment in capital assets includes land, buildings, improvements, infrastructure, equipment and vehicles. The most significant reason for the decrease is a result of the transfer of school capital assets to the Acton-Boxborough Regional School District. As a result of the transfer of operations, the Town transferred capital assets (net) in the amount of \$23,786,690.

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

Governmental Activities

- Equipment - Various (\$111,175)
- Vehicles - Various (\$375,575)
- Roads (\$497,456)
- Land – Wright Hill (\$1,320,500)

Business Type Activities

- Compactors (\$93,547)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 65,008,926	\$ 68,693,832	\$ 534,769	\$ 534,769	\$ 65,543,695	\$ 69,228,601
Buildings	10,718,776	28,712,627	5,670,074	6,010,920	16,388,850	34,723,547
Improvements Other Than Buildings	1,056,717	1,460,314	33,953	36,393	1,090,670	1,496,707
Infrastructure	35,319,634	35,751,518	10,635,577	11,027,194	45,955,211	46,778,712
Equipment	2,622,431	2,815,304	337,191	307,259	2,959,622	3,122,563
Vehicles	827,934	662,660	-	-	827,934	662,660
Total	<u>\$ 115,554,418</u>	<u>\$ 138,096,255</u>	<u>\$ 17,211,564</u>	<u>\$ 17,916,535</u>	<u>\$ 132,765,982</u>	<u>\$ 156,012,790</u>

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

Debt

The Town had \$33,249,950 in bonds, outstanding on June 30, 2015. This represents a \$3,025,524 or 8.3% decrease from the previous year.

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

	<u>Outstanding General Obligation Bonds</u>		
Governmental Activities	<u>2015</u>	<u>2014</u>	<u>Change</u>
General Obligation Bonds Payable	\$ 17,249,750	\$ 19,471,474	(2,221,724.00)
Business-type Activities			
Sewer	16,000,200	16,804,000	(803,800)
Total Debt	<u>\$ 33,249,950</u>	<u>\$ 36,275,474</u>	<u>\$ (3,025,524)</u>

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

Fiscal Year 2016 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 2016 is \$95,247,538. Although the Town utilized reserves to help fund the 2016 budget, a healthy “free cash” balance remained as of June 30, 2015.

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, 2015

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Acton Community Housing Corporation
Assets				
Current:				
Cash and Cash Equivalents	\$ 24,735,078	\$ 7,033,019	\$ 31,768,097	\$ 217,229
Investments	5,279,085	-	5,279,085	-
Accounts Receivable:				
Property Taxes	623,851	-	623,851	-
Tax Liens	1,384,006	-	1,384,006	-
Motor Vehicle Excise	204,858	-	204,858	-
User Charges	168,249	89,596	257,845	-
Special Assessments	62,960	730,029	792,989	-
Departmental	99,670	-	99,670	-
Intergovernmental	2,726,652	-	2,726,652	-
Liens	-	61,891	61,891	-
Due from Town of Acton	-	-	-	629,331
Total Current Assets	35,284,409	7,914,535	43,198,944	846,560
Noncurrent:				
Accounts Receivable:				
Intergovernmental	6,458,709	-	6,458,709	-
Clause 41 A Property Taxes	183,958	-	183,958	-
Special Assessments Not Yet Due	-	11,382,088	11,382,088	-
Other Post Employment Benefit Net Asset	-	7,974	7,974	-
Capital Assets:				
Assets Not Being Depreciated	65,008,926	534,769	65,543,695	-
Assets Being Depreciated, Net	50,545,492	16,676,795	67,222,287	-
Total Noncurrent Assets	122,197,085	28,601,626	150,798,711	-
Total Assets	157,481,494	36,516,161	193,997,655	846,560
Deferred Outflows of Resources				
Pensions	138,629	-	138,629	-
Debt Refunding Issue	422,917	-	422,917	-
Total Deferred Outflows of Resources	561,546	-	561,546	-
Liabilities				
Current:				
Warrants Payable	661,172	71,043	732,215	-
Accrued Salaries Payable	253,561	1,341	254,902	-
Accrued Interest	204,555	104,304	308,859	-
Compensated Absences	38,937	1,761	40,698	-
Landfill Closure/Postclosure	2,500	-	2,500	-
Notes Payable	900,000	-	900,000	-
Other	178,371	-	178,371	5,412
Bonds Payable	2,186,725	835,800	3,022,525	-
Total Current Liabilities	4,425,821	1,014,249	5,440,070	5,412
Noncurrent:				
Compensated Absences	350,435	7,045	357,480	-
Landfill Closure/Postclosure	47,500	-	47,500	-
Other Post Employment Benefit Obligations	13,918,516	67,349	13,985,865	-
Net Pension Liability	41,050,336	-	41,050,336	-
Other	1,730,942	-	1,730,942	-
Bonds Payable	15,063,025	15,164,400	30,227,425	-
Total Noncurrent Liabilities	72,160,754	15,238,794	87,399,548	-
Total Liabilities	76,586,575	16,253,043	92,839,618	5,412
Deferred Inflows of Resources				
Debt Refunding Issue	22,500	-	22,500	-
Total Deferred Inflows of Resources	22,500	-	22,500	-
Net Position				
Net Investment in Capital Assets	109,815,077	1,211,364	111,026,441	-
Restricted for:				
Community Preservation	4,799,920	-	4,799,920	-
Ambulance Services	972,877	-	972,877	-
Gifts and Grants	4,319,627	-	4,319,627	-
Permanent Funds:				
Expendable	1,878,016	-	1,878,016	-
Nonexpendable	2,025,407	-	2,025,407	-
Unrestricted	(42,376,959)	19,051,754	(23,325,205)	841,148
Total Net Position	\$ 81,433,965	\$ 20,263,118	\$ 101,697,083	\$ 841,148

Town of Acton, Massachusetts
Statement of Activities
Fiscal Year Ended June 30, 2015

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	Primary Government		Total	
					Governmental Activities	Business Type Activities		
Primary Government:								
<i>Governmental Activities:</i>								
General Government	\$ 8,578,307	\$ 491,725	\$ 1,246,835	\$ -	\$ (6,839,747)	\$ -	\$ (6,839,747)	\$ -
Public Safety	8,754,650	1,729,649	132,276	-	(6,892,725)	-	(6,892,725)	-
Education	53,013,169	7,491	2,603,986	-	(50,401,692)	-	(50,401,692)	-
Highways and Public Works	4,784,065	15,651	771,402	446,212	(3,550,800)	-	(3,550,800)	-
Human Services	2,688,262	128,292	362,798	-	(2,197,172)	-	(2,197,172)	-
Culture and Recreation	1,984,760	384,469	148,294	-	(1,451,997)	-	(1,451,997)	-
Employee Benefits and Insurance	8,436,224	-	-	-	(8,436,224)	-	(8,436,224)	-
Debt Service	519,120	-	-	-	(519,120)	-	(519,120)	-
Total Governmental Activities	88,758,557	2,757,277	5,265,591	446,212	(80,289,477)	-	(80,289,477)	-
<i>Business-Type Activities:</i>								
Sanitation	614,092	639,436	8,738	-	-	34,082	34,082	-
Sewer	2,315,422	949,261	874,416	-	-	(491,745)	(491,745)	-
Nursing	514,637	234,523	695	-	-	(279,419)	(279,419)	-
Total Business-Type Activities	3,444,151	1,823,220	883,849	-	-	(737,082)	(737,082)	-
Total Primary Government	\$ 92,202,708	\$ 4,580,497	\$ 6,149,440	\$ 446,212	(80,289,477)	(737,082)	(81,026,559)	-
Component Units:								
Acton Community Housing Corporation	374,063	-	35,595	-	-	-	-	(338,468)
Total Component Unit	\$ 374,063	\$ -	\$ 35,595	\$ -	-	-	-	(338,468)
<i>General Revenues:</i>								
Property Taxes					75,074,955	-	75,074,955	-
Motor Vehicle and Other Excise Taxes					3,239,547	-	3,239,547	-
Penalties and Interest on Taxes					213,593	-	213,593	-
Other Taxes, Assessments and in Lieu Payments					15,316	-	15,316	-
Intergovernmental					1,321,715	-	1,321,715	-
Interest and Investment Income					104,468	-	104,468	-
Other Revenue					175,929	-	175,929	-
Contributions to Permanent Funds					34,670	-	34,670	-
Reassignment of Assets					169,113	(169,113)	-	-
Assumption of Long Term Liabilities					(199,927)	199,927	-	-
<i>Special Item</i> - Loss on Disposal of School Operations					(22,473,561)	-	(22,473,561)	-
Transfer In (Out)					1,243,489	(1,243,489)	-	-
Total General Revenues, Special Items and Transfers					58,919,307	(1,212,675)	57,706,632	-
Change in Net Position					(21,370,170)	(1,949,757)	(23,319,927)	(338,468)
Net Position:								
Beginning of the Year - Restated (see note IV-H)					102,804,135	22,212,875	125,017,010	1,179,616
End of the Year					\$ 81,433,965	\$ 20,263,118	\$ 101,697,083	\$ 841,148

Town of Acton, Massachusetts
Balance Sheet
Governmental Funds
June 30, 2015

	General	Community Preservation Act	Nonmajor Governmental Funds	Total Governmental Funds
Assets:				
Cash and Cash Equivalents	\$ 15,314,147	\$ 4,912,328	\$ 4,508,603	\$ 24,735,078
Investments	1,375,662		3,903,423	5,279,085
Accounts Receivable:				
Property Taxes	618,121	5,730	-	623,851
Tax Liens	1,376,558	7,448	-	1,384,006
Motor Vehicle Excise	204,858	-	-	204,858
User Charges	72,296	-	95,953	168,249
Clause 41A Property Taxes	183,958	-	-	183,958
Special Assessments	-	-	62,960	62,960
Departmental	12,499	-	87,171	99,670
Intergovernmental	7,381,382	-	1,803,979	9,185,361
Tax Foreclosures	250,341	-	-	250,341
Due from Other Funds	700,567	-	-	700,567
Total Assets	<u>\$ 27,490,389</u>	<u>\$ 4,925,506</u>	<u>\$ 10,462,089</u>	<u>\$ 42,877,984</u>
Liabilities:				
Warrants Payable	\$ 470,541	\$ 125,472	\$ 65,159	\$ 661,172
Accrued Payroll Payable	230,219	114	23,228	253,561
Due to Other Funds	-	-	700,567	700,567
Other Liabilities	69,521	-	-	69,521
Notes Payable	-	-	900,000	900,000
Total Liabilities	<u>770,281</u>	<u>125,586</u>	<u>1,688,954</u>	<u>2,584,821</u>
Deferred Inflows of Resources:				
Unavailable Revenue	9,869,124	13,178	1,456,584	11,338,886
Total Deferred Inflows of Resources	<u>9,869,124</u>	<u>13,178</u>	<u>1,456,584</u>	<u>11,338,886</u>
Fund Equity:				
Fund Balances:				
Nonspendable	-	-	2,054,407	2,054,407
Restricted	-	4,786,742	5,568,191	10,354,933
Committed	1,750,765	-	726,077	2,476,842
Assigned	2,807,648	-	-	2,807,648
Unassigned	12,292,571	-	(1,032,124)	11,260,447
Total Fund Balances	<u>16,850,984</u>	<u>4,786,742</u>	<u>7,316,551</u>	<u>28,954,277</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 27,490,389</u>	<u>\$ 4,925,506</u>	<u>\$ 10,462,089</u>	<u>\$ 42,877,984</u>

Town of Acton, Massachusetts
Reconciliation of the Balance Sheet - Governmental Funds
to the Government-wide Statement of Net Position
Fiscal Year Ended June 30, 2015

Total Governmental Fund Balances	\$ 28,954,277
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	115,554,418
Accounts receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds	11,088,545
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.	138,629
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due	(204,555)
Deferred Outflows/Inflows of Resources on Debt Refundings are required to be included amortized as expenses in future periods.	422,917
Deferred Outflows of Resources - Debt Refunding	(22,500)
Deferred Inflows of Resources - Debt Refunding	
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds Payable	(17,249,750)
Compensated Absences	(389,372)
Other Liabilities	(1,839,792)
Landfill Closure/Postclosure Costs	(50,000)
Other Post Employment Benefit Obligations	(13,918,516)
Net Pension Liability	<u>(41,050,336)</u>
Net Position of Governmental Activities	<u>\$ 81,433,965</u>

Town of Acton, Massachusetts
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2015

	<u>General</u>	<u>Community Preservation Act</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Revenues:</u>				
Property Taxes	\$ 73,773,353	\$ 874,948	\$ -	\$ 74,648,301
Tax Liens	208,954	-	-	208,954
Excises	3,253,222	-	-	3,253,222
Penalties and Interest	212,125	1,468	-	213,593
Licenses and Permits	219,766	-	87,192	306,958
Fees and Other Departmental	764,232	-	-	764,232
Intergovernmental	4,944,448	263,941	1,714,985	6,923,374
Charges for Services	26,254	-	1,759,665	1,785,919
Fines and Forfeits	135,009	-	-	135,009
Earnings on Investments	92,235	18,847	98,933	210,015
In Lieu of Taxes	15,316	-	-	15,316
Contributions	-	-	244,925	244,925
Miscellaneous	186,717	-	-	186,717
Total Revenues	<u>83,831,631</u>	<u>1,159,204</u>	<u>3,905,700</u>	<u>88,896,535</u>
<u>Expenditures:</u>				
Current				
General Government	7,059,525	733,131	1,344,609	9,137,265
Public Safety	7,536,222	-	1,337,848	8,874,070
Education	52,995,781	-	17,388	53,013,169
Intergovernmental	239,728	-	-	239,728
Highways and Public Works	3,338,998	-	723,428	4,062,426
Human Services	1,960,833	38,694	703,078	2,702,605
Culture and Recreation	1,362,015	74,697	537,191	1,973,903
Employee Benefits and Insurance	7,302,774	-	-	7,302,774
Debt Service				
Principal	2,104,038	-	-	2,104,038
Interest	604,430	-	-	604,430
Capital Outlay	-	-	1,269,170	1,269,170
Total Expenditures	<u>84,504,344</u>	<u>846,522</u>	<u>5,932,712</u>	<u>91,283,578</u>
Excess of Revenues Over (Under) Expenditures	<u>(672,713)</u>	<u>312,682</u>	<u>(2,027,012)</u>	<u>(2,387,043)</u>
Other Financing Sources (Uses):				
Operating Transfers In	2,102,853	-	123,548	2,226,401
Operating Transfers (Out)	<u>(288,548)</u>	<u>(170,000)</u>	<u>(524,364)</u>	<u>(982,912)</u>
Total Other Financing Sources (Uses)	<u>1,814,305</u>	<u>(170,000)</u>	<u>(400,816)</u>	<u>1,243,489</u>
Special Items:				
Loss on Disposal of School Operations	-	-	(706,850)	(706,850)
Total Special Items	<u>-</u>	<u>-</u>	<u>(706,850)</u>	<u>(706,850)</u>
Net Change in Fund Balance	<u>1,141,592</u>	<u>142,682</u>	<u>(3,134,678)</u>	<u>(1,850,404)</u>
Fund Balance, Beginning	15,709,392	4,644,060	10,451,229	30,804,681
Fund Balance, Ending	<u>\$ 16,850,984</u>	<u>\$ 4,786,742</u>	<u>\$ 7,316,551</u>	<u>\$ 28,954,277</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, 2015

Net Change in Fund Balances -Total Governmental Funds	\$ (1,850,404)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This represents the amount by which difference between capital outlay and capital contributions exceeded depreciation in the current period..</p>	
	1,295,541
<p>Governmental funds do not report capital assets or long term liabilities, whereas the entity-wide financial statements do report them. This amount represents the capital assets and long-term liabilities that were reported as a Special Item - loss on disposal of school operations related to the capital assets and long-term liabilities</p>	
	(21,766,711)
<p>Governmental funds do not report on the same basis of accounting as the entity wide statements. These amounts represent the following:</p>	
Reassignment of Assets	169,113
Assumption of Liabilities	(199,927)
<p>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.</p>	
	(49,632)
<p>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.</p>	
	(236,780)
<p>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 debt and related items.</p>	
	2,221,724
<p>Some expenses reported in the Statement of Activities, such as compensated absences, other post employment benefits payable and interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This amount represents the change in these accounts from the prior fiscal year.</p>	
	<u>(953,094)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (21,370,170)</u></u>

Town of Acton, Massachusetts
Statement of Net Position
Proprietary Funds
June 30, 2015

	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
Assets			
Current:			
Cash and Cash Investments	\$ 1,607,264	\$ 5,425,755	\$ 7,033,019
Accounts Receivable, Net of Allowance for Uncollectible:			
User Charges	-	89,596	89,596
Special Assessments	-	730,029	730,029
Liens	-	61,891	61,891
Total Current Assets	<u>1,607,264</u>	<u>6,307,271</u>	<u>7,914,535</u>
Noncurrent:			
Accounts Receivable:			
Special Assessments	-	11,382,088	11,382,088
Other Post Employment Benefit Net Asset	7,974	-	7,974
Assets Not Being Depreciated	435,300	99,469	534,769
Assets Being Depreciated, Net	419,840	16,256,955	16,676,795
Total Noncurrent Assets	<u>863,114</u>	<u>27,738,512</u>	<u>28,601,626</u>
Total Assets	<u>2,470,378</u>	<u>34,045,783</u>	<u>36,516,161</u>
Liabilities			
Current:			
Warrants Payable	19,222	51,821	71,043
Accrued Wages Payable	1,341	-	1,341
Accrued Interest Payable	-	104,304	104,304
Compensated Absences	1,761	-	1,761
Bonds Payable	-	835,800	835,800
Total Current Liabilities	<u>22,324</u>	<u>991,925</u>	<u>1,014,249</u>
Noncurrent:			
Compensated Absences	7,045	-	7,045
Other Post Employment Benefit Obligations	-	67,349	67,349
Bonds Payable	-	15,164,400	15,164,400
Total Noncurrent Liabilities	<u>7,045</u>	<u>15,231,749</u>	<u>15,238,794</u>
Total Liabilities	<u>29,369</u>	<u>16,223,674</u>	<u>16,253,043</u>
Net Position			
Net Investment in Capital Assets	855,140	356,224	1,211,364
Unrestricted	1,585,869	17,465,885	19,051,754
Total Net Position	<u>\$ 2,441,009</u>	<u>\$ 17,822,109</u>	<u>\$ 20,263,118</u>

Town of Acton, Massachusetts
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Fiscal Year Ended June 30, 2015

	<u>Sanitation</u>	<u>Sewer</u>	<u>Nursing</u>	<u>Total</u>
Operating Revenues:				
Charges for Services	\$ 639,436	\$ 949,261	\$ 234,523	\$ 1,823,220
Total Operating Revenues	<u>639,436</u>	<u>949,261</u>	<u>234,523</u>	<u>1,823,220</u>
Operating Expenditures:				
General Services	546,628	721,169	514,637	1,782,434
Depreciation	67,464	731,055	-	798,519
Total Operating Expenditures	<u>614,092</u>	<u>1,452,224</u>	<u>514,637</u>	<u>2,580,953</u>
Operating Income (Loss)	<u>25,344</u>	<u>(502,963)</u>	<u>(280,114)</u>	<u>(757,733)</u>
Nonoperating Revenues (Expenses):				
Intergovernmental	-	717,049	-	717,049
Committed Interest	-	137,511	-	137,511
Earnings on Investments	8,738	19,856	695	29,289
Interest on Debt	-	(863,198)	-	(863,198)
Total Nonoperating Revenues (Expenses)	<u>8,738</u>	<u>11,218</u>	<u>695</u>	<u>20,651</u>
Income (Loss) Before Transfers	<u>34,082</u>	<u>(491,745)</u>	<u>(279,419)</u>	<u>(737,082)</u>
Reassignment of Assets	-	-	(169,113)	(169,113)
Assumption of Long Term Liabilities	-	-	199,927	199,927
Operating Transfers In	-	-	165,000	165,000
Operating Transfers Out	(1,328,963)	-	(79,526)	(1,408,489)
Total Transfers	<u>(1,328,963)</u>	<u>-</u>	<u>116,288</u>	<u>(1,212,675)</u>
Change in Net Position	<u>(1,294,881)</u>	<u>(491,745)</u>	<u>(163,131)</u>	<u>(1,949,757)</u>
Total Net Position - Beginning	<u>3,735,890</u>	<u>18,313,854</u>	<u>163,131</u>	<u>22,212,875</u>
Total Net Position - Ending	<u>\$ 2,441,009</u>	<u>\$ 17,822,109</u>	<u>\$ -</u>	<u>\$ 20,263,118</u>

Town of Acton, Massachusetts
Statement of Cash Flows
Proprietary Fund
Fiscal Year Ended June 30, 2015

	<u>Sanitation</u>	<u>Sewer</u>	<u>Nursing</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Receipts from Customers	\$ 639,436	\$ 962,314	\$ 403,636	\$ 2,005,386
Payments to Employees	907	(825)	(23,260)	(23,178)
Payments to Vendors	(549,225)	(666,152)	(723,572)	(1,938,949)
Net Cash Flows Provided (Used) by Operating Activities	<u>91,118</u>	<u>295,337</u>	<u>(343,196)</u>	<u>43,259</u>
Cash Flows from Non Capital Related Financing Activities:				
Transfer from Other Funds	-	-	165,000	165,000
Transfer to Other Funds	(1,328,963)	-	(79,526)	(1,408,489)
Net Cash Flows Provided (Used) by Non Capital Related Financing Activities	<u>(1,328,963)</u>	<u>-</u>	<u>85,474</u>	<u>(1,243,489)</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of Capital Assets	(93,547)	-	-	(93,547)
Special Assessments	-	792,194	-	792,194
Committed Interest on Special Assessments	-	137,511	-	137,511
Reassignment of Assets	-	-	(169,113)	(169,113)
Assumption of Long Term Liabilities	-	-	199,927	199,927
Principal Payments on Bonds	-	(680,796)	-	(680,796)
Interest Expense	-	(300,393)	-	(300,393)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(93,547)</u>	<u>(51,484)</u>	<u>30,814</u>	<u>(114,217)</u>
Cash Flows from Investing Activities:				
Earnings on Investments	8,738	19,856	695	29,289
Net Cash Flows Provided (Used) by Investing Activities	<u>8,738</u>	<u>19,856</u>	<u>695</u>	<u>29,289</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,322,654)	263,709	(226,213)	(1,285,158)
Cash and Cash Equivalents, July 1, 2014	<u>2,929,918</u>	<u>5,162,046</u>	<u>226,213</u>	<u>8,318,177</u>
Cash and Cash Equivalents, June 30, 2015	<u>\$ 1,607,264</u>	<u>\$ 5,425,755</u>	<u>\$ -</u>	<u>\$ 7,033,019</u>
Reconciliation of Net Income to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 25,344	\$ (502,963)	\$ (280,114)	\$ (757,733)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	67,464	731,055	-	798,519
(Increase) Decrease in Assets:				
Accounts Receivable - Customer	-	13,053	169,113	182,166
Other Post Employment Benefits Asset	2,067	-	-	2,067
Increase (Decrease) in Liabilities:				
Warrants, Wages, Absence and Accounts Payables	(3,757)	54,923	(47,944)	3,222
Other Post Employment Benefits Liability	-	(731)	(184,251)	(184,982)
Net Cash Provided by Operating Activities	<u>\$ 91,118</u>	<u>\$ 295,337</u>	<u>\$ (343,196)</u>	<u>\$ 43,259</u>
Schedule of non-cash capital and related financing activities:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Town of Acton, Massachusetts
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Agency <u>Funds</u>
Assets			
Cash and Cash Equivalents	\$ -	\$ -	\$ 1,583,399
Investments	279,618	1,763,022	-
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 279,618</u>	<u>\$ 1,763,022</u>	<u>\$ 1,583,399</u>
Liabilities			
Warrants Payable	\$ -	\$ -	\$ 23,254
Due to Component Unit	-	-	629,331
Other	-	-	930,814
	<hr/>	<hr/>	<hr/>
Total Liabilities	<hr/> -	<hr/> -	<hr/> 1,583,399
Net Position			
Held in Trust for OPEB Benefits and Other Purposes	<u>\$ 279,618</u>	<u>\$ 1,763,022</u>	<u>\$ -</u>

Town of Acton, Massachusetts
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2015

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>
Additions:		
Employer Contributions	\$ -	\$ 771,593
Net Investment Income	<u>6,997</u>	<u>63,725</u>
Total Additions	<u>6,997</u>	<u>835,318</u>
Deductions:		
Trust Distributions	<u>3,546</u>	<u>-</u>
Change in Net Position	<u>3,451</u>	<u>835,318</u>
Net Position:		
Beginning of the Year	<u>276,167</u>	<u>927,704</u>
Ending of the Year	<u>\$ 279,618</u>	<u>\$ 1,763,022</u>

Town of Acton, Massachusetts
Notes to the Financial Statements
June 30, 2015

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, 2015, 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 as a discretely presented component unit. 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. 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 1/2 % surcharge that is added to the property tax bills (state law allows a maximum of a 3.0% surcharge). The grant from the Commonwealth is distributed from the Community Preservation Act Trust Fund. Trust fund revenues are derived from a surcharge placed on all real estate transactions at the state's Registries of Deeds. Each CPA community receives their distribution from the trust fund at a formula-based percentage of what they raised locally. Expenditures are allowed for affordable housing, historic preservation and the purchase of open space.

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

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

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

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

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

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

The Town reports the following major proprietary funds:

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

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

Nursing Fund – Activities related to the Town’s nursing program are accounted for in this fund.

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 Inflows and Net Position or Equity**

i **Deposits and Investments**

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

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

ii Property Taxes

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

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

iii Capital Assets

Capital assets, which include buildings/improvements, machinery and equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. 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 estimated fair market 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 then.

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 revenues that are not considered "available" and to reflect property taxes paid in advance of when they may be used. The government wide financial statements (statement of net position) reflect deferred outflows of net position related to pensions and to a debt refunding. In addition deferred inflows of resources related to a debt refunding are reflected in the statement of net position.

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 assets.

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, 2015 and July 15, 2015. These warrants have been recorded as expenditures during the fiscal year ended June 30, 2015 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 the Massachusetts Teachers' Retirement System's additions to/deductions from the Systems' fiduciary net position have been determined on the same basis as they are reported by the Systems. 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 the Council on Aging, Septage and Ambulance special revenue funds and in the Sanitation, Sewer and Nursing Enterprise fund. All budgeted funds are authorized as bottom line 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 2015 annual/Town meeting voted amounts adjusted for any special Town meeting votes applicable to fiscal 2015 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, 2015. The budget basis for the Community Preservation Act fund is GAAP.

	<u>Revenues</u>
As Reported Budget Basis	\$ 81,334,187
Adjustments:	
Sixty Day Accrual - Net	(12,392)
MWPAT Subsidies	6,616
On Behalf Payments Included in Intergovernmental	2,501,865
As Reported GAAP Statement	<u>\$ 83,830,276</u>
	<u>Expenditures</u>
As Reported Budget Basis	\$ 81,995,863
Adjustments:	
MWPAT Subsidies	6,616
On Behalf Payments Included in Education	2,501,865
As Reported GAAP Statement	<u>\$ 84,504,344</u>

iii Fund Deficits and Appropriation Deficits

At June 30, 2015, individual fund deficits existed as follows:

<u>Nonmajor Governmental Funds</u>	
Town Grants	\$415,430
Capital Projects	<u>899,041</u>
Total	<u>\$1,314,471</u>

These Town Grant deficits will be funded through grant proceeds in fiscal year 2016. The capital projects deficit has 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, 2015, the Town's bank balance was \$34,201,253 and \$12,605,830 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.

A. Deposits and Investments (Continued)

ii.) Investments

a.) As of June 30, 2015, 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	\$ 1,252,812	\$ 500,292	\$ 752,520	\$ -
Government Agencies	211,414	211,414	-	-
Total Debt Related Securities	<u>1,464,226</u>	<u>711,706</u>	<u>752,520</u>	<u>-</u>
<u>Investment Type</u>	<u>Fair Value</u>			
Other Investments:				
Money Market Funds	1,208,567			
Equities	1,510,250			
Pension Reserve Investment Trust	1,763,022			
Mass. Municipal Depository Trust	<u>1,375,660</u>			
Total Other Investments	<u>5,857,499</u>			
Total Investments	<u>\$ 7,321,725</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 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. Fair value is the same as the value of the pool share. 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. Fair value is the same as the value of the pool share. The Pool is not rated.

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.

A. Deposits and Investments (Continued)

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	\$ 1,252,812	AA+
Government Agencies	211,414	AA+
	<u>\$ 1,464,226</u>	

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 (\$1,252,812), Government Agencies (\$211,414) and equity securities (\$1,510,250) 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.

B. Accounts Receivable

At June 30, 2015, receivables for the individual major governmental funds and the non-major governmental funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

<u>Accounts Receivable:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectible</u>	<u>Net Amount</u>
Real and Personal Property Taxes	\$ 623,851	\$ -	\$ 623,851
Tax Liens	1,384,006	-	1,384,006
Motor Vehicle Excise Taxes	492,404	(287,546)	204,858
User Charges	168,249	-	168,249
Clause 41 A Property Taxes	183,958	-	183,958
Special Assessments	62,960	-	62,960
Departmental	99,670	-	99,670
Intergovernmental	9,185,361	-	9,185,361
Tax Foreclosures	250,341	-	250,341
Total	<u>\$ 12,450,800</u>	<u>\$ (287,546)</u>	<u>\$ 12,163,254</u>

B. Accounts Receivable (Continued)

At June 30, 2015 the accounts receivable of the Sanitation, Sewer and Nursing enterprise fund were comprised of the following:

<u>Accounts Receivable:</u>	<u>Gross Amount</u>	<u>Allowance for Uncollectible</u>	<u>Net Amount</u>
Sewer - User Charges	\$ 89,596	\$ -	\$ 89,596
Sewer - Special Assessments	12,112,117	-	12,112,117
Sewer - Liens	61,891	-	61,891
Total	<u>\$ 12,263,604</u>	<u>\$ -</u>	<u>\$ 12,263,604</u>

Governmental Funds report available 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>	<u>Other Governmental Funds</u>	<u>Total</u>
Real and Personal Property Taxes	\$ 563,249	\$ 5,730	\$ 568,979
Departmental	12,499	70,045	82,544
Clause 41 A Property Taxes	183,958	-	183,958
Tax Liens	1,376,558	7,448	1,384,006
Motor Vehicle Excise Taxes	28,841	-	28,841
Special Assessments	-	62,959	62,959
Tax Foreclosures	250,341	-	250,341
User Charges	72,296	95,953	168,249
Intergovernmental	7,381,382	1,227,627	8,609,009
	<u>\$ 9,869,124</u>	<u>\$ 1,469,762</u>	<u>\$ 11,338,886</u>

C. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Government Activities:				
Assets Not Being Depreciated:				
Land	\$ 68,693,832	\$ 1,320,500	\$ (5,005,406)	\$ 65,008,926
Total Capital Assets Not Being Depreciated	<u>68,693,832</u>	<u>1,320,500</u>	<u>(5,005,406)</u>	<u>65,008,926</u>
Assets Being Depreciated:				
Buildings	43,884,646	611,982	(28,140,192)	16,356,436
Improvements Other Than Buildings	3,353,122	166,821	(909,185)	2,610,758
Infrastructure	48,139,400	536,606	(23,800)	48,652,206
Equipment	7,950,505	340,991	(488,562)	7,802,934
Vehicles	1,960,055	456,074	(244,410)	2,171,719
Total Capital Assets Being Depreciated	<u>105,287,728</u>	<u>2,112,474</u>	<u>(29,806,149)</u>	<u>77,594,053</u>

C. Capital Assets (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Less Accumulated Depreciation for:				
Buildings	(15,172,019)	(377,704)	9,912,063	(5,637,660)
Improvements Other Than Buildings	(1,892,808)	(105,795)	444,562	(1,554,041)
Infrastructure	(12,387,882)	(953,119)	8,429	(13,332,572)
Equipment	(5,135,201)	(461,002)	415,700	(5,180,503)
Vehicles	(1,297,395)	(239,813)	193,423	(1,343,785)
Total Accumulated Depreciation	<u>(35,885,305)</u>	<u>(2,137,433)</u>	<u>10,974,177</u>	<u>(27,048,561)</u>
Capital Assets Being Depreciated, Net	<u>69,402,423</u>	<u>(24,959)</u>	<u>(18,831,972)</u>	<u>50,545,492</u>
Governmental Activities Capital Assets, Net	<u>\$ 138,096,255</u>	<u>\$ 1,295,541</u>	<u>\$ (23,837,378)</u>	<u>\$ 115,554,418</u>

Depreciation expense was charged to functions as follows:

Government Activities:	
General Government	\$ 171,134
Public Safety	478,266
Highways and Public Works	1,220,636
Human Services	64,212
Culture and Recreation	203,185
Total Governmental Activities Depreciation Expense	<u>\$ 2,137,433</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	1,130,721	93,547	(30,000)	1,194,268
Vehicles	129,825	-	-	129,825
Total Capital Assets Being Depreciated	<u>27,254,594</u>	<u>93,547</u>	<u>(30,000)</u>	<u>27,318,141</u>

Less Accumulated Depreciation for:

Buildings	(4,174,246)	(340,846)	-	(4,515,092)
Improvements Other Than Buildings	(12,403)	(2,440)	-	(14,843)
Infrastructure	(4,732,892)	(391,617)	-	(5,124,509)
Equipment	(823,462)	(63,615)	30,000	(857,077)
Vehicles	(129,825)	-	-	(129,825)
Total Accumulated Depreciation	<u>(9,872,828)</u>	<u>(798,518)</u>	<u>30,000</u>	<u>(10,641,346)</u>

Capital Assets Being Depreciated, Net

	<u>17,381,766</u>	<u>(704,971)</u>	<u>-</u>	<u>16,676,795</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,916,535</u>	<u>\$ (704,971)</u>	<u>\$ -</u>	<u>\$ 17,211,564</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:	
Sanitation	\$ 67,463
Sewer	731,055
Total Business-Type Activities Depreciation Expense	<u>\$ 798,518</u>

D. 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 2015 is disclosed below.

<u>Purpose</u>	<u>Balance</u> <u>July 1, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>June 30, 2015</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity</u> <u>Date</u>
<u>Governmental Activities:</u>						
Bond Anticipation Notes:						
Land Purchase	\$ -	\$ 900,000	\$ -	\$ 900,000	0.60%	6/29/2016

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, 2015 are as follows:

(a) General Obligation Bonds Outstanding at June 30, 2015

Governmental Activities:

<u>General Obligation Bond</u>	<u>Sale Date</u>	<u>Original</u> <u>Borrowing</u>	<u>Interest Rates</u> <u>to Maturities</u>	<u>Final Maturity</u>	<u>Balance</u> <u>July 1, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance</u> <u>June 30, 2015</u>
School Project	2014	\$ 12,220,000	2.00% - 4.00%	2023	\$ 11,110,000		\$ 1,150,000	\$ 9,960,000
School Project	2003	21,350,000	4.00%	2014	-	-	-	-
Public Safety	2004	6,400,000	3.50% - 4.50%	2024	3,100,000	-	330,000	2,770,000
School Repair	2005	164,000	3.40% - 3.64%	2015	16,400	-	16,400	-
School Repair	2005	136,000	3.40% - 3.64%	2015	13,600	-	13,600	-
MWPAT - Water study	2005	218,403	5.00%	2023	123,656	-	12,365	111,291
Land acquisition	2007	545,000	4.70%	2017	160,000	-	55,000	105,000
MWPAT - Water study	2008	154,350	0.00%	2023	92,612	-	10,290	82,322
MWPAT - Title V	2009	174,305	0.00%	2028	122,015	-	8,715	113,300
Library building	2010	1,860,000	3.00% - 4.00%	2018	780,000	-	205,000	575,000
School facilities	2010	851,805	2.00% - 3.30%	2024	600,000	-	60,000	540,000
School building remodeling	2010	245,270	2.00% - 3.30%	2024	165,000	-	20,000	145,000
Town equipment	2010	279,386	2.00% - 3.30%	2024	196,197	-	19,620	176,577
Ambulance	2010	503,819	2.00% - 3.30%	2024	353,804	-	35,380	318,424
Building Remodel - Town Hall	2013	400,000	1.375% - 3.00%	2028	370,000	-	30,000	340,000
Surface Drain - Quarry Rd Drainage	2013	189,000	1.375% - 3.00%	2028	170,000	-	15,000	155,000
Portable Intersection Traffic Control	2013	150,000	1.375% - 3.00%	2023	135,000	-	15,000	120,000
Departmental Equipment Radio Narrow banding	2013	103,000	1.375% - 3.00%	2023	90,000	-	10,000	80,000
Departmental Equipment Standby Generator Senior Center	2013	75,000	1.375% - 3.00%	2023	65,000	-	10,000	55,000
Departmental Equipment DPW F-350 Truck	2013	44,000	1.375% - 3.00%	2022	40,000	-	5,000	35,000
Departmental Equipment DPW Skid Steer (Bobcat)	2013	134,100	1.375% - 3.00%	2028	120,000	-	10,000	110,000
Departmental Equipment DPW Towable Generator	2013	55,000	1.375% - 3.00%	2018	40,000	-	10,000	30,000
Departmental Equipment DPW Utility Truck	2013	42,000	1.375% - 3.00%	2021	35,000	-	5,000	30,000
Departmental Equipment DPW Sander/Dump truck	2013	190,346	1.375% - 3.00%	2028	175,000	-	15,000	160,000
Departmental Equipment DPW One ton Truck	2013	51,000	1.375% - 3.00%	2023	45,000	-	5,000	40,000
Police Communication Installation	2013	116,500	1.375% - 3.00%	2018	90,000	-	25,000	65,000
Dept Equipment Goward Playground	2013	150,000	1.375% - 3.00%	2028	140,000	-	10,000	130,000
Computer Hardware Unified Network File Storage	2013	79,100	1.375% - 3.00%	2023	65,000	-	10,000	55,000
Computer Hardware Core Network Replace	2013	47,000	1.375% - 3.00%	2023	45,000	-	5,000	40,000
School Project	2013	267,606	1.375% - 3.00%	2028	245,000	-	20,000	225,000
Total Governmental Activities					\$ 18,703,284	\$ -	\$ 2,136,370	\$ 16,566,914

D. 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, 2014</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Balance June 30, 2015</u>
Sewer	2004	694,000	3.50% - 4.50%	2024	350,000	-	35,000	315,000
MWPAT - Sewer	2005	817,200	4.20% - 5.00%	2019	339,000	-	63,800	275,200
MWPAT - Sewer	2005	1,852,634	5.20% - 5.50%	2031	1,390,000	-	60,000	1,330,000
MWPAT - Sewer	2005	7,800,326	5.06% - 5.50%	2031	5,845,000	-	255,000	5,590,000
MWPAT - Sewer	2005	12,159,555	4.58% - 5.12%	2031	8,880,000	-	390,000	8,490,000
Total Business Type Activities					\$ 16,804,000	\$ -	\$ 803,800	16,000,200

(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>
2016	\$ 2,101,371	\$ 561,956	\$ 835,800	\$ 816,534	\$ 2,937,171	\$ 1,378,490
2017	2,081,371	498,756	862,800	770,564	2,944,171	1,269,320
2018	2,056,371	425,322	889,800	718,404	2,946,171	1,143,726
2019	1,878,844	352,268	921,800	664,136	2,800,644	1,016,404
2020	1,918,844	282,072	875,000	614,194	2,793,844	896,266
2021 - 2025	6,278,965	453,125	4,825,000	2,058,623	11,103,965	2,511,748
2026 - 2030	251,148	7,172	5,570,000	1,159,731	5,821,148	1,166,903
2031 - 2034	-	-	1,220,000	49,462	1,220,000	49,462
	<u>\$ 16,566,914</u>	<u>\$ 2,580,671</u>	<u>\$ 16,000,200</u>	<u>\$ 6,851,648</u>	<u>\$ 32,567,114</u>	<u>\$ 9,432,319</u>

(c) Bond Authorizations

Long-term debt authorizations voted by the Town which have not been issued or rescinded as of June 30, 2015, are as follows:

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount</u>
April 6, 2009	School Roof Replacement	\$128,890
April 7, 2008	Conant Boiler	226,420
April 7, 2014	Community Preservation Open Space	990,000
	Total	<u>\$1,345,310</u>

D. Debt (Continued)

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, 2015, \$11,195,000 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, 2015, the Town's equalized valuation was \$3,865,006. The debt limit at June 30, 2015 is \$193,250,300. The Town's outstanding debt as of June 30, 2015 that was subject to the debt limit was \$22,382,112 or 11.6% (12.3% 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, 2015 are as follows:

	Balance			Current	
	July 1, 2014	Additions	Reductions	June 30, 2015	Portion
<u>Governmental Activities</u>					
Bonds Payable	\$ 18,703,284	\$ -	\$ (2,136,370)	\$ 16,566,914	\$ 2,101,371
Add: Unamortized Premium	768,190	-	(85,354)	682,836	85,354
Total Bonds Payable	19,471,474	-	(2,221,724)	17,249,750	2,186,725
Compensated Absences	1,830,189	198,951	(1,639,768)	389,372	38,937
Landfill Closure Costs	52,500	-	(2,500)	50,000	2,500
Other (Sewer Betterments)	2,613,210	-	(703,897)	1,909,313	108,850
Net Pension Liability	39,850,805	-	1,199,531	41,050,336	0
Other Post Employment Benefits	13,800,346	1,980,383	(1,862,213)	13,918,516	-
Total Governmental Activities	\$ 77,618,524	\$ 2,179,334	\$ (5,230,571)	\$ 74,567,287	\$ 2,337,012
<u>Business Type Activities</u>					
Bonds Payable	\$ 16,804,000	\$ -	\$ (803,800)	\$ 16,000,200	\$ 835,800
Compensated Absences	24,827	5,146	(21,167)	8,806	1,761
Other Post Employment Benefits	242,290	11,741	(194,656)	59,375	-
Total Business Type Activities	\$ 17,071,117	\$ 16,887	\$ (1,019,623)	\$ 16,068,381	\$ 837,561

E. 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	\$ -	\$ -	\$ 1,901,268	\$ 1,901,268
Library	-	-	87,900	87,900
Other	-	-	65,239	65,239
Total Nonspendable	<u>-</u>	<u>-</u>	<u>2,054,407</u>	<u>2,054,407</u>
Restricted for:				
Maintenance Roads and Bridges	-	-	170,900	170,900
Municipal Equipment	-	-	240,678	240,678
Other	-	-	368,180	368,180
School Capital Projects	-	-	119,830	119,830
Community Preservation	-	4,786,742	-	4,786,742
Municipal Donations and Gifts	-	-	1,489,993	1,489,993
Cemetery	-	-	1,156,230	1,156,230
Municipal Revolving Funds	-	-	532,763	532,763
Library	-	-	463,541	463,541
Septage Disposal	-	-	149,152	149,152
Ambulance	-	-	876,924	876,924
Total Restricted	<u>-</u>	<u>4,786,742</u>	<u>5,568,191</u>	<u>10,354,933</u>

	<u>General Fund</u>	<u>Community Preservation</u>	<u>Non Major Funds</u>	<u>Total</u>
Committed to:				
Cemetery	288,877	-	130,883	419,760
Maintenance Roads and Bridges	800,624	-	-	800,624
Commuter Parking Lot	-	-	271,430	271,430
Other	253,801	-	323,764	577,565
Network System	279,500	-	-	279,500
DPW Equipment	127,963	-	-	127,963
Total Committed	<u>1,750,765</u>	<u>-</u>	<u>726,077</u>	<u>2,476,842</u>
Assigned to:				
General Government	195,341	-	-	195,341
Assessors	154,688	-	-	154,688
Information Technology	293,779	-	-	293,779
Municipal Properties	241,685	-	-	241,685
Public Safety	93,279	-	-	93,279
Highways and Public Works	126,558	-	-	126,558
Human Services	61,318	-	-	61,318
Reduce the Tax Levy	1,641,000	-	-	1,641,000
Total Assigned	<u>2,807,648</u>	<u>-</u>	<u>-</u>	<u>2,807,648</u>
Unassigned	12,292,571	-	(1,032,124)	11,260,447
Total Fund Balances	<u>\$ 16,850,984</u>	<u>\$ 4,786,742</u>	<u>\$ 7,316,551</u>	<u>\$ 28,954,277</u>

F. Interfund Receivables, Payables and Transfers

Interfund receivables and payables for the year ended June 30, 2015 are summarized below:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 700,567	\$ -
Special Revenue Town Grants	-	700,567
Total	<u>\$ 700,567</u>	<u>\$ 700,567</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 operating transfers and do not constitute revenues or expenditures of the funds. Operating transfers made during the year were as follows:

<u>Fund Financial Statements</u>	Transfer	Transfer	<u>Total</u>
	<u>In</u>	<u>(Out)</u>	
General	\$ 2,102,853	\$ (288,548)	\$ 1,814,305
Community Preservation Fund	-	(170,000)	(170,000)
Non-Major Governmental	123,548	(524,364)	(400,816)
Enterprise - Business Type	165,000	(1,408,489)	(1,243,489)
Total Operating Transfer In/(Out)	<u>\$ 2,391,401</u>	<u>\$ (2,391,401)</u>	<u>\$ -</u>

<u>Entity Wide Financial Statements</u>	Governmental	Business Type	<u>Total</u>
	Activities	Activities	
	Net Transfer	Net Transfer	
	<u>In (Out)</u>	<u>In (Out)</u>	
General	1,814,305		1,814,305
Community Preservation Fund	(170,000)	-	(170,000)
Non-Major Governmental	(400,816)	-	(400,816)
Enterprise - Business Type	-	(1,243,489)	(1,243,489)
Total Operating Transfer In/(Out)	<u>\$ 1,243,489</u>	<u>\$ (1,243,489)</u>	<u>\$ -</u>

The Town established a Nursing Enterprise Fund in order to monitor the viability of a self-sustaining operation. Due to changes in the reimbursements rate structure of the federal and state government, as well as other market pressures, the Town voted to close the Nursing Enterprise Fund. As a result, the capital assets (\$169,113) of the Nursing Fund were reassigned to the general fund. In addition the general fund assumed the long term liabilities (\$199,927) of the Nursing Enterprise Fund. In the future, the Nursing activities will be reported as a department of the general fund.

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.

Health benefits include Master Health Plus, HMO Blue, and Medex offered by Blue Cross Blue Shield of Massachusetts, as well as Harvard Pilgrim HMO offered by Harvard Pilgrim Health Care. Blue Cross and Blue Shield and Harvard Pilgrim Health Care administer the claims program for the pool. The Trust pays in a standard monthly amount towards claims incurred. 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, 2015, the Trust's financial statements (unaudited) reflected total assets of \$4,396,291, total liabilities of \$1,974,730, including \$960,000 estimated benefits obligations (the estimated benefit obligation as of June 30, 2014 was \$850,000), and a total net position of \$2,421,561. 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, 2015, 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 (not including teachers who are included in the Massachusetts Teachers' Retirement System). 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 <http://www.middlesexretirement.org/MCRS%20Final%20Audit%20Report%2012-31-14%20Financial%20Statements%20and%20GASB%2068.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, 2015 was 20.03% 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 \$2,512,579 for the year ending June 30, 2015.

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

At June 30, 2015, the Town reported a liability of \$41,050,336 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014, 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, 2014, the Town's proportion was 3.417115 %. Since this is the implementation year of GASB 68 the increase/decrease of its proportion measured as of December 31, 2013 was not calculated.

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.

Chapter 176 of the Acts of 2011 was incorporated in this valuation, which changes many of the benefit features for members hired on or after April 2, 2012. In addition, the COLA base was increased to \$15,000 effective July 1, 2014.

For the year ended June 30, 2015, the Town recognized pension expense of \$3,712,110. Since the system performs an actuarial valuation bi-annually, there are not reported differences between expected and actual experience a change of assumptions as of December 31, 2014. Additionally, the changes in proportion and differences between employer contributions and proportionate share of contributions are not presented in the initial year of reporting in accordance with GASB Statements 67, 68 and 71. At June 30, 2015, 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	\$ -	\$ -
Change in assumptions	-	-
Net differences between projected and actual earnings on pension plan investments	138,629	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
	<u>\$ 138,629</u>	<u>\$ -</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:

Year ended June 30:		Amount
2016	\$	34,658
2017		34,658
2018		34,658
2019		34,655

Actuarial Assumptions

The total pension liability as of December 31, 2014 was determined by updating an actuarial valuation as of January 1, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	January 1, 2014			
Actuarial Cost Method	Entry age normal cost method			
Amortization Method	Prior year's total contribution increased by 6.5% for fiscal year 2014 through fiscal year 2020, 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, 2012, 7 years remaining for the 2002 ERI liability; 8 years remaining for the 2003 ERI liability; 10 years remaining for the 2010 ERI liability and 23 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 as described by Revenue Procedure 2000-40.			
Investment rate of return	7.875% (8% in previous valuation)			
Discount Rate	7.875%			
Inflation	4.00%			
Projected Salary Increases	<u>Years of Service</u>	<u>Group 1</u>	<u>Group 2</u>	<u>Group 4</u>
	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%	4.25%	4.75%
Cost of Living Adjustments	3.00% of first \$14,000			

Mortality Rates were based on the tables noted below:

Healthy:

Pre-Retirement RP-2000 Employee Mortality Table projected 22 years with Scale AA (previously, projected 12 years with Scale AA)

Post-Retirement RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA (previously, projected 12 years with Scale AA)

Disabled RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA (previously, set forward 2 years and projected 0 years)

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 22 years with Scale AA and the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA 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	19.60%	6.60%
International developed markets equity	15.60%	7.10%
International emerging markets equity	6.50%	9.40%
Core fixed income	15.30%	2.20%
High yield fixed income	8.30%	4.70%
Real estate	9.90%	4.40%
Commodities	3.90%	4.40%
Short-term government money market	0.00%	1.80%
Hedge fund, GTAA. Risk parity	9.80%	3.90%
Private equity	11.10%	11.70%
	<u>100%</u>	

Rate of Return

The annual money-weighted rate of return on pension plan investments for December 31, 2014 (net of investment expenses) was 7.54%. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested, measured monthly.

Discount Rate

The discount rate used to measure the total pension liability was 8.0% (8.25% 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 7.875%, 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 (7.0%) or 1-percentage-point higher (9.0%) than the current rate:

	1% Decrease (6.875%)	Discount Rate (7.875%)	1% Increase (8.875%)
Town's proportionate share of the Net Pension Liability	\$49,638,562	\$41,050,336	\$33,738,450

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: <http://www.middlesexretirement.org/MCRS%20Final%20Audit%20Report%2012-31-14%20Financial%20Statements%20and%20GASB%2068.pdf>.

c. Massachusetts Teachers Retirement System

Special Funding Situation

This note to the financial statements refers to teachers whose service time was with the Town of Acton, Massachusetts, not the Acton-Boxborough Regional School District. The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. The MTRS covers certified teachers and certain school administrators. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a "special funding situation" according to GASB Statement # 68 *Accounting and Financial Reporting for Pensions*. Since the Town does not contribute to the MTRS it does not have a pension liability to report.

MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members-two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB. The MTRB includes 452 employers.

For the fiscal year ended June 30, 2014, the Town's proportionate share of the collective pension expense was \$2,501,865. The Town's proportionate share was based on its percentage share of covered payroll in the MTRS. Since this is the implementation year for GASB 68, the Town's percentage has not changed. Accordingly, the accompanying financial statements include the required adjustments, which have increased both Intergovernmental revenues and the Education expenditures by the same amount in the fund financial statements and the education expense and program revenue in the government wide financial statements. The net effect of this adjustment does not change the excess of revenues and other financing sources over expenditures and other financing uses for the year ended June 30, 2015, or fund balance/net position at June 30, 2015.

The Commonwealth's proportionate share of the collective net pension liability associated with the Town is \$36,011,120.

The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report. The Commonwealth's report is available on the internet at: <http://www.mass.gov/osc/docs/reports-audits/cafr/cafr-2014.pdf>.

Benefits provided

MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. All members of the MTRS are classified in Group 1. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' contribution requirements have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for MTRS vary depending on the most recent date of membership.

<u>Hire Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984-6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation
1979 to present	An additional 2% of regular compensation over \$30,000

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of January 1, 2014, rolled back to June 30, 2013. This valuation used the following assumptions:

1. (a) 8.0% investment rate of return, (b) 3.5% interest rate credited to the annuity savings fund and (c) 3.0% cost of living increase per year.
2. Salary increases are based on analyses of past experience but range from 4.0% to 7.5% depending on length of service.
3. Mortality rates were as follows:
 - Pre-retirement - reflects RP-2000 Employees table adjusted for "white-collar" employment projected 22 years with Scale AA (gender distinct)
 - Post-retirement - reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct)
 - Disability – reflects RP-2000 Healthy Annuitant table adjusted for large annuity amounts and projected 17 years with Scale AA (gender distinct) set forward 3 years for males

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. 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 rates of return 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 rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund's target asset allocation as of June 30, 2014 and 2013 are summarized in the following table:

	Target Allocation	Long Term Expected Rate of Return	
		2014	2013
Global Equity	43.00%	7.20%	7.70%
Core fixed income	13.00%	2.50%	2.00%
Hedge Funds	10.00%	5.50%	4.75%
Private Equity	10.00%	8.80%	9.00%
Real estate	10.00%	6.30%	6.00%
Value Added Fixed Income	10.00%	6.30%	6.30%
Timber/Natural Resources	4.00%	5.00%	5.00%
	<u>100%</u>		

Discount Rate

The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the 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.

Since the Town is not responsible for its proportionate share of the collective net pension liability, a sensitivity analysis of the discount rate is not required.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Commonwealth of Massachusetts financial report. The financial report is available on the internet at <http://www.mass.gov/osc/docs/reports-audits/cafr/cafr-2014.pdf>.

Based upon updated actuarial information, the Commonwealth has adjusted certain information as previously reported in the Schedule of Changes in the Massachusetts Teachers' Retirement System's Collective Net Pension Liability and Related Ratios (changes in total pension liability) as contained in the required supplemental section of the Commonwealth's 2014 CAFR. The change resulted in a reduction of previously reported differences between expected and actual experience by \$85,597,000 which affected the following elements in the schedule of pension amounts as of and for the year ending June 30, 2014 (amounts in thousands):

Beginning total pension liability	\$ (21,000)
Service cost	(26,337)
Interest on pension liability and benefit payments	<u>132,934</u>
Total adjustments	<u>\$85,597</u>

D. 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, including teachers.

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 359 active employees and 290 retired employees (including beneficiaries and dependents) who are eligible to participate in the plan.

b. Funding Policy

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. 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 2015 the Town contributed \$1,807,873 to the Plan, which includes funding \$771,593 to the OPEB Trust. The balance in the OPEB Trust as of June 30, 2015 was \$1,763,022.

c. 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, 2015, the amount contributed to the plan, and the Town’s Net OPEB Obligation (NOO):

Annual Required Contribution (ARC)	\$1,509,722
Interest on Net OPEB Obligation	1,088,304
Adjustment to Annual Required Contribution	(790,153)
Annual OPEB Cost (Expense)	<u>1,807,873</u>
Contributions Made	<u>(1,872,618)</u>
Increase in Net OPEB Obligation	(64,745)
Net OPEB Obligation (NOO)- Beginning of Year	<u>14,042,636</u>
Net OPEB Obligation (NOO)- End of Year	<u><u>\$13,977,891</u></u>

The Town’s annual OPEB cost, the percentage of the annual OPEB cost 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>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$2,765,646	51.7%	\$12,825,098
2014	\$2,918,191	58.3%	\$14,042,636
2015	\$1,807,873	103.6%	\$13,977,891

d. Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Actuarial Accrued Liability (AAL) for benefits was \$21,694,152, and the actuarial value of assets was \$1,722,069, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$19,972,083. The actuarial value of the assets as a percentage of the Actuarial Accrued Liability (funded ratio) was 7.94%. The covered payroll as of the valuation date was \$12,546,476 and the UAAL as a percentage of covered payroll was 159.2%.

The significant decrease in the Unfunded Actuarial Accrued Liability was the result of the regionalization of the Acton Public Schools. In the prior valuation, eligible active employees and eligible retirees/beneficiaries of the Acton public school system were included in the calculation of the UAAL. As a result of the schools' regionalization and in accordance with the regionalization agreement, only retirees/beneficiaries of the Acton Public Schools who were retired as of July 1, 2014 are included in the Town of Acton's UAAL calculation.

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.

e. 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, 2014, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 7.75 percent investment rate of return (previously 6.25%), an annual non-Medicare medical/drug cost trend rates of 8.0 percent initially, reduced by decrements of 0.50% annually for 6 years to an ultimate rate of 5 percent per year (same as prior valuation except the non-Medicare and Medicare medical cost trend rates were not separated) and a Medicare medical/drug cost trend rates of 10.0 percent initially, reduced by decrements of 0.50% annually for 10 years to an ultimate rate of 5 percent 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 site after closure. The Town has closed the landfill and has recorded its estimated postclosure care costs to be \$50,000 which has been recorded as a governmental activity liability at June 30, 2015. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

F. Transfer of Operations

Effective July 1, 2014, the Town of Acton transferred the operations of its elementary schools (Kindergarten through grade six) to the Acton-Boxborough Regional School District (the School District). The School District is not included as part of the Town's reporting entity. The Town's Middle and High Schools were already members of the School District. The transfer of operations occurred in order to enhance the educational objectives and to provide educational services more efficiently. On July 1, 2014, the Town transferred the assets and liabilities comprising its elementary school system to the School District. As a result of the transfer, the Town recognized a loss of \$22,473,561 on the disposal of its elementary school system as a special item. The School District recognized the following assets, liabilities and net position (there were not any deferred outflow/inflows associated with the Elementary School operations):

	<u>Carrying Value</u>
Transferred Assets	
Current Assets	
Cash	\$ 706,850
Capital Assts (net)	
Land	5,005,406
Buildings & Improvements	18,228,128
Land Improvement	464,623
Infrastructure	15,371
Equipment	<u>72,862</u>
Total Capital Assets	<u>23,786,390</u>
Total Assets	<u>24,493,240</u>
Transferred Liabilities	
Long Term Liabilities:	
Compensated Absences Payable	1,354,137
Betterments Payable	<u>665,542</u>
Total Long Term Liabilities	<u>2,019,679</u>
Net Position Transferred to School District	
Net Investment in Capital Assets	23,786,390
Restricted	706,850
Unrestricted	<u>(2,019,679)</u>
Total Net Position Transferred to School District	<u><u>\$ 22,473,561</u></u>

In 2015, school revenues and related expenditures, previously recorded in the Town's accounting records (i.e. school state and federal grants, school lunch revolving fund, other school special revenue funds...), are revenues and expenditures of the School District. The school chapter 70 local aid previously received by the Town is now a revenue of the School District. The loss of chapter 70 local aid did not impact the Town's budgetary capacity because the town's share of the School District's budgetary assessment was reduced by the chapter 70 aid. Beginning in fiscal year 2015, substantially all of the school expenditures reflected in the Town's accounting system are the result of assessments from the School District.

The regionalization process and the effects mentioned above did have a significant impact on the Town's fiscal year 2015 financial statements for prior year comparison purposes. Because the school related grants and other special revenue funds are now reported by the School District, the non-major governmental funds have considerably less revenues and expenditures than in prior years. In fiscal year 2014, the Town's non-major funds reported education related expenditures of \$2,900,925 and education related revenues of \$2,968,880. Revenues and expenditures for those programs are now revenues and expenditures of the School District. In addition, the general fund education expenditures and intergovernmental/program revenues are less by the chapter 70 local aid amount (\$5,569,025 in fiscal year 2014) that went directly to the School District instead of the Town.

Because the transfer of operations occurred on July 1, 2014, the 2015 general fund expenditures related to the elementary school system were reported as assessments from the School District. In prior years they were reported as salaries/expenses of the elementary school.

G. 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	\$ 1,165,547	\$ 1,165,547	\$ -
Sanitation	<u>73,255</u>	<u>-</u>	<u>73,255</u>
	<u>\$ 1,238,802</u>	<u>\$ 1,165,547</u>	<u>\$ 73,255</u>

H. Prior Period Adjustment

Fiscal year 2015 is the implementation year for Governmental Accounting Standards Board Statement # 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. In accordance with the statement, a prior period adjustment (\$39,712,176) was made to reflect the net pension liability as of July 1, 2014. In addition, a prior period adjustment (\$451,250) was made to correct an error in the application of an accounting principle. Governmental Accounting Standards Board Statement # 65, *Items Previously Reported as Assets and Liabilities*, requires reporting (in the Statement of Net Position) deferred inflows/outflows of resources related to current or advance refundings resulting in the defeasance of debt. The total prior period adjustment, which only affected the governmental activities, was \$39,260,926. The governmental activities net position prior to the restatement was \$142,065,061. The restated balance was \$102,804,135.

I. Implementation of New GASB Pronouncements

During fiscal year 2015, the following GASB pronouncements were implemented:

- The GASB issued Statement #68, Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27. The implementation of this pronouncement required a restatement of prior net position to reflect the net pension liability as of July 1, 2014, the recognition of the pension expense and the reporting of deferred outflows/inflows related to pensions. The notes to the financial statements and the Required Supplementary Information were enhanced to comply with Statement #68.
- The GASB issued Statement #69, Government Combinations and Disposals of Government Operations. The implementation of this pronouncement was utilized to record transactions related to the transfer of operations of the Acton Public

Schools to the Acton Boxborough Regional School District.

- The GASB issued Statement #70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The implementation of this pronouncement did not impact the financial statements.
- The GASB issued Statement #71, *Pension Transitions for Contributions Made Subsequent to the Measurement Date*. The implementation of this pronouncement did not impact the financial statements.

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

- The GASB issued Statement No. 72 *Fair Value Measurement and Application*, which is required to be implemented in fiscal year 2016.
- 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 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 GASB issued Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is required to be implemented in fiscal year 2018.
- The GASB issued Statement No. 76 *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which is required to be implemented in fiscal year 2016.
- The GASB issued Statement No. 77 *Tax Abatement Disclosures*, which is required to be implemented in fiscal year 2017.

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 Statements #73, 74 & 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 District's Other Post-Employment Benefits.

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, 2015
(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	\$ -	\$ 73,319,894	\$ 73,319,894	\$ 73,807,038	\$ -	\$ 487,144
Tax Liens	-	-	-	208,954	-	208,954
Excises	-	3,000,000	3,000,000	3,231,930	-	231,930
Penalties and Interest	-	125,000	125,000	212,125	-	87,125
Licenses and Permits	-	125,000	125,000	219,766	-	94,766
Fees and Other Departmental	-	600,000	600,000	764,232	-	164,232
Intergovernmental	-	2,354,407	2,354,407	2,442,583	-	88,176
Charges for Services	-	27,000	27,000	26,254	-	(746)
Fines and Forfeits	-	120,000	120,000	135,009	-	15,009
Earnings on Investments	-	100,000	100,000	85,618	-	(14,382)
In Lieu of Taxes	-	12,000	12,000	15,316	-	3,316
Miscellaneous	-	-	-	185,362	-	185,362
Total Revenues	-	79,783,301	79,783,301	81,334,187	-	1,550,886
<u>Expenditures</u>						
<u>General Government</u>						
Moderator						
Salaries	40	200	200	60	40	140
Expenses	-	20	20	-	-	20
Total	<u>40</u>	<u>220</u>	<u>220</u>	<u>60</u>	<u>40</u>	<u>160</u>
Town Manager						
Salaries	-	421,203	421,203	255,045	-	166,158
Expenses	253,646	797,600	797,600	810,752	150,213	90,281
Total	<u>253,646</u>	<u>1,218,803</u>	<u>1,218,803</u>	<u>1,065,797</u>	<u>150,213</u>	<u>256,439</u>
Green Advisory Board						
Salaries	-	31,730	31,730	19,236	-	12,494
Expenses	5,112	19,746	19,746	25,025	-	(167)
Total	<u>5,112</u>	<u>51,476</u>	<u>51,476</u>	<u>44,261</u>	<u>-</u>	<u>12,327</u>
Finance Committee						
Expenses	-	500	500	273	-	227
Total	<u>-</u>	<u>500</u>	<u>500</u>	<u>273</u>	<u>-</u>	<u>227</u>
Finance Director						
Salaries	-	248,675	248,675	254,249	-	(5,574)
Expenses	24,147	370,203	365,203	414,307	76,095	(101,052)
Total	<u>24,147</u>	<u>618,878</u>	<u>613,878</u>	<u>668,556</u>	<u>76,095</u>	<u>(106,626)</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, 2015
(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	-	293,241	293,241	290,442	-	2,799
Expenses	-	<u>8,000</u>	<u>8,000</u>	<u>4,866</u>	<u>3,500</u>	<u>(366)</u>
Total	<u>-</u>	<u>301,241</u>	<u>301,241</u>	<u>295,308</u>	<u>3,500</u>	<u>2,433</u>
Board Of Assessors						
Salaries	-	252,230	252,230	258,473	-	(6,243)
Expenses	<u>45,050</u>	<u>268,200</u>	<u>268,200</u>	<u>144,911</u>	<u>154,688</u>	<u>13,651</u>
Total	<u>45,050</u>	<u>520,430</u>	<u>520,430</u>	<u>403,384</u>	<u>154,688</u>	<u>7,408</u>
Collector						
Salaries	-	100,289	100,289	70,218	-	30,071
Expenses	<u>3,540</u>	<u>21,950</u>	<u>21,950</u>	<u>15,157</u>	<u>-</u>	<u>10,333</u>
Total	<u>3,540</u>	<u>122,239</u>	<u>122,239</u>	<u>85,375</u>	<u>-</u>	<u>40,404</u>
Human Resource						
Salaries	-	228,273	228,273	233,058	-	(4,785)
Expenses	<u>26,071</u>	<u>182,705</u>	<u>182,705</u>	<u>133,566</u>	<u>28,385</u>	<u>46,825</u>
Total	<u>26,071</u>	<u>410,978</u>	<u>410,978</u>	<u>366,624</u>	<u>28,385</u>	<u>42,040</u>
Information Technology						
Salaries	-	427,037	427,037	365,290	-	61,747
Expenses	<u>832,894</u>	<u>1,077,950</u>	<u>1,077,950</u>	<u>1,128,739</u>	<u>631,960</u>	<u>150,145</u>
Total	<u>832,894</u>	<u>1,504,987</u>	<u>1,504,987</u>	<u>1,494,029</u>	<u>631,960</u>	<u>211,892</u>
Town Clerk						
Salaries	-	185,208	185,208	207,146	-	(21,938)
Expenses	<u>-</u>	<u>3,300</u>	<u>3,300</u>	<u>2,311</u>	<u>-</u>	<u>989</u>
Total	<u>-</u>	<u>188,508</u>	<u>188,508</u>	<u>209,457</u>	<u>-</u>	<u>(20,949)</u>
Elections						
Salaries	-	26,300	26,300	32,510	-	(6,210)
Expenses	<u>-</u>	<u>72,900</u>	<u>72,900</u>	<u>21,970</u>	<u>-</u>	<u>50,930</u>
Total	<u>-</u>	<u>99,200</u>	<u>99,200</u>	<u>54,480</u>	<u>-</u>	<u>44,720</u>
Planning						
Salaries	-	263,007	263,007	262,622	-	385
Expenses	<u>242,748</u>	<u>15,930</u>	<u>15,930</u>	<u>220,171</u>	<u>36,546</u>	<u>1,961</u>
Total	<u>242,748</u>	<u>278,937</u>	<u>278,937</u>	<u>482,793</u>	<u>36,546</u>	<u>2,346</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, 2015
(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	-	606,933	606,933	617,503	-	(10,570)
Expenses	<u>497,226</u>	<u>906,989</u>	<u>906,989</u>	<u>1,271,625</u>	<u>302,836</u>	<u>(170,246)</u>
Total	<u>497,226</u>	<u>1,513,922</u>	<u>1,513,922</u>	<u>1,889,128</u>	<u>302,836</u>	<u>(180,816)</u>
Total - General Government	<u>1,930,474</u>	<u>6,830,319</u>	<u>6,825,319</u>	<u>7,059,525</u>	<u>1,384,263</u>	<u>312,005</u>
<u>Public Safety</u>						
Police						
Salaries	-	3,544,877	3,544,877	3,417,681	-	127,196
Expenses	<u>82,698</u>	<u>346,100</u>	<u>346,100</u>	<u>438,386</u>	<u>82,630</u>	<u>(92,218)</u>
Total	<u>82,698</u>	<u>3,890,977</u>	<u>3,890,977</u>	<u>3,856,067</u>	<u>82,630</u>	<u>34,978</u>
Fire						
Salaries	-	2,579,369	2,579,369	2,740,921	-	(161,552)
Expenses	<u>1,740</u>	<u>222,726</u>	<u>222,726</u>	<u>142,942</u>	<u>10,850</u>	<u>70,674</u>
Total	<u>1,740</u>	<u>2,802,095</u>	<u>2,802,095</u>	<u>2,883,863</u>	<u>10,850</u>	<u>(90,878)</u>
Dispatch						
Salaries	-	561,312	561,312	475,902	-	85,410
Expenses	<u>-</u>	<u>2,600</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>2,600</u>
Total	<u>-</u>	<u>563,912</u>	<u>563,912</u>	<u>475,902</u>	<u>-</u>	<u>88,010</u>
Building Inspector						
Salaries	-	231,630	231,630	232,379	-	(749)
Expenses	<u>32,500</u>	<u>7,200</u>	<u>7,200</u>	<u>35,439</u>	<u>1,475</u>	<u>2,786</u>
Total	<u>32,500</u>	<u>238,830</u>	<u>238,830</u>	<u>267,818</u>	<u>1,475</u>	<u>2,037</u>
Emergency Management						
Salaries	-	14,300	14,300	14,300	-	-
Expenses	<u>-</u>	<u>28,100</u>	<u>28,100</u>	<u>20,079</u>	<u>-</u>	<u>8,021</u>
Total	<u>-</u>	<u>42,400</u>	<u>42,400</u>	<u>34,379</u>	<u>-</u>	<u>8,021</u>
Dog Officer						
Expenses	<u>1,315</u>	<u>23,000</u>	<u>23,000</u>	<u>18,193</u>	<u>-</u>	<u>6,122</u>
Total	<u>1,315</u>	<u>23,000</u>	<u>23,000</u>	<u>18,193</u>	<u>-</u>	<u>6,122</u>
Total - Public Safety	<u>118,253</u>	<u>7,561,214</u>	<u>7,561,214</u>	<u>7,536,222</u>	<u>94,955</u>	<u>48,290</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, 2015
(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>						
General Education						
Salaries	35,889	-	-	24,606	-	11,283
Expenses	25,544	-	-	19,113	-	6,431
Acton Boxborough Reg Assmt.	-	49,690,145	49,690,145	49,690,145	-	-
Minuteman Tech- Assmt.	-	760,052	760,052	760,052	-	-
Total - Education	61,433	50,450,197	50,450,197	50,493,916	-	17,714
<u>Intergovernmental</u>						
State And County						
Expenses	-	237,454	237,454	239,728	-	(2,274)
Total	-	237,454	237,454	239,728	-	(2,274)
Total - Intergovernmental	-	237,454	237,454	239,728	-	(2,274)
<u>Highways and Public Works</u>						
Engineering						
Salaries	-	252,308	252,308	255,902	-	(3,594)
Expenses	378,299	27,250	27,250	59,740	366,427	(20,618)
Total	378,299	279,558	279,558	315,642	366,427	(24,212)
Highway						
Salaries	-	976,295	976,295	973,274	-	3,021
Expenses	226,478	515,847	515,847	129,301	612,839	185
	226,478	1,492,142	1,492,142	1,102,575	612,839	3,206
Roads						
Expenses	28,432	260,315	260,315	233,783	11,854	43,110
Total	28,432	260,315	260,315	233,783	11,854	43,110
Snow And Ice						
Salaries	-	146,237	146,237	243,206	-	(96,969)
Expenses	-	380,625	380,625	589,442	-	(208,817)
Total	-	526,862	526,862	832,648	-	(305,786)
Gas And Diesel						
Expenses	35,939	357,061	357,061	259,664	-	133,336
Total	35,939	357,061	357,061	259,664	-	133,336

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, 2015
(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	3,867	356,163	356,163	350,080	2,850	7,100
Total	<u>3,867</u>	<u>356,163</u>	<u>356,163</u>	<u>350,080</u>	<u>2,850</u>	<u>7,100</u>
Special Projects Expenses	95,312	264,932	264,932	244,606	82,759	32,879
Total	<u>95,312</u>	<u>264,932</u>	<u>264,932</u>	<u>244,606</u>	<u>82,759</u>	<u>32,879</u>
Total - Highways and Public Works	<u>768,327</u>	<u>3,537,033</u>	<u>3,537,033</u>	<u>3,338,998</u>	<u>1,076,729</u>	<u>(110,367)</u>
<u>Human Services</u>						
Board Of Health Salaries	-	200,246	200,246	208,110	-	(7,864)
Expenses	7,560	293,745	293,745	288,611	1,419	11,275
Total	<u>7,560</u>	<u>493,991</u>	<u>493,991</u>	<u>496,721</u>	<u>1,419</u>	<u>3,411</u>
Nursing Service Salaries	-	101,288	101,288	92,329	-	8,959
Expenses	976	30,337	30,337	45,032	2,348	(16,067)
Total	<u>976</u>	<u>131,625</u>	<u>131,625</u>	<u>137,361</u>	<u>2,348</u>	<u>(7,108)</u>
Council On Aging Salaries	-	269,854	269,854	265,883	-	3,971
Expenses	10,887	64,961	64,961	85,368	42	(9,562)
Total	<u>10,887</u>	<u>334,815</u>	<u>334,815</u>	<u>351,251</u>	<u>42</u>	<u>(5,591)</u>
Veterans Services Salaries	-	65,412	65,412	65,812	-	(400)
Expenses	3,464	126,300	126,300	107,785	4,293	17,686
Total	<u>3,464</u>	<u>191,712</u>	<u>191,712</u>	<u>173,597</u>	<u>4,293</u>	<u>17,286</u>
Commission On Disabilities Expenses	-	1,468	1,468	36	-	1,432
Total	<u>-</u>	<u>1,468</u>	<u>1,468</u>	<u>36</u>	<u>-</u>	<u>1,432</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, 2015
(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	-	706,415	706,415	716,200	-	(9,785)
Expenses	<u>117,804</u>	<u>255,717</u>	<u>255,717</u>	<u>85,667</u>	<u>332,589</u>	<u>(44,735)</u>
Total	<u>117,804</u>	<u>962,132</u>	<u>962,132</u>	<u>801,867</u>	<u>332,589</u>	<u>(54,520)</u>
Total - Human Services	<u>140,691</u>	<u>2,115,743</u>	<u>2,115,743</u>	<u>1,960,833</u>	<u>340,691</u>	<u>(45,090)</u>
<u>Culture and Recreation</u>						
Recreation						
Expenses	<u>1,889</u>	<u>2,000</u>	<u>2,000</u>	<u>217</u>	<u>3,672</u>	<u>-</u>
Total	<u>1,889</u>	<u>2,000</u>	<u>2,000</u>	<u>217</u>	<u>3,672</u>	<u>-</u>
Memorial Library						
Salaries	-	1,011,656	1,011,656	1,014,244	-	(2,588)
Expenses	<u>7,000</u>	<u>263,575</u>	<u>263,575</u>	<u>284,874</u>	<u>-</u>	<u>(14,299)</u>
Total	<u>7,000</u>	<u>1,275,231</u>	<u>1,275,231</u>	<u>1,299,118</u>	<u>-</u>	<u>(16,887)</u>
Citizens Library						
Salaries	-	48,095	48,095	46,473	-	1,622
Expenses	<u>669</u>	<u>7,655</u>	<u>7,655</u>	<u>8,011</u>	<u>-</u>	<u>313</u>
Total	<u>669</u>	<u>55,750</u>	<u>55,750</u>	<u>54,484</u>	<u>-</u>	<u>1,935</u>
Historic Commission						
Expenses	<u>-</u>	<u>380</u>	<u>380</u>	<u>150</u>	<u>-</u>	<u>230</u>
Total	<u>-</u>	<u>380</u>	<u>380</u>	<u>150</u>	<u>-</u>	<u>230</u>
Celebrations						
Salaries	-	1,000	1,000	-	-	1,000
Expenses	<u>-</u>	<u>9,000</u>	<u>9,000</u>	<u>8,046</u>	<u>-</u>	<u>954</u>
Total	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>8,046</u>	<u>-</u>	<u>1,954</u>
Total - Culture and Recreation	<u>9,558</u>	<u>1,343,361</u>	<u>1,343,361</u>	<u>1,362,015</u>	<u>3,672</u>	<u>(12,768)</u>
<u>Employee Benefits and Insurances</u>						
Pension Assessment	-	2,980,928	2,980,928	2,883,953	-	96,975
Medicare	-	165,000	165,000	173,326	-	(8,326)
Insurances and Other Benefits	<u>-</u>	<u>4,386,400</u>	<u>4,391,400</u>	<u>4,245,495</u>	<u>16,000</u>	<u>129,905</u>
Total	<u>-</u>	<u>7,532,328</u>	<u>7,537,328</u>	<u>7,302,774</u>	<u>16,000</u>	<u>218,554</u>
Total - Employee Benefits and Insurances	<u>-</u>	<u>7,532,328</u>	<u>7,537,328</u>	<u>7,302,774</u>	<u>16,000</u>	<u>218,554</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, 2015
(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	-	2,098,033	2,098,033	2,097,422	-	611
Interest	-	634,222	634,222	604,430	-	29,792
Total	<u>-</u>	<u>2,732,255</u>	<u>2,732,255</u>	<u>2,701,852</u>	<u>-</u>	<u>30,403</u>
Total - Debt Service	<u>-</u>	<u>2,732,255</u>	<u>2,732,255</u>	<u>2,701,852</u>	<u>-</u>	<u>30,403</u>
Total Expenditures	<u>3,028,736</u>	<u>82,339,904</u>	<u>82,339,904</u>	<u>81,995,863</u>	<u>2,916,310</u>	<u>456,467</u>
Excess of Revenues Over (Under)						
Expenditures	<u>(3,028,736)</u>	<u>(2,556,603)</u>	<u>(2,556,603)</u>	<u>(661,676)</u>	<u>(2,916,310)</u>	<u>2,007,353</u>
Operating Transfers In	-	1,823,463	1,823,463	2,104,208	-	280,745
Operating Transfers (Out)	<u>-</u>	<u>(123,548)</u>	<u>(288,548)</u>	<u>(288,548)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,699,915</u>	<u>1,534,915</u>	<u>1,815,660</u>	<u>-</u>	<u>280,745</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)						
	<u>(3,028,736)</u>	<u>(856,688)</u>	<u>(1,021,688)</u>	<u>1,153,984</u>	<u>(2,916,310)</u>	<u>2,288,098</u>
Fund Balance Beginning of the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of the Year	<u>\$ (3,028,736)</u>	<u>\$ (856,688)</u>	<u>\$ (1,021,688)</u>	<u>\$ 1,153,984</u>	<u>\$ (2,916,310)</u>	<u>\$ 2,288,098</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, 2015

	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	\$ -	\$ 750,000	\$ 750,000	\$ 874,948	\$ -	\$ 124,948
Penalties and Interest	-	-	-	1,468	-	1,468
Intergovernmental	-	250,000	250,000	263,941	-	13,941
Earnings on Investment	-	-	-	18,847	-	18,847
Total Revenues	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,159,204</u>	<u>-</u>	<u>159,204</u>
<u>Expenditures</u>						
<u>Community Preservation Act Commission</u>						
<u>General Government</u>						
Expenses	2,198,636	886,609	1,226,046	733,131	2,691,551	-
<u>Human Services</u>						
Expenses	-	38,694	38,694	38,694	-	-
<u>Culture and Recreation</u>						
Expenses	-	74,697	74,697	74,697	-	-
Total Expenditures	<u>2,198,636</u>	<u>1,000,000</u>	<u>1,339,437</u>	<u>846,522</u>	<u>2,691,551</u>	<u>-</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>(2,198,636)</u>	<u>-</u>	<u>(339,437)</u>	<u>312,682</u>	<u>(2,691,551)</u>	<u>159,204</u>
<u>Other Financing Sources and (Uses)</u>						
Transfers Out	<u>-</u>	<u>-</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and (Uses)	<u>-</u>	<u>-</u>	<u>(170,000)</u>	<u>(170,000)</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) Of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(2,198,636)</u>	<u>-</u>	<u>(509,437)</u>	<u>142,682</u>	<u>(2,691,551)</u>	<u>159,204</u>
Fund Balance Beginning of the Year	<u>-</u>	<u>-</u>	<u>4,644,060</u>	<u>4,644,060</u>	<u>-</u>	<u>-</u>
Fund Balance End of the Year	<u>\$ (2,198,636)</u>	<u>\$ -</u>	<u>\$ 4,134,623</u>	<u>\$ 4,786,742</u>	<u>\$ (2,691,551)</u>	<u>\$ 159,204</u>

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	
Town's proportionate share of net pension liability (asset) (%)	3.417115%	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>									
Town's proportionate share of net pension liability (asset) (\$)	41,050,336										
Town's covered-employee payroll	12,546,476										
Town's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	327.19%										
Plan fiduciary net position as a percentage of the pension liability	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution	\$ 2,512,579	\$ 2,787,273	\$ 2,755,584	\$ 2,629,169	\$ 2,498,120	\$ 2,390,614	\$ 1,136,369	\$ 1,040,723	\$ 1,771,886	\$ 1,037,884
Contributions in relation to the contractually required contribution	<u>(2,512,579)</u>	<u>(2,787,273)</u>	<u>(2,755,584)</u>	<u>(2,629,169)</u>	<u>(2,498,120)</u>	<u>(2,390,614)</u>	<u>(1,136,369)</u>	<u>(1,040,723)</u>	<u>(1,771,886)</u>	<u>(1,037,884)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	12,546,476	12,500,612	<i>(Historical information prior to implementation of GASB 67/68 is not required)</i>							
Contributions as a percentage of covered-employee payroll	20.03%	22.30%								

See Notes to the Required Supplementary Information

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Town's proportionate share of net pension liability (asset) (%)	0.00% <i>(Historical information prior to implementation of GASB 67/68 is not required)</i>									
Town's proportionate share of net pension liability (asset) (\$)	\$	-								
State's proportionate share of net pension liability (asset) associated with Town (\$)	\$	36,011,120								
Total	\$	<u>36,011,120</u>								
Town's covered-employee payroll	13,890,103									
Town's proportionate share of net pension liability (asset) as a percentage of its covered-employee payroll	0.00%									
Plan fiduciary net position as a percentage of the pension liability	61.64%									
Town's expense and revenue recognized for Commonwealth support	\$	<u>2,501,865</u>								

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
 June 30, 2015

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)]
12/31/10	\$0	\$57,330,858	\$57,330,858	0%	\$11,115,982	515.8%
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%

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 <u>Ended June 30</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB <u>Obligation</u>
2013	\$2,765,646	51.7%	\$12,825,098
2014	\$2,918,191	58.3%	14,042,636
2015	\$1,807,873	103.6%	\$13,977,891

See Notes to the Required Supplementary Information

Required Supplementary Information
Town of Acton, Massachusetts
Valuation Details - Other Post Employment Benefits
Fiscal Year Ended June 30, 2015

Valuation Date	December 31, 2014
Actuarial Cost Method	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	7.75% (previously 6.25% partially funded)
Inflation Rate	3.5%
Non-Medicare Medical/Drug Cost Trend Rate	8.0% decreasing by 0.50% for 6 years to an ultimate level of 5.00% per year (same as prior valuation - except Non-Medicare versus Medicare not separated).
Medicare Medical/Drug Cost Trend Rate	10.0% decreasing by 0.50% for 10 years to an ultimate level of 5.00% per year (in prior valuation, Non-Medicare versus Medicare not separated).
Plan Membership:	
Current retirees, beneficiaries, and dependents	323
Current active members	<u>150</u>
Total	<u>473</u>

See Notes to the Required Supplementary Information

Town of Acton, Massachusetts
Notes to the Required Supplementary Information
June 30, 2015

(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 2015 annual Town meeting voted amounts adjusted for any special Town meeting votes applicable to fiscal 2015 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, 2015. The budget basis for the Community Preservation Act fund is GAAP.

	<u>Revenues</u>
As Reported Budget Basis	\$ 81,334,187
Adjustments:	
Sixty Day Accrual - Net	(12,392)
MWPAT Subsidies	6,616
On Behalf Payments Included in Intergovernmental	2,501,865
As Reported GAAP Statement	<u>\$ 83,830,276</u>
	<u><u>Expenditures</u></u>
As Reported Budget Basis	\$ 81,995,863
Adjustments:	
MWPAT Subsidies	6,616
On Behalf Payments Included in Education	2,501,865
As Reported GAAP Statement	<u>\$ 84,504,344</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.

(B) Pension Plans

a. 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 (not including teachers who are included in the Massachusetts Teachers' Retirement System). The system provides retirement benefits, cost of living adjustments, disability benefits and death benefits.

The District 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 <http://www.middlesexretirement.org/MCRS%20Final%20Audit%20Report%2012-31-14%20Financial%20Statements%20and%20GASB%2068.pdf> or by writing to the to the Middlesex County Retirement System, 25 Linnell Circle, P.O. Box 160, Billerica, Massachusetts 01865.

The Town, also, provides benefits to teachers through the Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67. The Commonwealth of Massachusetts is statutorily responsible for 100% of the actuarially determined employer contributions. Therefore, the Town has a special funding situation.

b. Funding Plan

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

c. Changes in Benefit Terms

Chapter 176 of the Acts of 2011 was incorporated in this valuation, which changes many of the benefit features for members hired on or after April 2, 2012. In addition, the COLA base was increased to \$15,000 effective July 1, 2014.

d. Change in Assumptions

The following changes were effective January 1, 2014:

- The actuarial cost method was changed to better reflect the impact of the plan changes effective for employees hired on or after April 2, 2012.
- The pre-retirement mortality assumption was changed from the RP-2000 Employee Mortality Table projected 12 years with Scale AA to the RP-2000 Employee Mortality Table projected 22 years with Scale AA.
- The mortality assumption for non-disabled retirees was changed from the RP-2000 Healthy Annuitant Mortality Table projected 12 years with Scale AA to the RP-2000 Healthy Annuitant Mortality Table projected 17 years with Scale AA.
- The mortality assumption for disabled participants was changed from the RP-2000 Healthy Annuitant Mortality Table set forward two years to the RP-2000 Healthy Annuitant Mortality Table set forward three years projected 17 years with Scale AA.
- The investment return assumption was lowered from 8.00% to 7.875%.
- The salary increase assumption was changed from level rates of 4.75% per year for Group 1 and Group 2 members and 5.25% per year for Group 4 members, including an allowance for inflation of 4.5% per year, to rates based on years of service with ultimate rates of 4.25% per year for Group 1 members, 4.5% per year for Group 2 members and 4.75% per year for Group 4 members, including an allowance for inflation of 4.0% per year.
- The assumed retirement age for inactive vested participants was changed from age 65 to age 60 for Group 1 and 2 members and remained the same at age 55 for Group 4 members hired prior to April 2, 2012. For participants hired April 2, 2012 or later, the assumption is 60 for Group 1 members, 55 for Group 2 members and 50 for Group 4 members.
- The administrative expense assumption was increased from \$3,100,000 for calendar 2012 to \$3,400,000 for calendar 2014.

e. Massachusetts Teachers Retirement System

Special Funding Situation

The Massachusetts Teachers' Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. The MTRS covers certified teachers and certain school administrators. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. Therefore, the Town is considered to be in a "special funding situation" according to GASB Statement # 68 *Accounting and Financial Reporting for Pensions*. Since the Town does not contribute to the MTRS it does not have a pension liability to report.

MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. Management of MTRS is vested in the Massachusetts Teachers' Retirement Board (MTRB), which consists of seven members-two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB. The MTRB includes 452 employers.

The MTRS is part of the Commonwealth's reporting entity and does not issue a stand-alone audited financial report. The Commonwealth's report is available on the internet at: <http://www.mass.gov/osc/docs/reports-audits/cafr/cafr-2014.pdf>.

Benefits provided

MTRS provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. All members of the MTRS are classified in Group 1. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of creditable service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

The MTRS' contribution requirements have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the MTRS retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets.

Member contributions for MTRS vary depending on the most recent date of membership.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of January 1, 2014 rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of January 1, 2014, rolled back to June 30, 2013.

f. 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 plans fiduciary net position as a percentage of the total pension liability. As more information becomes available, this will be a ten year schedule.

g. 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. The schedule is a ten year schedule.

h. Schedule of Town's Proportionate Share of the Collective Net Pension Liability - Massachusetts Teachers' Retirement System

Since the Commonwealth of Massachusetts is statutorily responsible for 100% of the actuarially determined employer contribution, the Town has a special funding situation. Therefore, the Town does not recognize a net pension liability. This schedule provides information about the state's proportionate share of the collective net pension liability associated with the Town and the plans fiduciary net position as a percentage of the total pension liability. It, also, details the Town's revenue and expense recognized from the Commonwealth's support. 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, including teachers.

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 150 active employees and 323 retired employees (including beneficiaries and dependents) who are eligible to participate in the plan.

b. Funding Policy

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. 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 was the result of the regionalization of the Acton Public Schools. In the prior valuation, eligible active employees and eligible retirees/beneficiaries of the Acton public school system were included in the calculation of the UAAL. As a result of the schools' regionalization and in accordance with the regionalization agreement, only retirees/beneficiaries of the Acton Public Schools (who were retired as of July 1, 2014) are included the Town of Acton's UAAL calculation.

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.

The Schedule of Valuation Details presents factors that significantly affect the identification of trends in the amounts reported.

**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 non-school related activity specifically financed by federal, state, and other grants which are restricted for specific programs.

School Grants Fund – This fund is used to account for the educational programs 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 non-school related revolving funds specifically allowed by the laws of the Commonwealth of Massachusetts. These funds are expended for purposes specified by the enabling statute.

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

School Lunch Fund – This fund is used to account for all cafeteria activities and is funded by user charges, federal and state grants and commodities received.

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.

School Donations & Gifts Fund – This fund is used to account for gifts which have been accepted by the School Department 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.

Town Hall Land Use- This fund is used to account for Town Hall renovations and other Municipal land use projects.

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, 2015

	Special Revenue Town Grants	Special Revenue School Grants	Special Revenue Revolving - Town	Special Revenue Revolving - School	Special Revenue School Lunch	Special Revenue Donations and Gifts - Town	Special Revenue Donations and Gifts - School	Special Revenue Other	Subtotal Special Revenue Funds
Assets:									
Cash and Cash Equivalents	\$ -	\$ -	\$ 592,939	\$ -	\$ -	\$ 1,522,815	\$ -	\$ 1,819,688	\$ 3,935,442
Investments	-	-	-	-	-	-	-	-	-
Accounts Receivable:									
User Charges	-	-	-	-	-	-	-	95,953	95,953
Special Assessments	-	-	-	-	-	-	-	62,960	62,960
Departmental	-	-	20,600	-	-	-	-	66,571	87,171
Intergovernmental	1,803,979	-	-	-	-	-	-	-	1,803,979
Total Assets	\$ 1,803,979	\$ -	\$ 613,539	\$ -	\$ -	\$ 1,522,815	\$ -	\$ 2,045,172	\$ 5,985,505
Liabilities:									
Warrants Payable	\$ 8,514	\$ -	\$ 44,808	\$ -	\$ -	\$ 3,614	\$ -	\$ 8,223	\$ 65,159
Accrued Payroll Payable	354	-	15,368	-	-	209	-	7,297	23,228
Due to Other Fund	700,567	-	-	-	-	-	-	-	700,567
Notes Payable	-	-	-	-	-	-	-	-	-
Total Liabilities	709,435	-	60,176	-	-	3,823	-	15,520	788,954
Deferred Inflows of Resources:									
Unavailable Revenues	1,227,627	-	20,600	-	-	-	-	208,357	1,456,584
Total Deferred Inflows of Resources	1,227,627	-	20,600	-	-	-	-	208,357	1,456,584
Fund Equity:									
Fund Balances:									
Nonspendable	-	-	-	-	-	29,000	-	-	29,000
Restricted	-	-	532,763	-	-	1,489,992	-	1,095,218	3,117,973
Committed	-	-	-	-	-	-	-	726,077	726,077
Unassigned	(133,083)	-	-	-	-	-	-	-	(133,083)
Total Fund Balances	(133,083)	-	532,763	-	-	1,518,992	-	1,821,295	3,739,967
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,803,979	\$ -	\$ 613,539	\$ -	\$ -	\$ 1,522,815	\$ -	\$ 2,045,172	\$ 5,985,505

Continued on Next Page

Town of Acton, Massachusetts
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	Capital Projects Town Hall Land Use	Capital Projects Land Purchase	Capital Projects Other	Subtotal Capital Projects	Permanent Trust Cemetery	Permanent Trust Library	Permanent Trust Other	Subtotal Permanent Trust	Total Nonmajor Governmental Funds
Assets:									
Cash and Cash Equivalents	\$ 1,161	\$ 959	\$ 571,041	\$ 573,161	\$ -	\$ -	\$ -	\$ -	\$ 4,508,603
Investments	-	-	-	-	3,057,498	551,441	294,484	3,903,423	3,903,423
Accounts Receivable:									
User Charges	-	-	-	-	-	-	-	-	95,953
Special Assessments	-	-	-	-	-	-	-	-	62,960
Departmental	-	-	-	-	-	-	-	-	87,171
Intergovernmental	-	-	-	-	-	-	-	-	1,803,979
Total Assets	<u>\$ 1,161</u>	<u>\$ 959</u>	<u>\$ 571,041</u>	<u>\$ 573,161</u>	<u>\$ 3,057,498</u>	<u>\$ 551,441</u>	<u>\$ 294,484</u>	<u>\$ 3,903,423</u>	<u>\$ 10,462,089</u>
Liabilities:									
Warrants Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,159
Accrued Payroll Payable	-	-	-	-	-	-	-	-	23,228
Due to Other Fund	-	-	-	-	-	-	-	-	700,567
Notes Payable	-	900,000	-	900,000	-	-	-	-	900,000
Total Liabilities	<u>-</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,688,954</u>
Deferred Inflows of Resources:									
Unavailable Revenues	-	-	-	-	-	-	-	-	1,456,584
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,456,584</u>
Fund Equity:									
Fund Balances:									
Nonspendable	-	-	-	-	1,901,268	87,900	36,239	2,025,407	2,054,407
Restricted	1,161	-	571,041	572,202	1,156,230	463,541	258,245	1,878,016	5,568,191
Committed	-	-	-	-	-	-	-	-	726,077
Unassigned	-	(899,041)	-	(899,041)	-	-	-	-	(1,032,124)
Total Fund Balances	<u>1,161</u>	<u>(899,041)</u>	<u>571,041</u>	<u>(326,839)</u>	<u>3,057,498</u>	<u>551,441</u>	<u>294,484</u>	<u>3,903,423</u>	<u>7,316,551</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,161</u>	<u>\$ 959</u>	<u>\$ 571,041</u>	<u>\$ 573,161</u>	<u>\$ 3,057,498</u>	<u>\$ 551,441</u>	<u>\$ 294,484</u>	<u>\$ 3,903,423</u>	<u>\$ 10,462,089</u>
									Concluded

Town of Acton, Massachusetts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2015

	Special Revenue Town Grants	Special Revenue School Grants	Special Revenue Revolving - Town	Special Revenue Revolving - School	Special Revenue School Lunch	Special Revenue Donations and Gifts - Town	Special Revenue Donations and Gifts - School	Special Revenue Other	Subtotal Special Revenue Funds
Revenues:									
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,192	\$ 87,192
Intergovernmental	1,683,206	14,726	-	-	13,916	-	-	3,137	1,714,985
Charges for Services	-	-	778,524	-	7,492	-	-	973,649	1,759,665
Earnings on Investments	-	-	-	-	-	-	-	1,516	1,516
Contributions	14,500	-	-	-	-	195,755	-	-	210,255
Total Revenues	<u>1,697,706</u>	<u>14,726</u>	<u>778,524</u>	<u>-</u>	<u>21,408</u>	<u>195,755</u>	<u>-</u>	<u>1,065,494</u>	<u>3,773,613</u>
Expenditures:									
Current									
General Government	1,059,702	-	-	-	-	110,845	-	61,224	1,231,771
Public Safety	110,089	-	239,083	-	-	-	-	975,747	1,324,919
Education	-	17,110	-	-	-	-	278	-	17,388
Highways and Public Works	511,706	-	-	-	-	141,956	-	-	653,662
Human Services	169,157	-	192,868	-	-	84,027	-	256,711	702,763
Culture and Recreation	40,753	-	452,565	-	-	40,102	-	-	533,420
Capital Outlay	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>1,891,407</u>	<u>17,110</u>	<u>884,516</u>	<u>-</u>	<u>-</u>	<u>376,930</u>	<u>278</u>	<u>1,293,682</u>	<u>4,463,923</u>
Excess of Revenues Over (Under) Expenditures	<u>(193,701)</u>	<u>(2,384)</u>	<u>(105,992)</u>	<u>-</u>	<u>21,408</u>	<u>(181,175)</u>	<u>(278)</u>	<u>(228,188)</u>	<u>(690,310)</u>
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	-	123,548	123,548
Operating Transfers (Out)	-	-	-	-	-	(10,024)	-	(514,340)	(524,364)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,024)</u>	<u>-</u>	<u>(390,792)</u>	<u>(400,816)</u>
Special Items:									
Loss on Disposal of School Operations	-	(26,995)	-	(311,852)	(132,503)	-	(235,500)	-	(706,850)
Total Special Items	<u>-</u>	<u>(26,995)</u>	<u>-</u>	<u>(311,852)</u>	<u>(132,503)</u>	<u>-</u>	<u>(235,500)</u>	<u>-</u>	<u>(706,850)</u>
Net Change in Fund Balance	<u>(193,701)</u>	<u>(29,379)</u>	<u>(105,992)</u>	<u>(311,852)</u>	<u>(111,095)</u>	<u>(191,199)</u>	<u>(235,778)</u>	<u>(618,980)</u>	<u>(1,797,976)</u>
Fund Balance, Beginning	<u>60,618</u>	<u>29,379</u>	<u>638,755</u>	<u>311,852</u>	<u>111,095</u>	<u>1,710,191</u>	<u>235,778</u>	<u>2,440,275</u>	<u>5,537,943</u>
Fund Balance, Ending	<u>\$ (133,083)</u>	<u>\$ -</u>	<u>\$ 532,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,518,992</u>	<u>\$ -</u>	<u>\$ 1,821,295</u>	<u>\$ 3,739,967</u>

Continued on Next Page

Town of Acton, Massachusetts
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Fiscal Year Ended June 30, 2015

	Capital Projects Town Hall Land Use	Capital Projects Land Purchase	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	87,192
Intergovernmental	-	-	-	-	-	-	-	-	1,714,985
Charges for Services	-	-	-	-	-	-	-	-	1,759,665
Earnings on Investments	-	-	-	-	76,374	13,717	7,326	97,417	98,933
Contributions	-	-	-	-	34,670	-	-	34,670	244,925
Total Revenues	-	-	-	-	111,044	13,717	7,326	132,087	3,905,700
Expenditures:									
Current									
General Government	-	-	112,593	112,593	-	-	245	245	1,344,609
Public Safety	-	-	11,550	11,550	-	-	1,379	1,379	1,337,848
Education	-	-	-	-	-	-	-	-	17,388
Highways and Public Works	-	-	2,000	2,000	67,766	-	-	67,766	723,428
Human Services	-	-	-	-	-	-	315	315	703,078
Culture and Recreation	-	-	190	190	-	3,581	-	3,581	537,191
Capital Outlay	370,129	899,041	-	1,269,170	-	-	-	-	1,269,170
Total Expenditures	370,129	899,041	126,333	1,395,503	67,766	3,581	1,939	73,286	5,932,712
Excess of Revenues Over (Under) Expenditures	(370,129)	(899,041)	(126,333)	(1,395,503)	43,278	10,136	5,387	58,801	(2,027,012)
Other Financing Sources (Uses):									
Operating Transfers In	-	-	-	-	-	-	-	-	123,548
Operating Transfers (Out)	-	-	-	-	-	-	-	-	(524,364)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	(400,816)
Special Items:									
Loss on Disposal of School Operations	-	-	-	-	-	-	-	-	(706,850)
Total Special Items	-	-	-	-	-	-	-	-	(706,850)
Net Change in Fund Balance	(370,129)	(899,041)	(126,333)	(1,395,503)	43,278	10,136	5,387	58,801	(3,134,678)
Fund Balance, Beginning	371,290	-	697,374	1,068,664	3,014,220	541,305	289,097	3,844,622	10,451,229
Fund Balance, Ending	\$ 1,161	\$ (899,041)	\$ 571,041	\$ (326,839)	\$ 3,057,498	\$ 551,441	\$ 294,484	\$ 3,903,423	\$ 7,316,551

Concluded

Town of Acton, Massachusetts
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Non Major Special Revenue - Council on Aging Fund
Fiscal Year Ended June 30, 2015

	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	\$ -	\$ 51,488	\$ 51,488	\$ 34,743	\$ -	\$ (16,745)
Earnings on Investments	-	-	-	921	-	921
Total Revenues	-	51,488	51,488	35,664	-	(15,824)
<u>Expenditures</u>						
Salaries and Wages	-	58,132	58,132	462	-	57,670
Expenses	-	33,105	33,105	90,429	-	(57,324)
Total Expenditures	-	91,237	91,237	90,891	-	346
<u>Other Financing Sources and (Uses)</u>						
Transfers Out	-	-	-	(17,582)	-	(17,582)
Total Other Financing Sources and (Uses)	-	-	-	(17,582)	-	(17,582)
Excess (Deficiency) Of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	-	(39,749)	(39,749)	(72,809)	-	(33,060)
Fund Balance Beginning of the Year	-	72,809	72,809	72,809	-	-
Fund Balance End of the Year	\$ -	\$ 33,060	\$ 33,060	\$ -	\$ -	\$ (33,060)

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, 2015

	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	\$ -	\$ 137,679	\$ 137,679	\$ 132,215	\$ -	\$ (5,464)
Earnings on Investments	-	-	-	595	-	595
Total Revenues	-	137,679	137,679	132,810	-	(4,869)
<u>Expenditures</u>						
Salaries and Wages	-	110,065	110,065	98,528	-	11,537
Expenses	3,072	27,614	27,614	41,265	-	(10,579)
Total Expenditures	3,072	137,679	137,679	139,793	-	958
<u>Other Financing Sources and (Uses)</u>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources and (Uses)	-	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(3,072)	-	-	(6,983)	-	(3,911)
Fund Balance Beginning of the Year	-	156,136	156,136	156,136	-	7,626
Fund Balance End of the Year	\$ (3,072)	\$ 156,136	\$ 156,136	\$ 149,153	\$ -	\$ 3,715

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, 2015

	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	\$ -	\$ 625,879	\$ 625,879	\$ 596,096	\$ -	\$ (29,783)
Earnings on Investments	-	-	-	3,912	-	3,912
Total Revenues	-	625,879	625,879	600,008	-	(25,871)
<u>Expenditures</u>						
Salaries and Wages	-	522,547	522,547	482,659	-	39,888
Expenses	5,144	804,160	804,160	493,088	2,913	313,303
Total Expenditures	5,144	1,326,707	1,326,707	975,747	2,913	353,191
<u>Other Financing Sources and (Uses)</u>						
Transfers In	-	123,548	123,548	123,548	-	-
Total Other Financing Sources and (Uses)	-	123,548	123,548	123,548	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(5,144)	(577,280)	(577,280)	(252,191)	(2,913)	327,320
Fund Balance Beginning of the Year	-	1,129,115	1,129,115	1,129,115	-	367,208
Fund Balance End of the Year	\$ (5,144)	\$ 551,835	\$ 551,835	\$ 876,924	\$ (2,913)	\$ 694,528

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, 2015

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Total Fiduciary <u>Funds</u>
Assets			
Investments	\$ 279,618	\$ 1,763,022	\$ 2,042,640
Total Assets	<u>\$ 279,618</u>	<u>\$ 1,763,022</u>	<u>\$ 2,042,640</u>
Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position			
Held in Trust for OPEB Benefits and Other Purposes	<u>\$ 279,618</u>	<u>\$ 1,763,022</u>	<u>\$ 2,042,640</u>

Town of Acton, Massachusetts
Combining Statement of Changes in Net Position
Fiduciary Funds
Fiscal Year Ended June 30, 2015

	Private Purpose Trust Fund <u>Charity</u>	Other Post Employment Benefits <u>Trust</u>	Total Private-Purpose <u>Trust</u>
Additions:			
Employer Contributions	\$ -	\$ 771,593	\$ 771,593
Net Investment Income	6,997	63,725	70,722
Total Additions	<u>6,997</u>	<u>835,318</u>	<u>842,315</u>
Deductions:			
Trust Distributions	<u>3,546</u>	<u>-</u>	<u>3,546</u>
Change in Net Position	<u>3,451</u>	<u>835,318</u>	<u>838,769</u>
Net Position:			
Beginning of the Year	<u>276,167</u>	<u>927,704</u>	<u>1,203,871</u>
Ending of the Year	<u>\$ 279,618</u>	<u>\$ 1,763,022</u>	<u>\$ 2,042,640</u>

Town of Acton, Massachusetts
Statement of Changes in Assets and Liabilities
Agency Fund
Fiscal Year Ended June 30, 2015

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2015</u>
Assets				
Cash and Cash Investments	\$ 1,045,068	\$ 9,582,330	\$ 9,043,999	\$ 1,583,399
Total Assets	<u>1,045,068</u>	<u>9,582,330</u>	<u>9,043,999</u>	<u>1,583,399</u>
Liabilities				
Warrants Payable	9,711	15,876	2,333	23,254
Due to Component Unit	39,000	649,220	58,889	629,331
Other	996,357	8,917,234	8,982,777	930,814
Total Liabilities	<u>\$ 1,045,068</u>	<u>\$ 9,582,330</u>	<u>\$ 9,043,999</u>	<u>\$ 1,583,399</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.

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Town of Acton, Massachusetts

Net Position by Component

Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 103,711,310	\$ 109,573,255	\$ 112,137,634	\$ 112,630,806	\$ 123,516,112	\$ 125,181,483	\$ 124,135,789	\$ 128,017,274	\$ 128,335,782	\$ 109,815,077
Restricted	11,206,544	8,650,063	9,330,249	9,815,277	14,945,567	14,528,079	16,648,883	16,566,766	14,911,665	13,995,847
Unrestricted	<u>26,130,703</u>	<u>24,815,551</u>	<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>
Total Governmental Activities Net Position	<u>\$ 141,048,557</u>	<u>\$ 143,038,869</u>	<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>
Business-type Activities										
Net Investment in Capital Assets	1,933,264	1,878,219	1,121,828	1,318,690	1,510,488	1,393,955	1,122,678	1,122,317	1,112,535	1,211,364
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>23,684,124</u>	<u>23,723,094</u>	<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>
Total Business-type Activities Net Position	<u>\$ 25,617,388</u>	<u>\$ 25,601,313</u>	<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>
Primary Government										
Net Investment in Capital Assets	105,644,574	111,451,474	113,259,462	113,949,496	125,026,600	126,575,438	125,258,467	129,139,591	129,448,317	111,026,441
Restricted	11,206,544	8,650,063	9,330,249	9,815,277	14,945,567	14,528,079	16,648,883	16,566,766	14,911,665	13,995,847
Unrestricted	<u>49,814,827</u>	<u>48,538,645</u>	<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>
Total Primary Government Activities Net Position	<u>\$ 166,665,945</u>	<u>\$ 168,640,182</u>	<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>

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.

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 5,361,111	\$ 5,975,259	\$ 6,694,402	\$ 7,265,199	\$ 7,723,442	\$ 7,565,406	\$ 7,840,931	\$ 8,164,815	\$ 8,593,144	\$ 8,578,307
Public Safety	6,336,508	6,852,601	7,119,437	7,280,663	6,719,393	7,300,753	7,978,973	8,192,749	8,201,547	8,754,650
Education	44,437,365	47,556,668	49,770,110	50,645,080	55,527,097	57,160,597	58,736,652	59,827,670	62,551,163	53,013,169
Highways and Public Works	2,665,414	2,728,218	3,054,702	2,971,877	3,409,695	3,384,408	3,300,843	3,750,820	4,297,273	4,784,065
Human Services	1,548,211	1,719,482	1,803,986	1,932,660	1,442,893	1,509,794	1,821,505	2,681,919	2,632,642	2,688,262
Culture and Recreation	994,584	1,010,220	1,166,486	1,199,756	1,756,220	1,718,825	1,872,516	1,815,135	2,427,419	1,984,760
Employee Benefits	6,649,477	7,145,340	7,867,362	11,641,091	8,257,314	8,371,686	8,555,932	6,912,937	7,563,997	8,436,224
Intergovernmental	195,447	201,736	219,000	234,647	-	-	-	-	-	-
Interest on Long-term Debt	981,357	1,080,466	1,422,885	1,138,519	915,272	853,934	784,868	853,957	867,672	519,120
Total Governmental Activities Expenses	69,169,474	74,269,990	79,118,370	84,309,492	85,751,326	87,865,403	90,892,220	92,200,002	97,134,857	88,758,557
Business-Type Activities										
Sanitation	621,467	567,297	562,158	536,781	620,004	657,036	727,553	663,877	647,494	614,092
Sewer	2,403,833	2,425,790	2,427,678	2,370,246	2,427,828	2,400,915	2,366,763	2,352,886	2,255,755	2,315,422
Nursing	571,332	586,671	636,860	767,263	773,649	728,750	614,531	568,026	519,188	514,637
Total Business-Type Activities Expenses	3,596,632	3,579,758	3,626,696	3,674,290	3,821,481	3,786,701	3,708,847	3,584,789	3,422,437	3,444,151
Total Primary Government Expenses	\$ 72,766,106	\$ 77,849,748	\$ 82,745,066	\$ 87,983,782	\$ 89,572,807	\$ 91,652,104	\$ 94,601,067	\$ 95,784,791	\$ 100,557,294	\$ 92,202,708
Program Revenues										
Governmental Activities										
Charges for Services:										
General Government	\$ 270,274	\$ 298,844	\$ 337,243	\$ 239,853	\$ 721,958	\$ 385,134	\$ 395,755	\$ 358,437	\$ 419,124	\$ 491,725
Public Safety	904,645	1,098,124	989,413	1,060,347	929,412	815,258	1,300,079	1,503,328	1,881,840	1,729,649
Education	840,237	879,321	903,832	944,625	1,244,888	1,230,379	1,139,880	882,912	1,029,595	7,491
Highways and Public Works	67,934	156,523	161,152	112,174	1,000	25,994	9,420	6,013	3,092	15,651
Human Services	654,802	791,349	711,101	609,035	355,796	284,098	413,646	442,286	493,348	128,292
Culture and Recreation	51,334	53,614	43,513	51,473	461,933	383,932	427,867	396,163	389,820	384,469
Operating Grants and Contributions	7,782,760	8,146,994	9,841,626	11,040,558	11,933,644	12,938,309	13,519,601	14,151,048	13,129,117	5,265,591
Capital Grants and Contributions	820,488	478,784	569,197	571,307	513,776	523,327	-	4,524,343	542,488	446,212
Total Governmental Activities Program Revenues	11,392,474	11,903,553	13,557,077	14,629,372	16,162,407	16,586,431	17,206,248	22,264,530	17,888,424	8,469,080
Business-Type Activities										
Charges for Services:										
Sanitation	1,753,314	607,461	619,444	616,278	609,125	617,081	680,418	671,029	668,705	639,436
Sewer	876,608	1,196,120	1,042,800	1,387,686	1,090,808	1,147,946	880,224	930,586	892,959	949,261
Nursing	703,960	611,572	659,559	516,472	676,118	544,337	524,637	540,600	315,630	234,523
Operating Grants and Contributions	766,754	282,754	185,173	91,878	835,399	809,808	957,512	927,166	904,881	883,849
Capital Grants and Contributions	829,977	821,322	806,278	797,613	-	303,725	87,530	100,759	-	-
Total Business-Type Activities Program Revenues	4,930,613	3,519,229	3,313,254	3,409,927	3,211,450	3,422,897	3,130,321	3,170,140	2,782,175	2,707,069
Total Primary Government Program Revenues	\$ 16,323,087	\$ 15,422,782	\$ 16,870,331	\$ 18,039,299	\$ 19,373,857	\$ 20,009,328	\$ 20,336,569	\$ 25,434,670	\$ 20,670,599	\$ 11,176,149
Net (Expense)/Revenue										
Governmental Activities	\$ (57,777,000)	\$ (62,366,437)	\$ (65,561,293)	\$ (69,680,120)	\$ (69,588,919)	\$ (71,278,972)	\$ (73,685,972)	\$ (69,935,472)	\$ (79,246,433)	\$ (80,289,477)
Business-Type Activities	1,333,981	(60,529)	(313,442)	(264,363)	(610,031)	(363,804)	(578,526)	(414,649)	(640,262)	(737,082)
Total Primary Government Net Expense	\$ (56,443,019)	\$ (62,426,966)	\$ (65,874,735)	\$ (69,944,483)	\$ (70,198,950)	\$ (71,642,776)	\$ (74,264,498)	\$ (70,350,121)	\$ (79,886,695)	\$ (81,026,559)

(Continued)

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 54,520,286	\$ 57,395,411	\$ 58,863,336	\$ 60,631,206	\$ 64,514,109	\$ 66,103,406	\$ 67,967,690	\$ 70,500,745	\$ 72,978,287	\$ 75,074,955
Motor Vehicle and Other Excise Taxes	2,840,631	2,662,192	2,897,507	2,449,134	2,607,181	2,612,767	2,568,195	2,823,357	2,919,465	3,239,547
Penalties and Interest on Taxes	69,515	140,196	185,981	115,996	129,092	323,733	389,984	150,149	210,867	213,593
Other Taxes, Assessments and In Lieu of	176,009	131,140	211,342	726,851	11,934	11,771	12,441	12,046	15,233	15,316
Intergovernmental	2,795,749	3,266,664	3,284,233	2,942,724	1,324,707	1,271,625	1,276,872	1,274,777	1,302,663	1,321,715
Interest and Investment Income	354,574	735,567	712,994	278,320	196,502	130,319	100,921	96,587	87,867	104,468
Other Revenue	334,290	70,033	142,152	90,508	150,486	181,397	73,305	162,993	182,296	175,929
Contributions to Permanent Funds	-	-	-	-	57,360	91,571	103,860	75,370	-	34,670
Gain (Loss) on Disposal of Asset	-	-	-	-	(29,365)	(21,977)	(442,384)	(24,000)	(11,500)	-
Reassignment of Assets	-	-	-	-	-	-	-	-	-	169,113
Assumption of Long Term Liabilities	-	-	-	-	-	-	-	-	-	(199,927)
Special Items - Loss on Disposal of School Operations	-	-	-	-	-	-	-	-	-	(22,473,561)
Transfers, Net	(44,454)	(44,454)	(94,638)	635,000	(4,950)	842,500	573,894	(145,000)	(135,000)	1,243,489
Total Governmental Activities	61,046,600	64,356,749	66,202,907	67,869,739	68,957,056	71,547,112	72,624,778	74,927,024	77,550,178	58,919,307
Business-Type Activities										
Gain (Loss) on Disposal of Asset	-	-	-	-	-	-	-	20,000	-	-
Reassignment of Assets	-	-	-	-	-	-	-	-	-	(169,113)
Assumption of Long Term Liabilities	-	-	-	-	-	-	-	-	-	199,927
Transfers, Net	44,454	44,454	94,638	(635,000)	-	(842,500)	(795,920)	145,000	135,000	(1,243,489)
Total Business-type Activities	44,454	44,454	94,638	(635,000)	-	(842,500)	(795,920)	165,000	135,000	(1,212,675)
Total Primary Government	\$ 61,091,054	\$ 64,401,203	\$ 66,297,545	\$ 67,234,739	\$ 68,957,056	\$ 70,704,612	\$ 71,828,858	\$ 75,092,024	\$ 77,685,178	\$ 57,706,632
Changes in Net Position										
Governmental Activities	\$ 3,269,600	\$ 1,990,312	\$ 641,614	\$ (1,810,381)	\$ (631,863)	\$ 268,140	\$ (1,061,194)	\$ 4,991,552	\$ (1,696,255)	\$ (21,370,170)
Business-Type Activities	1,378,435	(16,075)	(218,804)	(899,363)	(610,031)	(1,206,304)	(1,374,446)	(249,649)	(505,262)	(1,949,757)
Total Primary Government Changes in Net Position	\$ 4,648,035	\$ 1,974,237	\$ 422,810	\$ (2,709,744)	\$ (1,241,894)	\$ (938,164)	\$ (2,435,640)	\$ 4,741,903	\$ (2,201,517)	\$ (23,319,927)

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.

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

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund										
Reserved	\$ 4,266,907	\$ 3,467,832	\$ 3,186,756	\$ 3,353,740	\$ 2,569,311	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	5,141,156	5,961,413	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
Assigned	-	-	-	-	-	2,126,226	1,308,583	2,269,913	1,596,387	2,807,648
Unassigned	-	-	-	-	-	7,823,281	9,691,909	9,959,734	12,103,520	12,292,571
Total General fund	<u>\$ 9,408,063</u>	<u>\$ 9,429,245</u>	<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>
All Other Governmental Funds										
Reserved	\$ 1,666,004	\$ 1,767,193	\$ 1,728,494	\$ 1,773,712	\$ 2,028,738	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Reported in:										
Special Revenue Funds	7,211,787	9,423,242	10,565,651	10,760,391	10,420,754	-	-	-	-	-
Capital Project Funds	324,578	895,742	(174,096)	(1,080,352)	148,950	-	-	-	-	-
Permanent Funds	1,460,803	1,514,426	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
Restricted	-	-	-	-	-	9,663,298	11,587,369	12,546,863	11,374,285	10,354,933
Committed	-	-	-	-	-	2,158,920	2,353,385	2,454,423	1,730,267	726,077
Unassigned	-	-	-	-	-	(386,980)	(352,708)	-	-	(1,032,124)
Total All Other Governmental Funds	<u>\$ 10,663,172</u>	<u>\$ 13,600,603</u>	<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>

Data Source: Audited Financial Statements

- (1) 2011 balances reflect implementation of GASB 54.
- (2) The negative unassigned fund balances (fiscal years 2011 and 2012) are the result of capital project expenditures before long term financing was in place.
- (3) The negative unreserved Capital Projects fund balances (fiscal years 2008, 2009 and 2015) are the result of capital project expenditures 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Property Taxes	\$ 54,410,781	\$ 57,288,281	\$ 58,990,869	\$ 61,235,586	\$ 64,130,848	\$ 65,760,590	\$ 67,761,562	\$ 70,211,964	\$ 72,690,281	\$ 74,648,301
Tax Liens	-	-	-	-	372,152	248,123	427,398	78,900	203,679	208,954
Excises	2,805,457	2,690,322	2,869,975	2,520,198	2,514,503	2,702,506	2,587,467	2,829,935	2,918,815	3,253,222
Penalties and Interest	69,515	140,196	185,981	115,996	185,509	323,733	389,984	150,149	210,867	213,593
Licenses and Permits	-	-	-	-	196,224	183,246	196,664	285,253	215,238	306,958
Fees and Other Departmental	1,282,904	2,146,362	2,017,634	1,710,219	473,940	717,439	613,321	686,450	1,042,001	764,232
Intergovernmental	10,638,013	11,448,625	12,826,638	13,791,368	13,279,181	14,320,167	14,645,294	15,866,576	15,679,896	6,923,374
Charges for Services	2,654,056	2,211,418	2,155,361	2,096,113	3,307,675	2,839,146	2,864,964	2,390,181	2,779,428	1,785,919
Fines and Forfeits	-	-	-	-	152,218	129,828	110,102	119,031	90,672	135,009
Earnings on Investments	480,622	1,088,992	897,319	290,108	285,776	252,556	135,015	312,898	376,760	210,015
In Lieu of Taxes	-	-	-	-	11,934	11,771	12,441	12,046	15,233	15,316
Contributions	1,093,487	1,161,761	918,242	738,721	743,102	697,835	1,268,702	1,138,539	975,828	244,925
Miscellaneous	-	-	-	-	138,774	184,693	308,585	162,993	50,000	186,717
Total Revenues	73,434,835	78,175,957	80,862,019	82,498,309	85,791,836	88,371,633	91,321,499	94,244,915	97,248,698	88,896,535
Expenditures										
General Government	4,951,950	5,550,414	5,848,662	6,378,881	7,363,318	7,138,188	7,305,105	7,756,004	8,287,796	8,321,990
Public Safety	5,719,163	6,276,045	6,924,214	6,137,576	6,278,627	6,822,714	7,461,956	7,712,351	7,721,001	8,289,794
Education	43,807,496	46,966,317	48,958,266	50,101,248	55,439,657	56,382,116	58,309,808	59,294,289	61,865,952	53,013,169
Highways and Public Works	1,915,797	1,927,009	2,559,079	2,086,664	2,474,696	2,369,243	2,273,413	2,638,370	3,095,661	3,564,970
Human Services	1,537,912	1,704,518	1,763,345	1,812,878	1,423,963	1,462,501	1,753,193	2,609,785	2,560,767	2,641,779
Culture and Recreation	891,091	868,360	989,443	1,082,525	1,588,729	1,533,189	1,689,249	1,626,342	2,213,992	1,807,082
Intergovernmental	195,447	201,736	219,000	234,647	232,927	221,957	266,187	301,874	336,501	239,728
Employee Benefits	6,586,457	7,143,959	7,837,536	8,845,267	5,455,257	5,534,807	5,662,223	5,606,493	5,885,558	7,302,774
Capital Outlay	1,829,846	2,878,599	3,268,406	3,277,352	2,871,559	3,623,282	1,214,244	2,498,417	2,827,531	3,393,824
Debt Service										
Principal	1,659,677	1,703,444	1,981,746	1,779,027	1,859,282	2,009,876	2,029,920	1,900,257	2,129,617	2,104,038
Interest	1,186,680	1,174,989	1,176,255	1,152,152	998,511	981,263	911,464	967,482	702,826	604,430
Debt Issuance	-	-	-	-	-	-	-	-	127,521	-
Total Expenditures	70,281,516	76,395,390	81,525,952	82,888,217	85,986,526	88,079,136	88,876,762	92,911,664	97,754,723	91,283,578
Excess of Revenues Over (Under) Expenditures	3,153,319	1,780,567	(663,933)	(389,908)	(194,690)	292,497	2,444,737	1,333,251	(506,025)	(2,387,043)
Other Financing Sources (Uses):										
Proceeds from Bonds	232,394	1,222,500	174,305	-	1,880,280	-	-	2,093,652	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	12,220,000	-
Premium from Refunding Bonds	-	-	-	-	-	-	-	-	768,190	-
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-	-	-	-	(12,860,669)	-
Operating Transfers In	73,153	119,024	111,848	882,652	775,463	1,530,157	1,007,258	440,619	1,127,738	2,226,401
Operating Transfers (Out)	(117,607)	(163,478)	(206,486)	(247,652)	(780,413)	(687,657)	(433,364)	(585,619)	(1,751,398)	(982,912)
Total Other Financing Sources (Uses)	187,940	1,178,046	79,667	635,000	1,875,330	842,500	573,894	1,948,652	(496,139)	1,243,489
Special Items										
Loss on Disposal of School Operations	-	-	-	-	-	-	-	-	-	(706,850)
Total Special Items	-	-	-	-	-	-	-	-	-	(706,850)
Net Change in Fund Balance	\$ 3,341,259	\$ 2,958,613	\$ (584,266)	\$ 245,092	\$ 1,680,640	\$ 1,134,997	\$ 3,018,631	\$ 3,281,903	\$ (1,002,164)	\$ (1,850,404)
Debt Service as a										
Percentage of Noncapital										
Expenditures	4.2%	3.9%	4.0%	3.7%	3.4%	3.5%	3.4%	3.2%	3.0%	3.1%

Notes:

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

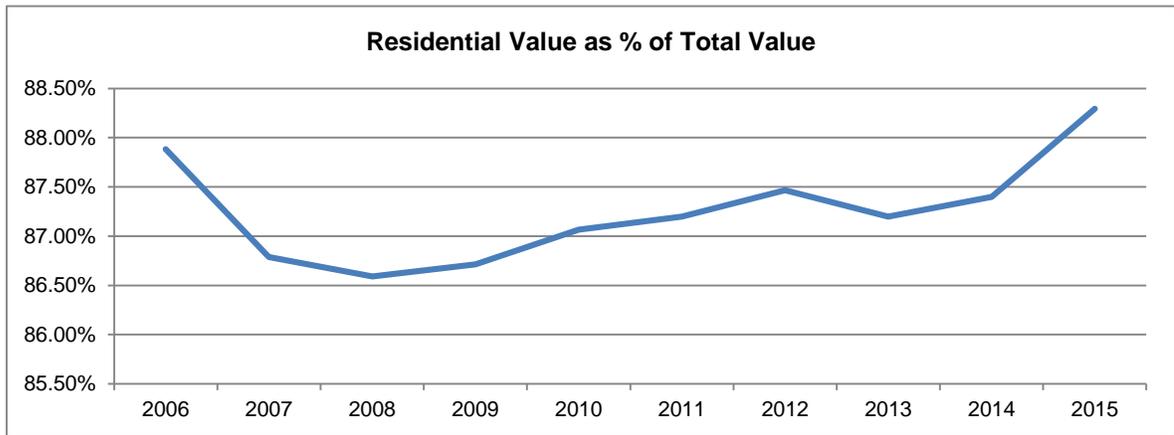
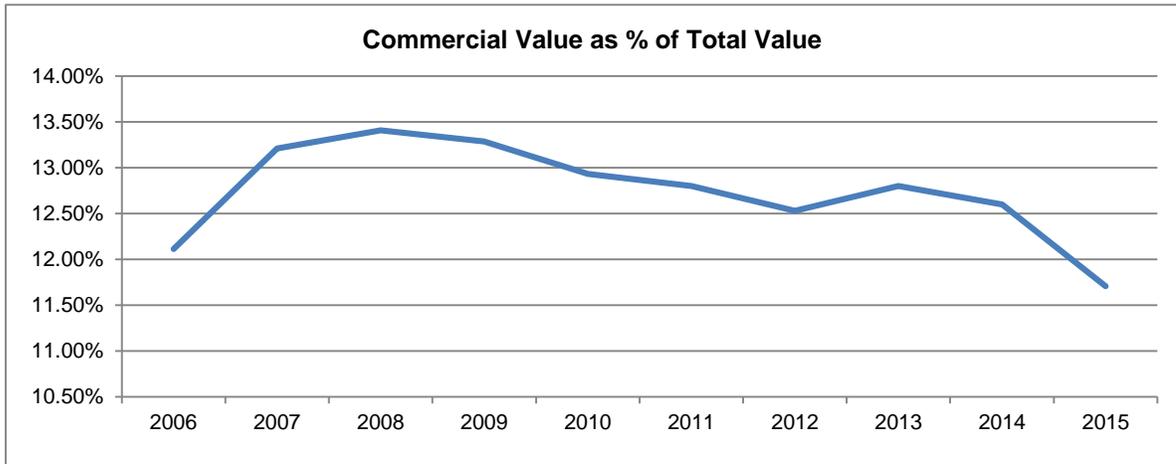
From fiscal year 2010 forward, certain revenues previously reported in a combined "Fees and Other Departmental" category were reported by management in more specific categories (i.e. Licenses and Permits, Fines and Forfeits, Charges for Services, In Lieu of Taxes and Miscellaneous).

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.

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
2006	\$3,318,844,983	87.88%	\$310,323,682	\$106,668,445	\$40,528,806	\$457,520,933	12.12%	\$3,776,365,916	\$14.58
2007	\$3,426,424,133	86.79%	\$364,989,988	\$115,243,945	\$41,313,257	\$521,547,190	13.21%	\$3,947,971,323	\$14.62
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



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

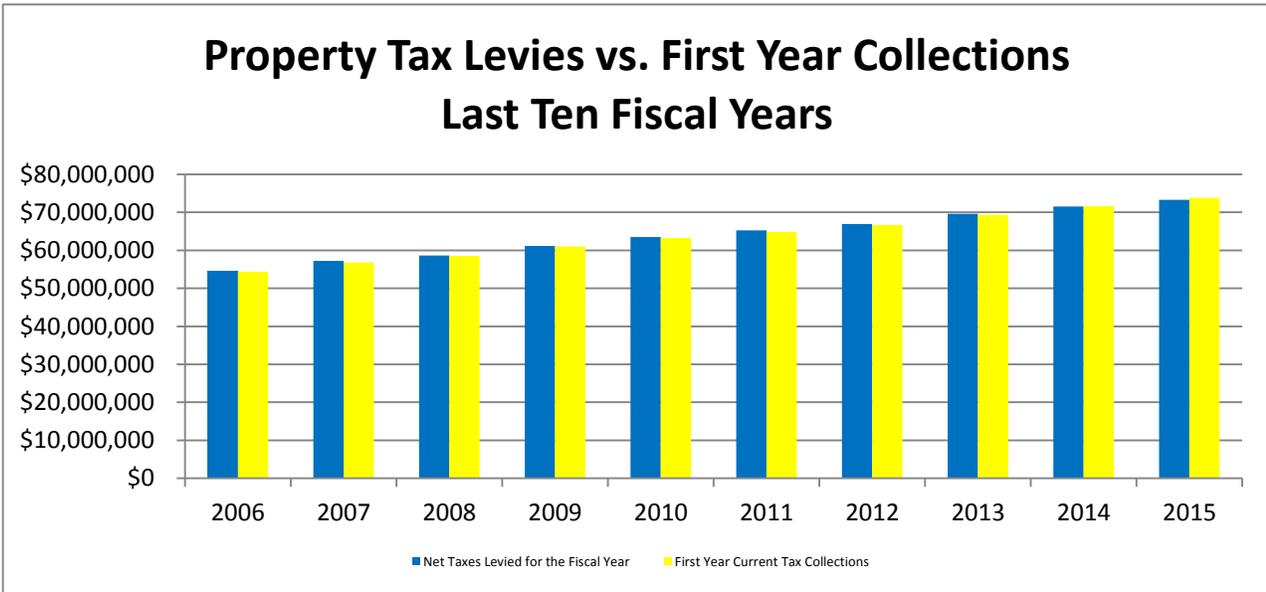
Town of Acton, Massachusetts
Principal Property Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2015				2006			
		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	\$ 39,225,800	\$ 747,251	1.00%	1	\$ -	\$ -	-	-
NSTAR Services	Utility	\$ 22,820,551	\$ 434,731	0.58%	2	\$ 17,019,130	\$ 248,139	0.45%	4
Haartz Auto Fabric	Manufacturer	\$ 20,445,500	\$ 389,487	0.52%	3	\$ 17,548,700	\$ 255,860	0.46%	3
E&A Northeast Ltd. Prtn.	Retail	\$ 13,396,600	\$ 255,205	0.34%	4	\$ 11,332,700	\$ 165,231	0.30%	6
Verizon New England, Inc.	Telecommunications	\$ 12,626,191	\$ 240,529	0.32%	5	\$ -	\$ -	-	-
TIAA Realty Inc.	Retail	\$ 12,184,800	\$ 232,120	0.31%	6	\$ 9,754,500	\$ 142,221	0.26%	8
ND/Winrock Acton LLC	Office/R&D	\$ 10,773,500	\$ 205,235	0.28%	7	\$ -	\$ -	-	-
Atlantic Acton Realty Trust	Retail	\$ 10,373,500	\$ 197,615	0.27%	8	\$ 9,980,700	\$ 145,519	0.26%	7
Auto Dealers Exchange Concord	Auction	\$ 9,057,800	\$ 172,551	0.23%	9	\$ 14,266,800	\$ 208,010	0.38%	5
Seachange International Inc.	Office/R&D	\$ 7,759,700	\$ 147,822	0.20%	10	\$ -	\$ -	-	-
Kroll Bren Fund VI LLP	Investment Firm	\$ -	\$ -	0.00%	-	\$ 30,063,100	\$ 438,320	0.80%	1
Nagog Park Investors	Investment Firm	\$ -	\$ -	0.00%	-	\$ 24,217,700	\$ 353,094	0.64%	2
Great Equity Partners LLC	Office	\$ -	\$ -	0.00%	-	\$ 7,712,100	\$ 112,442	0.20%	9
Key Span (Boston Gas)	Public Utility	\$ -	\$ -	0.00%	-	\$ 6,590,069	\$ 96,083	0.17%	10
		<u>\$ 158,663,942</u>	<u>\$ 3,022,546</u>	<u>4.06%</u>		<u>\$ 148,485,499</u>	<u>\$ 2,164,919</u>	<u>3.93%</u>	

Data Source:
Board of Assessors

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Less 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
2006	\$55,059,415	(\$465,832)	\$54,593,583	\$54,352,594	99.56%	\$238,912	\$54,591,506	100.00%
2007	\$57,719,341	(\$469,262)	\$57,250,079	\$56,799,978	99.21%	\$61,710	\$56,861,688	99.32%
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%	\$0	\$73,813,295	100.67%



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	Per	Percentage	Percentage
				Obligation Bonds	Capita	of Personal Income	of Assessed Value
2006	20,081	\$ 1,103,337,000	\$ 3,776,365,916	\$ 29,246,120	\$ 1,456	2.65%	0.77%
2007	20,482	\$ 1,224,285,000	\$ 3,947,971,323	\$ 28,765,176	\$ 1,404	2.35%	0.73%
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	\$ 807	1.46%	0.44%

Fiscal Year Ended June 30,	Business-type	Total Primary Government			
	Activities Debt	Total Debt	Per	Percentage	Percentage
	Sewer Fund	Outstanding	Capita	of Personal Income	of Assessed Value
2006	\$ 22,389,770	\$ 51,635,890	\$ 2,571	4.68%	1.37%
2007	\$ 21,758,524	\$ 50,523,700	\$ 2,467	4.13%	1.28%
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	\$ 33,249,950	\$ 1,556	2.81%	0.85%

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, 2015

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Acton Boxborough Regional School District	\$ 15,640,000	87.46%	\$ 13,678,744
Town Direct Debt			17,249,750
Total Direct and Overlapping Debt			\$ 30,928,494

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Equalized Valuation (1)	<u>\$ 3,909,227</u>	<u>\$ 3,909,227</u>	<u>\$ 3,909,227</u>	<u>\$ 4,102,028</u>	<u>\$ 3,988,811</u>	<u>\$ 3,988,811</u>	<u>\$ 3,858,860</u>	<u>\$ 3,858,860</u>	<u>\$ 3,865,006</u>	<u>\$ 3,865,006</u>
Debt Limit - 5% Equalized Valuation	195,461	195,461	195,461	205,101	199,441	199,441	192,943	192,943	193,250	193,250
Less:										
Outstanding Debt Applicable to Limit (2)	(32,416)	(32,179)	(30,599)	(29,028)	(29,267)	(27,487)	(25,708)	(26,194)	(24,152)	(22,382)
Authorized and Unissued Debt (2)	<u>(1,050)</u>	<u>(1,050)</u>	<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>
Total Debt Applicable to Limitation	<u>(33,466)</u>	<u>(33,229)</u>	<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>
Legal Debt Margin	<u>\$ 228,927</u>	<u>\$ 228,690</u>	<u>\$ 226,936</u>	<u>\$ 238,026</u>	<u>\$ 230,973</u>	<u>\$ 229,193</u>	<u>\$ 222,968</u>	<u>\$ 220,636</u>	<u>\$ 218,747</u>	<u>\$ 216,977</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	17.12%	17.00%	16.10%	16.05%	15.81%	14.92%	15.56%	14.35%	13.19%	12.28%

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>	Per Capita Personal <u>Income</u>	(3) Median <u>Age</u>	(4) School <u>Enrollment</u>	(2) Unemployment <u>Rate</u>
2006	20,081	\$ 1,103,337,000	\$ 54,944	37.80	4,974	3.20%
2007	20,482	\$ 1,224,285,000	\$ 59,774	37.80	5,009	2.90%
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%

Data Source:

(1) Town Clerk

(2) Massachusetts Division of Local Services databank website

(3) IRS website, SOI statistic study; 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

Employers	Nature of Business	2015			2006		
		Employees	Rank	Percentage of Town Employment	Employees	Rank	Percentage of Town Employment
Haartz Inc.	Manufacturing	390	1	3.10%	292	1	2.61%
Honeywell/Data Instruments	Manufacturing	340	2	2.70%	148	6	1.32%
Town of Acton	Municipality	266	3	2.11%	187	4	1.67%
Acton Medical	Health Care Services	220	4	1.75%	188	3	1.68%
Lifecare Center of Acton	Nursing and Rehabilitation Services	190	5	1.51%	160	5	1.43%
Roche Bros. Inc.	Retail Trade	184	6	1.46%	208	2	1.86%
Idylwilde Farm	Agricultural/Retail	120	7	0.95%	100	8	0.89%
Donelan's Market	Grocery	115	8	0.91%	115	7	1.03%
Stop & Shop	Grocery	100	9	0.79%	88	10	0.79%
K-Mart	Department Store	100	10	0.79%	-	-	-
LMI Inc..	Manufacturing	-	-	-	96	9	0.86%
Total		<u>2,025</u>			<u>1,582</u>		
Total Employment for the Town of Acton (1)		<u>12,591</u>			<u>11,194</u>		

Data Source:
Official Statements

- (1) MA Division of Local Services DataBank
- (2) Official Statements

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

Function	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Government	35.43	35.30	39.95	40.70	38.95	37.95	39.34	39.34	40.43	28.36
Public Safety	89.20	90.00	90.25	92.40	91.98	92.18	92.18	91.78	97.18	97.40
Public Works	20.25	19.45	21.45	21.45	21.00	21.00	21.75	21.75	21.25	31.82
Education	303.00	305.00	307.80	318.80	316.50	316.40	327.00	339.30	331.30	0.00 (1)
Human Services	19.30	19.30	18.79	20.19	21.02	21.70	23.34	23.61	23.86	16.90
Culture and Recreation	15.59	15.83	15.69	16.27	18.22	18.56	18.96	18.67	18.90	29.97
Nursing	7.85	8.15	7.45	7.75	7.75	7.23	6.48	6.25	6.28	5.97
Sewer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	491.61	494.03	502.38	518.56	516.41	516.01	530.04	541.69	540.19	211.42

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 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Finance										
Registered Voters	12,418	12,800	14,035	13,736	13,808	12,377	14,388	14,237	13,926	13,297
Taxable Property Parcels Assessed	8,418	8,505	8,562	8,598	8,604	8,701	8,719	8,745	8,834	9,067
Public Safety										
Police										
Physical Arrests	262	248	183	210	227	195	144	160	160	162
Traffic Violations	2,208	2,494	2,020	2,355	1,874	1,355	1,104	1,287	1,466	2,294
Fire and Rescue										
Emergency Responses	4,841	4,783	4,772	4,380	4,517	4,823	4,834	4,834	4,068	4,564
Fires Extinguished	63	89	94	74	93	87	90	71	35	39
Number of Inspections Conducted	589	811	677	730	720	729	722	944	772	755
Emergency Medical Responses	1,072	1,379	1,462	1,479	1,535	1,592	1,439	1,539	1,279	1,402
Building Inspection										
Building Permits	701	597	619	665	685	896	1,040	980	1,194	1,447
Estimated Construction Value (in Thousands)	52,380	37,742	35,648	22,812	24,824	33,345	39,005	40,228	51,262	36,730
Highways and Public Works										
Public Works										
Street Resurfacing (miles)	6	5	2	3	1	2	3	3	3	7
Salt Used (tons)	3,266	2,214	3,861	4,640	3,143	3,579	1,561	5,583	4,724	3,441
Sanitation										
Refuse Collected (tons)	N/A	N/A	N/A	3,584	3,784	3,672	3,640	3,513	3,535	3,408
Recycling (tons)	N/A	N/A	N/A	2,511	1,901	1,699	1,641	2,314	3,267	1,562
Sewage System										
Average Daily Sewage Treatment (Thousands of Gallons)	126,309	115,628	127,978	139,572	139,149	134,760	145,045	138,535	145,208	132,060
Number of House Connections	443	474	530	550	573	585	604	620	636	648
Human Services										
Senior Center										
Number of 60+ Residents per Town Census	2,920	3,217	3,495	3,511	3,717	3,938	4,060	4,210	4,344	4,489
Number of Elders Served	950	1,040	1,020	1,068	1,123	1,149	1,226	1,167	1,175	1,191
Number of Non-Seniors Served	320	250	220	245	210	112	94	61	21	29
Nursing Services										
Home Visits:										
Registered Nurse	1,641	1,820	1,883	1,652	1,714	1,623	1,489	1,673	1,207	1,258
Home Health Aide	2,724	2,618	2,659	2,431	1,545	2,190	1,983	2,073	1,586	1,547
Physical Therapy	1,788	1,377	1,390	1,257	1,360	1,158	1,192	1,194	534	481
Occupational Therapy	112	79	83	91	73	70	70	123	28	131
Speech Therapy	10	N/A	N/A	14	1	2	1	35	N/A	N/A
Medical Social Work	2	1	N/A	1	1	5	N/A	N/A	N/A	N/A
Total Home Visits	6,277	5,895	6,015	5,446	4,694	5,048	4,735	5,098	3,355	3,417
Health Promotion Activities:										
TB Testing	N/A	134	21	14	31	26	15	6	N/A	15
Blood Pressure Checks	1,021	505	235	720	776	402	595	806	798	718
Podiatry Clinic	180	276	292	420	381	381	255	285	289	182
Influenza Vaccinations	1,255	1,273	1,590	1,385	1,540	1,326	845	1,690	1,006	618
Other Vaccinations	78	66	66	140	124	23	17	27	17	24
H1N1 Vaccinations	N/A	N/A	N/A	4,000	N/A	N/A	N/A	N/A	N/A	N/A
Culture and Recreation										
Public Library										
Volumes in Collections	146,578	154,770	161,250	164,181	167,872	166,734	179,188	192,073	191,500	200,573
Total Volumes Borrowed	533,263	557,582	609,947	665,137	686,737	679,790	658,938	634,492	580,323	562,385

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Number of Buildings	15	15	15	15	17	17	17	15	15	15
Public Safety										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	4	5	5	5	5	5	5	5	5	5
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	11	11	12	12	12	12	12	12	12	12
Number of Ambulances	1	1	1	1	2	2	2	2	2	2
Education										
Number of Elementary Schools	4	4	4	4	4	4	4	4	4	0 (1)
Highway and Public Works										
Public Works										
Miles of Streets	106.6	107.3	107.3	107.3	107.5	108.3	108.3	108.4	108.4	108.4
Miles of Highways	10.3	10.3	10.3	10.3	10.2	10.2	10.2	10.2	10.2	10.2
Number of Cemeteries	2	2	2	2	2	2	2	2	2	2
Number of Snow Plows	13	13	13	13	13	13	13	13	13	13
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	30.25	30.25	32.25	32.25	32.25	32.25
Number of Playgrounds	7	7	7	7	6	6	6	5	6	6
Number of Ball fields	10	10	10	10	10	10	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	10.01	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 school buildings were transferred to the Acton-Boxborough Regional School District