



Town of Acton

FY13 Budget

Financial Status Report

*Town Manager's Budget
Indicator Analysis, Fiscal Year 2001-2011
Projections & Estimates, Fiscal Year 2012-2013
December 19, 2011*



Town of Acton

Financial Status Report - December 19, 2011

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Introduction

This packet of information is designed to achieve these goals:

- 1) Evaluate the fiscal health of the Town of Acton through a series of financial indicators and comparative benchmarks, where appropriate;
- 2) Present a 2013 projection of Revenues & Expenditures.

The goal of this material is to provide policymakers with an informed snapshot of where Acton stands financially heading into the FY 2013 Budget Process. It is not the purpose of this exercise to propose a budget or recommended level of services; rather it is to evaluate Acton via a series of benchmarks, including measures such as revenues and expenditures per household, benefit costs, both funded and unfunded liabilities incurred by the Town, debt service, reserve position and population.

Using a series of recognized metrics from professional organizations, including the International City/County Management Association, (ICMA), the Government Finance Officer's Association (GFOA), Moody's Investor's Service, and data from the Town of Acton, Mass. Department of Revenue, the Mass. Department of Education, and the U.S. Census Bureau, Town staff has compiled 14 indicators with which to evaluate the Town's fiscal health.

In evaluating Acton's financial condition, staff has found that the Town is fiscally healthy overall. In particular,

Acton is strong in tax collections, stable labor costs as a percentage of total operating costs, adequate retirement funding, revenues related to economic growth, and low debt service.

Acton is satisfactory in the areas of revenues and expenses per household and levels of reserves.

Acton is unsatisfactory in the areas of state aid and employee liabilities. In particular Acton continues to witness significant increases in benefit costs, and decreases in state aid.

Acton has witnessed a significant demographic shift over the course of the last decade.

Notwithstanding these measures, there is no suggestion from outside rating agencies (I.e Standard & Poor's Investor Service & Moody's Investors Service) that these various downward trends will jeopardize our AAA credit rating.



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Indicator I.1

Revenues per Household

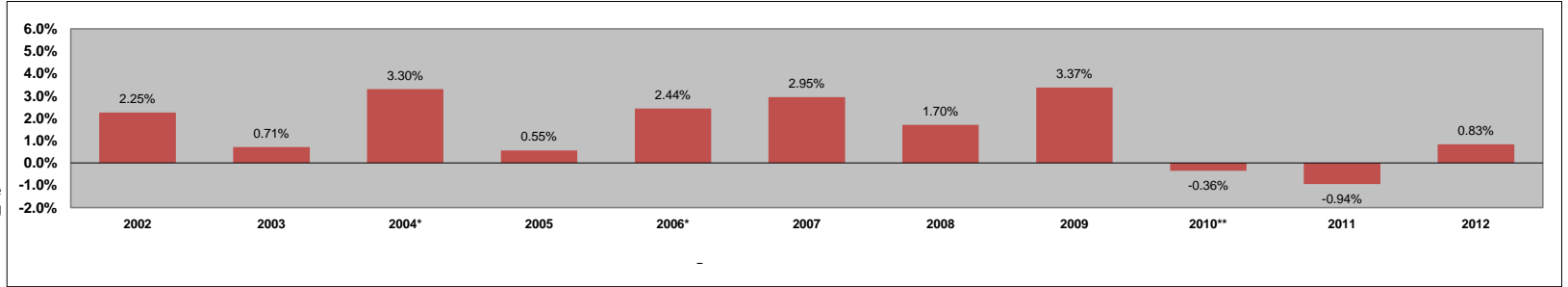
A decrease in net operating revenues per household (constant dollars) is considered a warning indicator.

Acton Trend	
favorable	
stable	
marginal	
unfavorable	
uncertain	X

Revenues per Household:

Revenues per household is one measure of the Town's ability to maintain existing service levels. For most government services, service costs increase as the number of households increase.

Acton has witnessed fluctuations in revenues per household during the first half of this decade. Although this growth has, for the most part, been positive, growth was negligible in many of the years. In 2003, unanticipated reductions in state aid and local receipts resulted in declining net revenues.



Formula: Net operating revenues (constant dollars) / Households

Fiscal Year	2001	2002	2003	2004*	2005	2006*	2007	2008	2009	2010**	2011	2012
Gross operating revenue/transfers	\$ 46,518,731	\$ 49,681,629	\$ 52,031,296	\$ 55,774,992	\$ 58,989,859	\$ 63,206,557	\$ 67,461,574	\$ 71,573,466	\$ 73,915,814	\$ 75,506,040	\$ 77,678,858	\$ 78,683,841
Less: Excluded Debt	\$ 1,916,501	\$ 2,315,410	\$ 1,940,554	\$ 1,979,474	\$ 2,460,535	\$ 2,816,864	\$ 3,368,559	\$ 3,332,960	\$ 3,071,747	\$ 3,036,465	\$ 3,098,116	\$ 3,072,691
Net Operating Revenues	\$ 44,602,230	\$ 47,366,219	\$ 50,090,742	\$ 53,795,518	\$ 56,529,325	\$ 60,389,693	\$ 64,093,015	\$ 68,240,506	\$ 70,844,067	\$ 72,469,575	\$ 74,580,742	\$ 75,611,150
CPI-U, 2001 base year	191.5	196.5	203.9	209.5	216.4	223.1	227.4	235.4	233.8	237.4	245.3	245.3
CPI-U, adjustment for constant dollars	100%	97.5%	93.9%	91.4%	88.5%	85.8%	84.2%	81.4%	81.9%	80.7%	78.1%	78.1%
Net Operating Revenues (cons. dollars)	\$ 44,602,230	\$ 46,160,971	\$ 47,044,518	\$ 49,173,469	\$ 50,024,795	\$ 51,836,066	\$ 53,974,548	\$ 55,514,260	\$ 58,026,685	\$ 58,457,976	\$ 58,223,449	\$ 59,027,865
Households	7,587	7,679	7,771	7,863	7,955	8,047	8,139	8,231	8,323	8,415	8,461	8,507
Net Operating Revenues per Household (cons. dollars)	\$ 5,879	\$ 6,011	\$ 6,054	\$ 6,254	\$ 6,288	\$ 6,442	\$ 6,632	\$ 6,745	\$ 6,972	\$ 6,947	\$ 6,881	\$ 6,939
Percent Change from prior year	-	2.25%	0.71%	3.30%	0.55%	2.44%	2.95%	1.70%	3.37%	-0.36%	-0.94%	0.83%

Notes:

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.

Number of Households determined through information provided by the (MAPC) Metropolitan Area Planning Council.

** CPI-U as of September 2011



State Aid

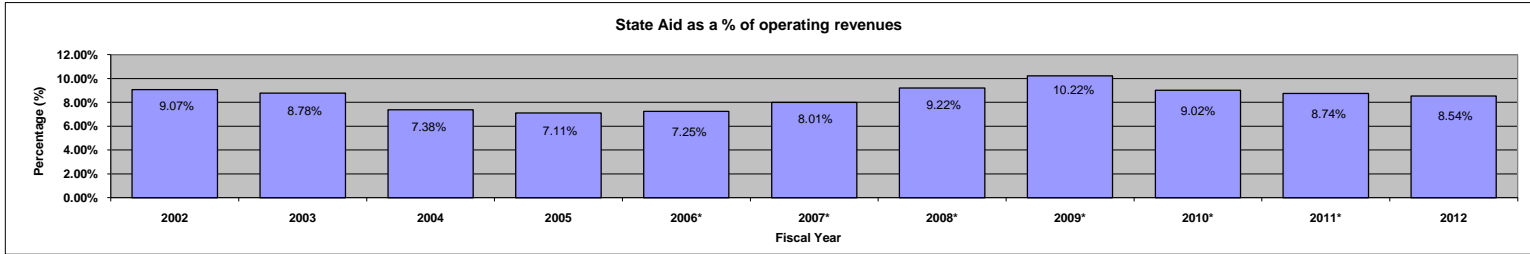
Reductions in State Aid, as a percentage of operating revenues, is considered a warning indicator particularly if the Town does not have adequate reserves to offset reductions.

Acton Trend	
favorable	
stable	
marginal	
unfavorable	
uncertain	X

State Aid:

While the Town does not have a significant reliance on State Aid, any dependence on such aid may be difficult to manage when there is a reduction in this funding. In order to protect itself in this situation, the Town has a contingency plan for downturns in State Aid.

State Aid has decreased from FY09 (real dollars), which increases reliance on other sources of revenue to maintain services.



Formula: State Aid / Operating Revenues

Fiscal Year	2001	2002	2003	2004	2005	2006*	2007*	2008*	2009*	2010*	2011*	2012
Net Operating Revenues	\$ 44,602,230	\$ 47,366,219	\$ 50,090,742	\$ 53,795,518	\$ 56,529,325	\$ 60,389,693	\$ 64,093,015	\$ 68,240,506	\$ 70,844,067	\$ 72,469,575	\$ 74,580,742	\$ 75,611,150
Cherry Sheet Revenues	\$ 4,178,930	\$ 4,295,401	\$ 4,395,494	\$ 5,057,748	\$ 5,102,314	\$ 4,375,273	\$ 5,132,271	\$ 6,288,787	\$ 7,242,007	\$ 6,533,156	\$ 6,518,033	\$ 6,455,726
Less: School Building Reimbursements	\$ -	\$ -	\$ -	\$ 1,085,577	\$ 1,085,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net State Aid Revenues	\$ 4,178,930	\$ 4,295,401	\$ 4,395,494	\$ 3,972,171	\$ 4,016,737	\$ 4,375,273	\$ 5,132,271	\$ 6,288,787	\$ 7,242,007	\$ 6,533,156	\$ 6,518,033	\$ 6,455,726
State Aid as a % of operating revenues	9.37%	9.07%	8.78%	7.38%	7.11%	7.25%	8.01%	9.22%	10.22%	9.02%	8.74%	8.54%

Notes:
 Source: Massachusetts Department of Revenue "Cherry Sheets"
 Does not include ABRHS
 * SBAB no longer appears on Cherry Sheet



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Indicator I.3

Revenues Related to Economic Growth

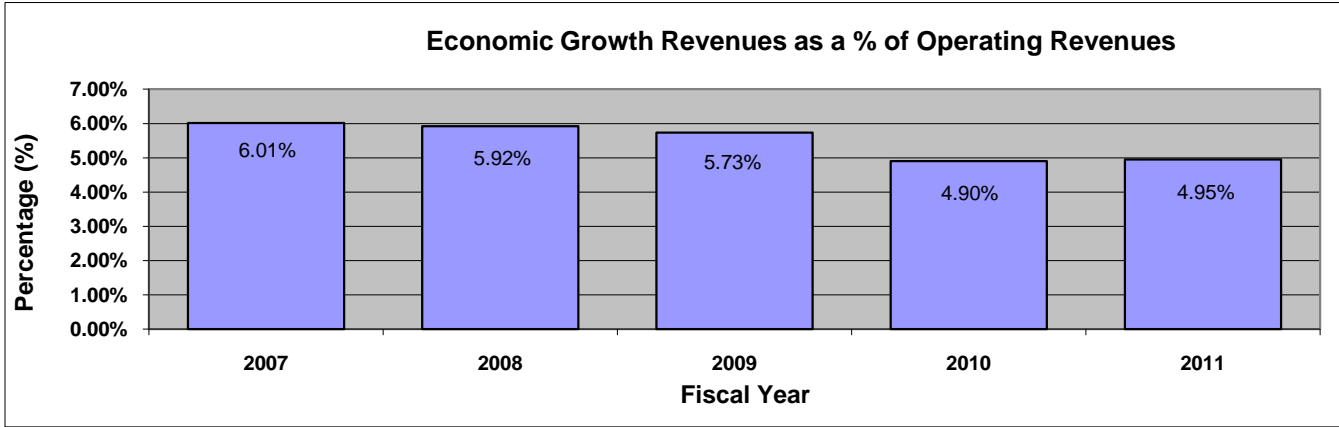
Decreasing economic growth revenues, as a percentage of net operating revenues, is considered a warning indicator.

Acton Trend	
favorable	
stable	
marginal	
unfavorable	X
uncertain	

Revenues Related to Economic Growth:

Economic growth revenues are responsive to changes in the economic base and inflation. A balance between growth and other (non-growth) revenues mitigates the effects of economic growth or decline. During a recession, a high percentage of non-growth revenues is an advantage. During a slowing economy, the Town should commit sufficient reserves to protect against slowing revenue growth. A decrease in building permit fees may also be a leading indicator of smaller future increases in the tax levy.

As we near build-out we do not anticipate this area to rebound.



Formula:

Fiscal Year	2007	2008	2009	2010	2011
Net operating revenues	\$ 64,093,015	\$ 68,240,506	\$ 70,844,067	\$ 72,469,575	\$ 74,580,742
Building Related Fees & Permits	\$ 363,014	\$ 369,537	\$ 290,505	\$ 435,498	\$ 640,506
Motor Vehicle Excise	\$ 2,690,323	\$ 2,869,974	\$ 2,520,198	\$ 2,514,503	\$ 2,599,387
Levy Growth from New Construction	\$ 754,989	\$ 686,017	\$ 1,035,019	\$ 420,963	\$ 357,150
Levy Growth from Personal Property	\$ 44,238	\$ 114,934	\$ 214,535	\$ 179,784	\$ 92,556
Total: Economic Growth Revenues	\$ 3,852,564	\$ 4,040,462	\$ 4,060,257	\$ 3,550,748	\$ 3,689,599
Economic Growth Revenues as a % of Operating Revenues	6.01%	5.92%	5.73%	4.90%	4.95%



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Indicator I.4

Property Tax Revenues

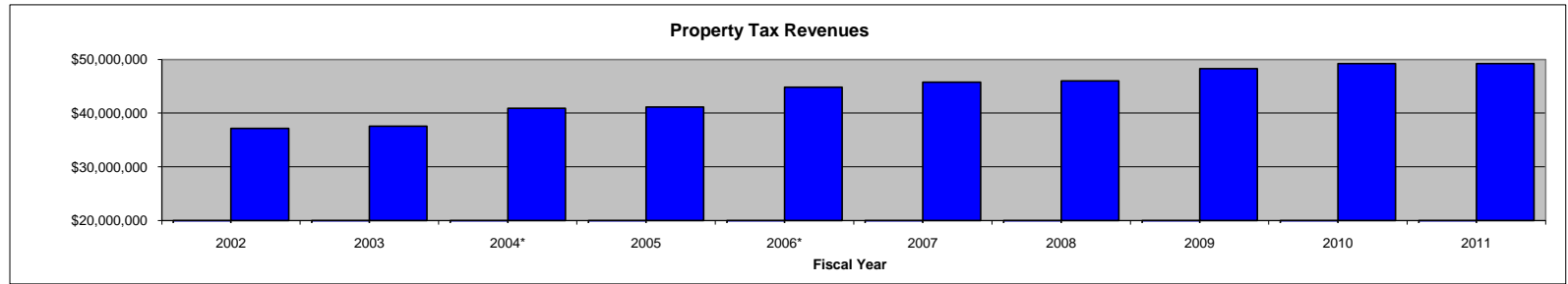
A decline in property tax revenues (constant dollars) is considered a warning indicator.

Acton Trend	
favorable	
stable	X
marginal	
unfavorable	
uncertain	

Property Tax Revenues:

Property tax revenues are analyzed separately because they are the Town's primary revenue source for both operating and capital spending. Any decrease in property tax revenues should be monitored to ensure that collections are at a high level. Increases due to operating overrides should be noted for their impact on taxpayers ability to pay.

This analysis shows that the only significant increases in constant dollars from year to year occurred when overrides were passed by the community.



Formula:

Property Tax Revenues (constant dollars)

Fiscal Year	2001	2002	2003	2004*	2005	2006*	2007	2008	2009	2010	2011
Property Tax Levy Limit	\$ 38,151,433	\$ 40,455,472	\$ 41,928,922	\$ 46,732,580	\$ 48,940,823	\$ 55,072,683	\$ 57,730,000	\$ 59,854,388	\$ 62,041,231	\$ 64,080,932	\$ 66,118,401
Less: debt exclusions	\$ 1,043,115	\$ 1,399,466	\$ 1,070,650	\$ 1,100,220	\$ 1,605,471	\$ 1,595,308	\$ 1,570,558	\$ 1,555,183	\$ 1,490,271	\$ 1,520,411	\$ 1,504,792
Less: debt exclusions ABRSD	\$ 873,386	\$ 915,944	\$ 869,904	\$ 879,254	\$ 855,064	\$ 1,221,556	\$ 1,798,001	\$ 1,777,777	\$ 1,581,477	\$ 1,516,054	\$ 1,593,324
Total: debt exclusions	\$ 1,916,501	\$ 2,315,410	\$ 1,940,554	\$ 1,979,474	\$ 2,460,535	\$ 2,816,864	\$ 3,368,559	\$ 3,332,960	\$ 3,071,748	\$ 3,036,465	\$ 3,098,116
Net Property Tax Revenues	\$ 36,234,932	\$ 38,140,062	\$ 39,988,368	\$ 44,753,106	\$ 46,480,289	\$ 52,255,819	\$ 54,361,441	\$ 56,521,428	\$ 58,969,483	\$ 61,044,467	\$ 63,020,285
CPI-U, 2000 base year	191.5	196.5	203.9	209.5	216.4	223.1	227.4	235.4	233.8	237.4	245.3
CPI-U, adjustment for constant dollars	100%	97.5%	93.9%	91.4%	88.5%	85.8%	84.2%	81.4%	81.9%	80.7%	78.1%
Property Tax Revenues (constant dollars)	\$ 36,234,932	\$ 37,169,577	\$ 37,556,510	\$ 40,907,970	\$ 41,132,048	\$ 44,854,278	\$ 45,779,314	\$ 45,980,686	\$ 48,300,496	\$ 49,241,851	\$ 49,198,470
Percent increase over prior year (constant dollars)	N/A	2.6%	1.0%	8.9%	0.5%	9.0%	2.1%	0.4%	5.0%	1.9%	-0.1%

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.



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Indicator I.5

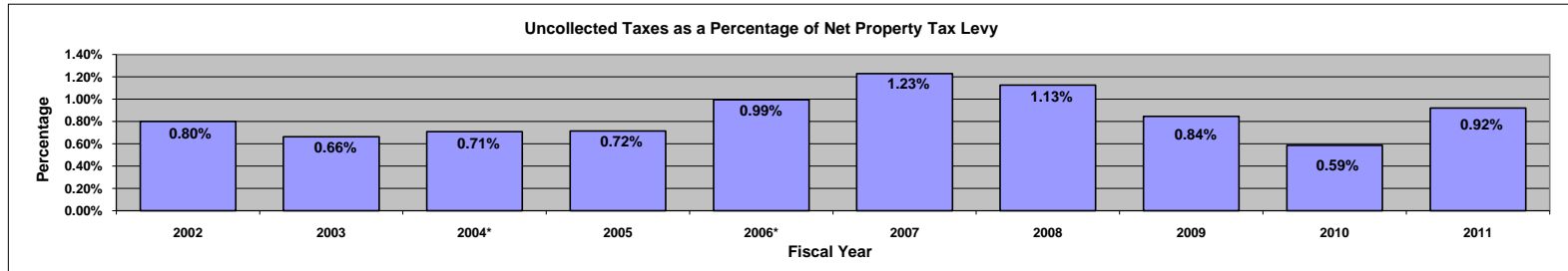
Uncollected Property Taxes

Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator by the Bond rating organizations.

Acton Trend	
favorable	X
stable	
marginal	
unfavorable	
uncertain	

Uncollected Property Taxes:

An increase in uncollected property taxes may indicate an inability by property owners to pay their taxes due to economic conditions. Additionally, as uncollected property taxes rise, liquidity decreases, resulting in less cash on hand for the Town to invest. Bond rating organizations generally consider uncollected taxes in excess of five percent as a warning trend. In the past Acton has maintained a strong position on this indicator, regardless of economic circumstances.



Formula: $\frac{\text{Uncollected Property Taxes}}{\text{Net Property Tax Levy}}$

Fiscal year	2001	2002	2003	2004*	2005	2006*	2007	2008	2009	2010	2011
Property Tax Levy	\$ 38,118,356	\$ 40,454,689	\$ 41,920,809	\$ 46,701,147	\$ 48,918,538	\$ 55,059,415	\$ 57,719,341	\$ 59,272,678	\$ 62,008,247	\$ 64,053,135	\$ 65,825,191
Reserved for Abatements & Exemptions	\$ 605,145	\$ 271,606	\$ 505,510	\$ 356,656	\$ 328,006	\$ 465,831	\$ 469,262	\$ 605,267	\$ 846,421	\$ 558,253	\$ 612,709
Net Property Tax Levy	\$ 37,513,211	\$ 40,183,083	\$ 41,415,299	\$ 46,344,491	\$ 48,590,532	\$ 54,593,584	\$ 57,250,079	\$ 58,667,411	\$ 61,161,826	\$ 63,494,882	\$ 65,212,482
Uncollected Taxes as of June 30	\$ 406,053	\$ 321,528	\$ 274,760	\$ 327,929	\$ 347,866	\$ 542,866	\$ 703,929	\$ 660,070	\$ 516,681	\$ 372,415	\$ 600,360
Uncollected Taxes as a Percentage of Net Property Tax Levy	1.08%	0.80%	0.66%	0.71%	0.72%	0.99%	1.23%	1.13%	0.84%	0.59%	0.92%

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.



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Indicator I.6

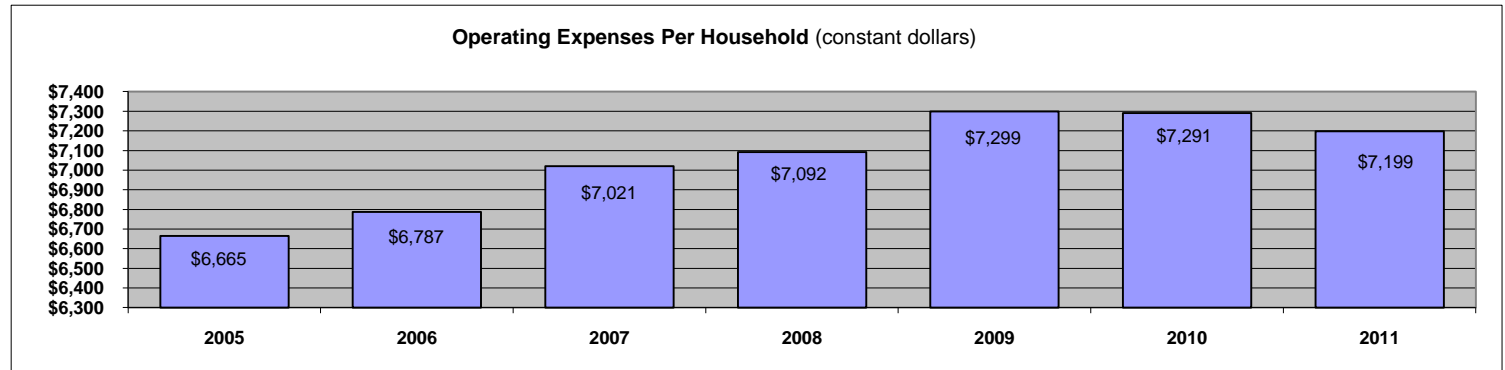
Expenditures per Household

Increasing net operating expenditures per household, in constant dollars, may be considered a warning indicator.

Acton Trend	
favorable	
stable	X
marginal	
unfavorable	
uncertain	

Expenditures per Household:

Increasing operating expenditures per household may indicate that the cost of providing services is challenging the Town's ability to pay, especially if spending is increasing faster than household income. Increasing expenditures may also indicate a increase demand and reliance on municipal service's in bad economic times.



Formula:

Fiscal year	2005	2006	2007	2008	2009	2010	2011
Education	\$ 39,434,780	\$ 41,908,020	\$ 44,755,709	\$ 46,688,681	\$ 48,440,286	\$ 49,576,369	\$ 50,671,378
Shared Expenses (Benefits, Debt)	\$ 5,005,458	\$ 5,149,990	\$ 5,336,896	\$ 5,598,250	\$ 5,586,550	\$ 6,275,380	\$ 6,207,774
General Government	\$ 15,474,145	\$ 16,565,445	\$ 17,762,499	\$ 19,470,304	\$ 20,141,420	\$ 20,210,781	\$ 21,140,328
Total Operating Expenses	\$ 59,914,383	\$ 63,623,455	\$ 67,855,104	\$ 71,757,235	\$ 74,168,256	\$ 76,062,530	\$ 78,019,480
CPI-U, 2001 base year	216.4	223.1	227.4	235.4	233.8	237.4	245.3
CPI-U, adjustment for constant dollars	88.5%	85.8%	84.2%	81.4%	81.9%	80.7%	78.1%
Operating Expenses (cons. doll.)	\$ 53,020,353	\$ 54,611,796	\$ 57,142,711	\$ 58,375,151	\$ 60,749,448	\$ 61,356,253	\$ 60,907,992
Households	7,955	8,047	8,139	8,231	8,323	8,415	8,461
Oper. Exp. Per Household	\$ 6,665	\$ 6,787	\$ 7,021	\$ 7,092	\$ 7,299	\$ 7,291	\$ 7,199



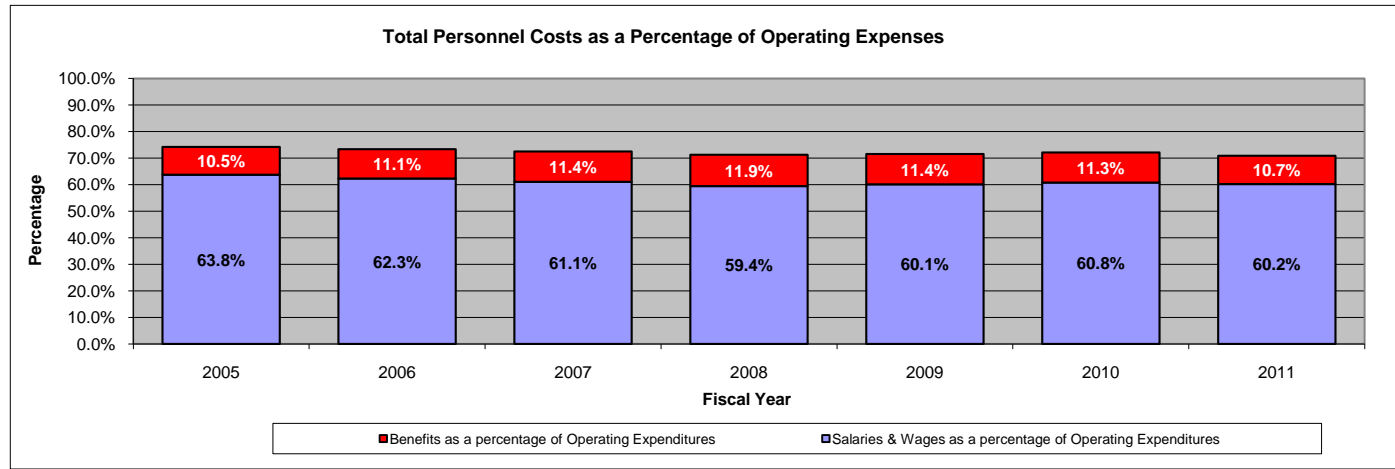
Personnel Costs

Increasing personnel costs as a percentage of total spending is considered a warning factor.

Acton Trend	
favorable	
stable	X
marginal	
unfavorable	
uncertain	

Personnel Costs:

Increasing salaries and wages as a percent of operating expenditures may be an indicator of two trends: First, it may point to future pension and health insurance costs since both of these items are related to the number and compensation level of employees. Second, if total personnel cost as a percent of operating expenditures are increasing, it may be an indicator of deferred maintenance of the Town's infrastructure.



Formula:

Fiscal Year	2005	2006	2007	2008	2009	2010	2011
Operating Expenditures *	\$ 40,518,187	\$ 42,974,396	\$ 45,896,199	\$ 49,240,508	\$ 51,472,997	\$ 52,324,202	\$ 53,258,551
Municipal Wages	\$ 10,443,277	\$ 10,926,500	\$ 11,495,939	\$ 12,002,475	\$ 12,607,790	\$ 12,928,676	\$ 13,139,941
School Wages	\$ 15,393,031	\$ 15,840,604	\$ 16,560,738	\$ 17,259,336	\$ 18,326,604	\$ 18,897,255	\$ 18,937,683
Health Benefits	\$ 4,256,074	\$ 4,752,625	\$ 5,249,937	\$ 5,848,347	\$ 5,880,923	\$ 5,918,972	\$ 5,691,256
Total Wage & Benefit Costs	\$ 30,092,382	\$ 31,519,729	\$ 33,306,614	\$ 35,110,158	\$ 36,815,317	\$ 37,744,903	\$ 37,768,879
Salaries & Wages as a percentage of Operating Expenditures	63.8%	62.3%	61.1%	59.4%	60.1%	60.8%	60.2%
Benefits as a percentage of Operating Expenditures	10.5%	11.1%	11.4%	11.9%	11.4%	11.3%	10.7%
Total Wage & Benefit Costs as a percentage of Operating Expenditures	74.3%	73.3%	72.6%	71.3%	71.5%	72.1%	70.9%

* Does not include ABRSD



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Indicator I.8

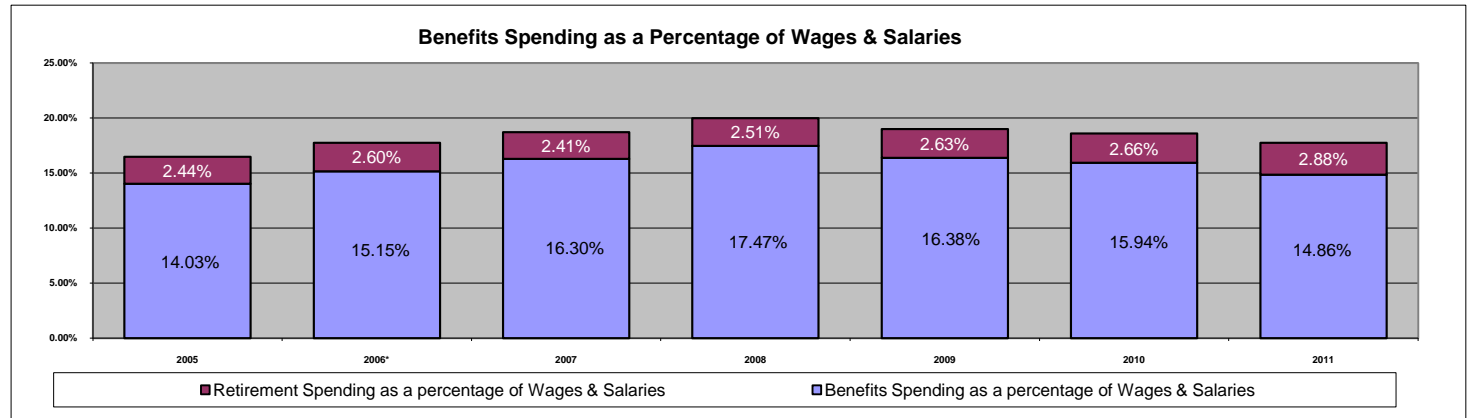
Employee Benefits

Increasing benefit costs as a percentage of wages and salaries is considered a warning indicator.

Acton Trend	
favorable	X
stable	
marginal	
unfavorable	
uncertain	

Employee Benefits:

Management through the collective bargaining process was able to decrease health insurance costs while maintaining the same level of benefits.



Formula:

Fiscal Year	2005	2006*	2007	2008	2009	2010	2011
Health Benefits	\$ 3,625,502	\$ 4,055,836	\$ 4,573,050	\$ 5,113,354	\$ 5,067,618	\$ 5,072,343	\$ 4,767,915
Retiree Health Benefits	\$ 630,572	\$ 696,789	\$ 676,887	\$ 734,993	\$ 813,305	\$ 846,629	\$ 923,341
Wages & Salaries - Municipal	\$ 10,443,277	\$ 10,926,500	\$ 11,495,939	\$ 12,002,475	\$ 12,607,790	\$ 12,928,676	\$ 13,139,941
Wages & Salaries - Schools	\$ 15,393,031	\$ 15,840,604	\$ 16,560,738	\$ 17,259,336	\$ 18,326,604	\$ 18,897,255	\$ 18,937,683
Total Wages & Salaries	\$ 25,836,308	\$ 26,767,104	\$ 28,056,677	\$ 29,261,811	\$ 30,934,394	\$ 31,825,931	\$ 32,077,624
Benefits Spending as a percentage of Wages & Salaries	14.03%	15.15%	16.30%	17.47%	16.38%	15.94%	14.86%
Retirement Spending as a percentage of Wages & Salaries	2.44%	2.60%	2.41%	2.51%	2.63%	2.66%	2.88%
Total Benefits Spending as % of Wages	16.47%	17.76%	18.71%	19.99%	19.01%	18.60%	17.74%

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.



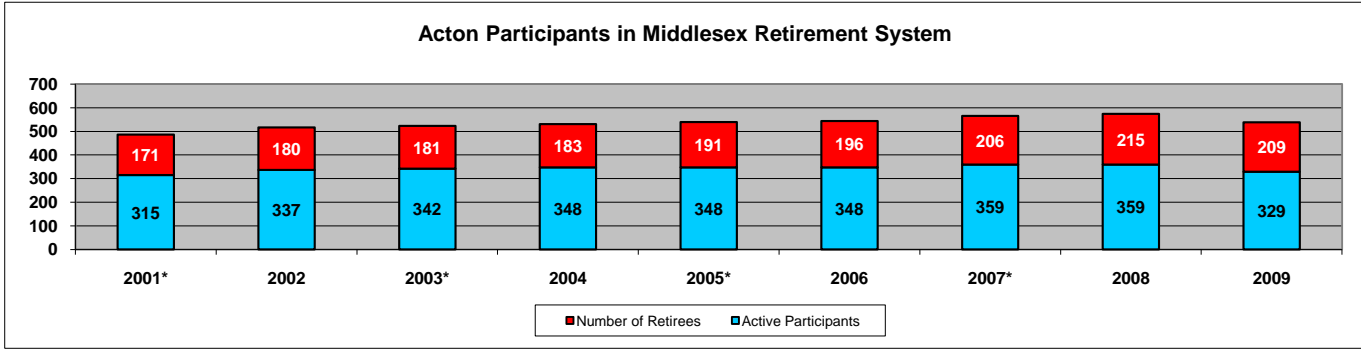
Retirement Participants

Increasing numbers of participants in the retirement system, without fully funding the associated post-retirement health costs, is considered a warning trend.

Acton Trend	
favorable	X
marginal	
unfavorable	
uncertain	

Retirement Participants:

All employees except teachers belong to the Middlesex Retirement System as required by the Commonwealth of Massachusetts. Systems facing increases in numbers of employees and retirees without corresponding increases in funding associated liabilities is problematic. Since 1988 employees are actuarially funding the retirement system. A significant short term decrease in market value will yield unreliable future unfunded cost indices.



Formula:
$$\text{Number of Participants} = \text{Active Participants} + \text{Number of Retirees}$$

Calendar Year (as of December 31)	2001*	2002	2003*	2004	2005*	2006	2007*	2008	2009
Active Participants	315	337	342	348	348	348	359	359	329
Number of Retirees	171	180	181	183	191	196	206	215	209
Total of Active Participants & Retirees	486	517	523	531	539	544	565	574	538

* Estimated based on Middlesex County Actuarials



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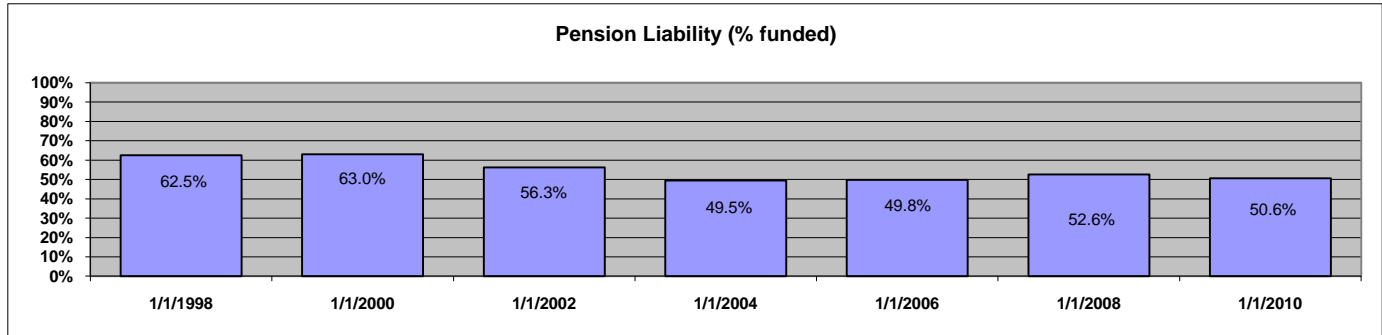
Indicator I.10

Pension Liability

A decrease in the % funded pension liability is considered a warning indicator.

Acton Trend	
favorable	
stable	X
marginal	
unfavorable	
uncertain	

Acton's trend is to increase the fund indicator.



Formula: Pension Assets / Pension Liability

Actuarial Date	1/1/1998	1/1/2000	1/1/2002	1/1/2004	1/1/2006	1/1/2008	1/1/2010
Total Liability	\$24,652,338	\$30,431,728	\$34,070,272	\$41,630,621	\$47,397,373	\$53,239,536	\$60,506,307
Pension Assets	\$15,400,452	\$19,169,863	\$19,178,510	\$20,590,540	\$23,616,228	\$27,988,221	\$30,598,410
Pension Liability (unfunded)	\$9,251,886	\$11,261,865	\$14,891,762	\$21,040,081	\$23,781,145	\$25,251,315	\$29,907,897
Percent Funded	62.5%	63.0%	56.3%	49.5%	49.8%	52.6%	50.6%



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Indicator I.11

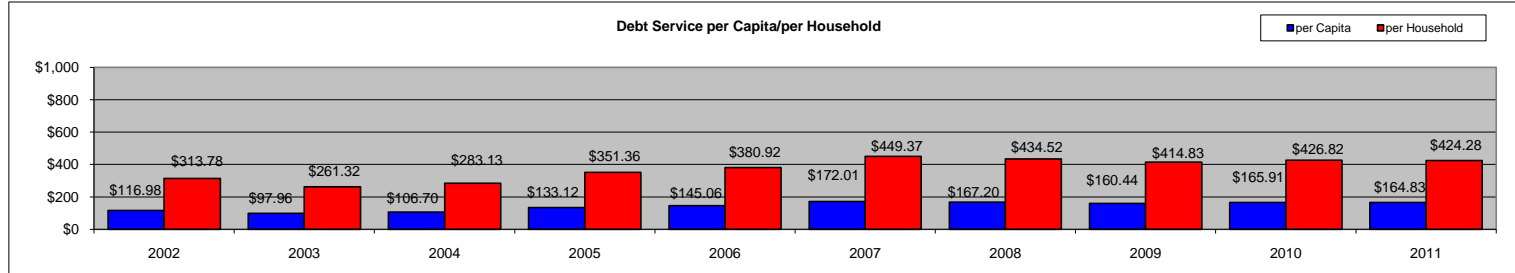
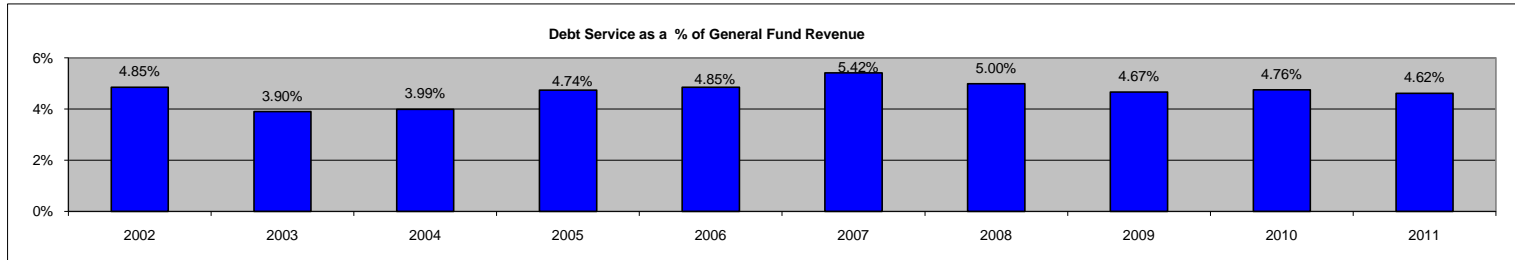
Debt Service

Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.

Acton Trend	
favorable	X
marginal	
unfavorable	
uncertain	

Debt Service:

Over the course of the last ten years, the Town of Acton has invested extensively in new capital projects. Three separate school reconstruction projects, new athletic fields, Public Safety Facility, recreation area, and a library project have been funded through the successful passage of debt exclusion votes by the citizens of Acton. This increase in exempt debt service has resulted in increases in the budget and consequently in taxes to Acton citizens.



Formula: Debt Service / General Fund Revenue or Per Capita /Household

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Service Outside 2 1/2	\$ 1,916,501	\$ 2,315,410	\$ 1,940,554	\$ 1,979,474	\$ 2,460,535	\$ 2,816,864	\$ 3,368,559	\$ 3,332,960	\$ 3,071,748	\$ 3,036,465	\$ 3,098,116
Debt Service Within 2 1/2	\$ 103,120	\$ 94,120	\$ 90,160	\$ 246,790	\$ 334,543	\$ 248,363	\$ 288,873	\$ 243,609	\$ 380,908	\$ 555,237	\$ 491,707
Total Debt Service	\$ 2,019,621	\$ 2,409,530	\$ 2,030,714	\$ 2,226,264	\$ 2,795,078	\$ 3,065,227	\$ 3,657,432	\$ 3,576,569	\$ 3,452,656	\$ 3,591,702	\$ 3,589,823
Gross Operating Revenue	\$ 46,518,731	\$ 49,681,629	\$ 52,031,296	\$ 55,774,992	\$ 58,989,859	\$ 63,206,557	\$ 67,461,574	\$ 71,573,466	\$ 73,915,814	\$ 75,506,040	\$ 77,678,858
Population	20,464	20,597	20,731	20,864	20,997	21,130	21,263	21,391	21,519	21,648	21,778
Households	7,587	7,679	7,771	7,863	7,955	8,047	8,139	8,231	8,323	8,415	8,461
Debt Service as a % of General Fund Revenue	4.34%	4.85%	3.90%	3.99%	4.74%	4.85%	5.42%	5.00%	4.67%	4.76%	4.62%
Debt Service per Capita	\$ 98.69	\$ 116.98	\$ 97.96	\$ 106.70	\$ 133.12	\$ 145.06	\$ 172.01	\$ 167.20	\$ 160.44	\$ 165.91	\$ 164.83
Debt Service per Household	\$ 266.19	\$ 313.78	\$ 261.32	\$ 283.13	\$ 351.36	\$ 380.92	\$ 449.37	\$ 434.52	\$ 414.83	\$ 426.82	\$ 424.28

Notes:

Annual Population figures are estimates based on Metropolitan Area Planning Council (MAPC)



Town of Acton

Financial Status Report - December 19, 2011

Indicator I.12

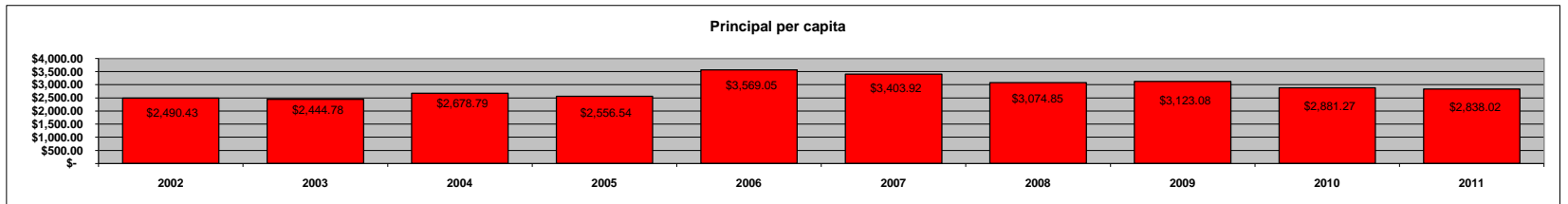
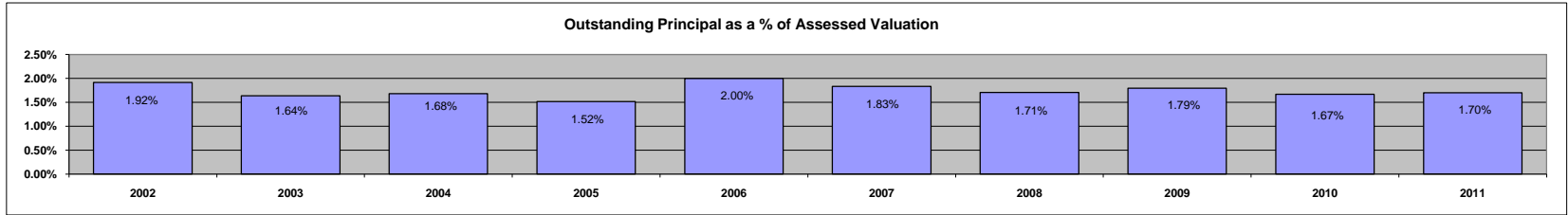
Long Term Debt

Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.

Acton Trend	
favorable	X
marginal	
unfavorable	
uncertain	

Long-Term Debt:

These financial indicators are evaluated by the credit rating organizations because they are measures of both the community's debt burden as well as its level of effort in investing in its capital facilities. On both measures, Acton has a strong profile.



Formula: $\text{Outstanding Long-Term Debt} / \text{Assessed Valuation or Per Capita}$

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bonds Outstanding (all funds)	\$ 43,484,775	\$ 51,296,427	\$ 50,681,617	\$ 55,889,768	\$ 53,679,633	\$ 75,414,566	\$ 72,378,828	\$ 65,773,991	\$ 67,206,543	\$ 62,374,801	\$ 61,807,230
Assessed Valuation	\$ 2,314,034,963	\$ 2,677,345,380	\$ 3,093,786,673	\$ 3,328,663,383	\$ 3,542,254,777	\$ 3,776,365,916	\$ 3,947,971,323	\$ 3,851,376,136	\$ 3,751,255,130	\$ 3,741,421,414	\$ 3,640,773,825
Population	20,464	20,597	20,731	20,864	20,997	21,130	21,263	21,391	21,519	21,648	21,778
Long-Term Debt as a % of Assessed Valuation	1.88%	1.92%	1.64%	1.68%	1.52%	2.00%	1.83%	1.71%	1.79%	1.67%	1.70%
Long-Term Debt per capita	\$ 2,124.92	\$ 2,490.43	\$ 2,444.78	\$ 2,678.79	\$ 2,556.54	\$ 3,569.05	\$ 3,403.92	\$ 3,074.85	\$ 3,123.08	\$ 2,881.27	\$ 2,838.02

Notes: Does not include ABRSD 2000 -2005

Sources: Outstanding Long-term Debt & Assessed value information from Bond Prospectus , Operating Statements & Tax Recap.
Population from MAPC



Town of Acton

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Indicator I.13

Reserves & Fund Balance

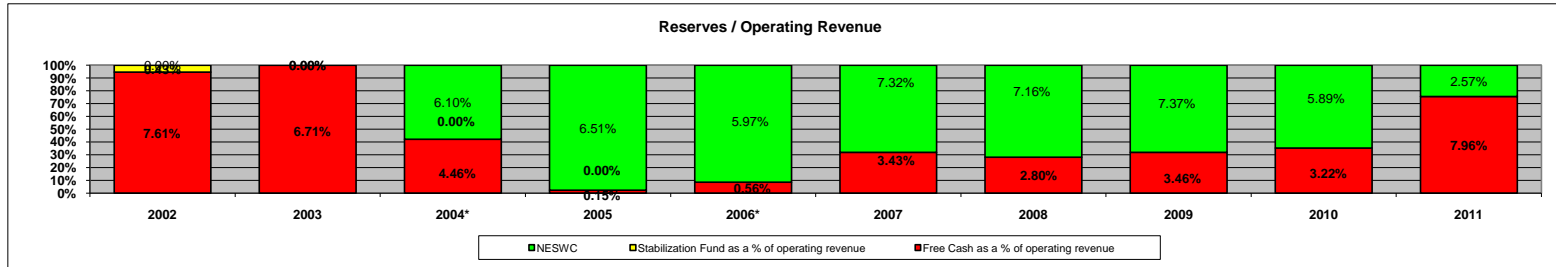
Declining reserves as a percentage of operating revenues is considered a warning indicator.

The Government Finance Officers Association (GFOA) recommends that undesignated fund balance be 5-15 percent of operating revenues.

Acton Trend	
favorable	X
marginal	
unfavorable	
uncertain	

Reserves & Fund Balance:

The Town of Acton has several types of reserves. Historically, the Town has relied upon Free Cash as its primary source of reserves. Challenging economic times requires the use of reserves to maintain services without outstripping the ability of the citizens to pay.



Formula: Undesignated Fund Balance / Operating Revenues

Fiscal Year	2001	2002	2003	2004*	2005	2006*	2007	2008	2009	2010	2011
Certified Free Cash	\$ 2,246,788	\$ 3,602,506	\$ 3,358,663	\$ 2,399,422	\$ 85,425	\$ 337,451	\$ 2,199,776	\$ 1,908,941	\$ 2,454,644	\$ 2,333,592	\$ 5,933,591
NESWC	\$ -	\$ -	\$ -	\$ 3,280,835	\$ 3,677,638	\$ 3,603,205	\$ 4,689,714	\$ 4,886,417	\$ 5,219,545	\$ 4,269,715	\$ 1,915,225
Stabilization Fund	\$ 354,868	\$ 210,366	\$ 214,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Operating Revenues	\$ 44,602,230	\$ 47,366,219	\$ 50,090,742	\$ 53,795,518	\$ 56,529,325	\$ 60,389,693	\$ 64,093,015	\$ 68,240,506	\$ 70,844,067	\$ 72,469,575	\$ 74,580,742
Free Cash as a % of operating revenue	5.04%	7.61%	6.71%	4.46%	0.15%	0.56%	3.43%	2.80%	3.46%	3.22%	7.96%
NESWC as a % of operating revenue	0.00%	0.00%	0.00%	6.10%	6.51%	5.97%	7.32%	7.16%	7.37%	5.89%	2.57%
Stabilization Fund as a % of operating revenue	0.80%	0.44%	0.43%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net Reserves as a % of Operating Revenue	5.83%	8.05%	7.13%	10.56%	6.66%	6.53%	10.75%	9.96%	10.83%	9.11%	10.52%

Notes:

*Denotes Fiscal Year where Proposition 2 1/2 Override was approved by voters.



Town of Acton

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Indicator I.14

Population

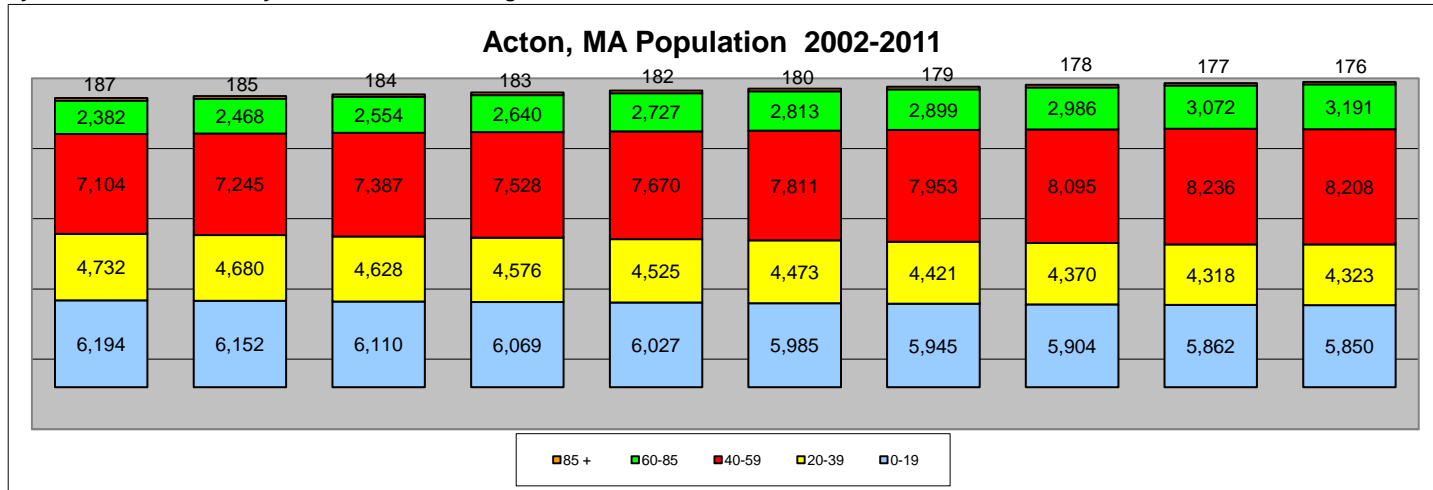
Rapid changes in population which may effect service levels may be considered a warning indicator.

Acton Trend	
favorable	X
marginal	
unfavorable	
uncertain	

Population:

Over the course of the last ten years, Acton has witnessed an increase of 7% in total residents, with major fluctuations in the 20-85 age range.

This steady change in population demographics, is a leading indicator which policymakers and professionals should use to adequately prepare for and implement changes in service delivery and programs.



Formula: Population

Calendar Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	% Change CY 2002-2011
0-19	6,194	6,152	6,110	6,069	6,027	5,985	5,945	5,904	5,862	5,850	-6.8%
20-39	4,732	4,680	4,628	4,576	4,525	4,473	4,421	4,370	4,318	4,323	-10.6%
40-59	7,104	7,245	7,387	7,528	7,670	7,811	7,953	8,095	8,236	8,208	20.3%
60-85	2,382	2,468	2,554	2,640	2,727	2,813	2,899	2,986	3,072	3,191	44.5%
85 +	187	185	184	183	182	180	179	178	177	176	-6.9%
Totals	20,597	20,731	20,864	20,997	21,130	21,263	21,397	21,533	21,665	21,748	7.0%

Notes:

Annual Population figures are estimates based on Metropolitan Area Planning Council (MAPC)



Town of Acton

Financial Status Report - December 19, 2011

Executive Summary - Projections

Budget decisions that are made within a given fiscal year often have significant implications for subsequent fiscal years. The revenue and expenditure projection within this packet is intended to facilitate discussion among community "stakeholders" with the hope that it will result in the identification of issues that call for further discussion and analysis as the FY13 budget cycle unfolds.

This forecast projects general fund revenues and expenditures for the period FY2013. It is important to emphasize that the projection is not a proposed or recommended budget. **It is a tool for planning, not budgeting.**

The forecasting methodology is a maintenance budget approach; that is, the projected increase in costs needed to maintain the "current level of services" reflected in the adopted FY13 budget. As a general rule, it only includes increases driven by estimated inflationary pressures, current collective bargaining agreements and other existing purchase of service contracts.

Revenues are generally projected based on historical experience.



Town of Acton Revenues

A. Revenues (GROSS)

	FY11	FY12	FY13	FY14
	Town Meeting	Town Meeting		
Tax Levy (excluding debt exclusion)	\$60,193	\$62,182	\$64,546	\$66,675
State Aid	\$12,458	\$12,092	\$10,482	\$10,482
Local Receipts	\$4,210	\$3,835	\$3,681	\$3,681
Debt Exclusion	\$3,036	\$3,098	\$3,065	\$3,023
SBAB Reimbursement	\$1,009	\$1,009	\$1,009	\$1,009
Total Revenues (including debt)	\$80,906	\$82,216	\$82,783	\$84,870

Information inported from sheets within this document:

Revenues-Tax Levy
 Revenues-State Aid
 Revenues-Local Receipts
 Debt Exclusion
 Debt Exclusion

B. Use of Reserves (TOTAL)

	\$1,952	\$2,219	\$2,000	\$2,000
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Reserves

C. Debt Exclusion Debt Service

APS School Debt Exclusion		\$619	\$611	\$615
Public Safety Facility Debt Exclusion		\$394	\$483	\$473
Municipal Debt Exclusion		\$492	\$378	\$339
JHS/SHS Debt Exclusion		\$1,593	\$1,593	\$1,593
SBAB Reimbursement-Parker/Damon		\$1,009	\$1,009	\$1,009
Total Debt Exclusion/SBAB		\$4,107	\$4,074	\$4,029

Debt Exclusion
 Debt Exclusion
 Debt Exclusion
 Debt Exclusion
 Debt Exclusion

D. Available Town Revenues (NET) (A + B - C)

	\$78,813	\$80,328	\$80,709	\$82,841
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Revenue Increase/(Decrease) since last meeting?

\$1,858

Town of Acton Expenditures

Town of Acton Municipal Allocation	\$24,276	\$24,545	\$25,220	\$26,273
+ Transfer to Acton Municipal for FY11 Assistance			\$96	\$96
+ Transfer to Acton Municipal for APS Debt		\$309	\$309	\$309
+ Transfer to Acton Municipal for COPS		\$70	\$72	\$74
Total Municipal Allocation	\$24,276	\$24,924	\$25,697	\$26,752

FY12 Town Budget requests less \$2.487m in Debt Exclusion expenses
 zero cola Patrol and Dispatch

FY11 to FY12? 3.10%

Acton Public Schools Allocation	\$25,754	\$26,289	\$26,712	\$27,726
- Transfer to Acton Municipal for FY11 Assistance			(\$96)	(\$96)
- Transfer to Acton Municipal for APS Debt		(\$309)	(\$309)	(\$309)
- Transfer to Acton Municipal for COPS		(\$70)	(\$72)	(\$74)
Total APS Allocation	\$25,754	\$25,910	\$26,235	\$27,247

APS Level Service FY12 Budget requests as of Nov. 2010
 zero cola on Teachers

FY11 to FY12? 1.26%

Town of Acton Portion of ABRSD Allocation	\$28,073	\$28,849	\$29,039	\$30,245
Total Minuteman Allocation	\$711	\$646	\$646	\$646

ABRSD Level Service FY12 Budget requests as of Nov. 2010 less \$1.593m
 in JHS/SHS Debt Exclusion expenses

FY11 to FY12? 0.66%

E. Town of Acton Expenditures (NET)

	\$78,814	\$80,329	\$81,617	\$84,890
--	-----------------	-----------------	-----------------	-----------------

Expenditure Increase/(Decrease) since last meeting?

(\$757)

F. Total Town of Acton Projected Balance

	(\$1)	(\$1)	(\$909)	(\$2,049)
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Town of Acton

Financial Status Report - December 19, 2011

FY 2013 Budget Policy Issues

FY 2013 Budget Policy Issues

1. What is a prudent amount of reserves to offset service cuts?
2. What is the optimum mix of capital and non-capital items to maximize the benefit to the citizens?
3. What service reductions can the citizens live with?



At A Glance Report for Acton

Socioeconomic

County	Middlesex
School Structure	K-06
Form of Government	Town Manager Selectmen Open Town Meeting
2010 Population	21,924
2011 Labor Force	11,750
2011 Unemployment Rate	4.5
1999 Per Capita Income	41,901
2009 Population Per Square Mile	1,063.29
2009 Housing Units Per Square Mile	384.58
2009 Road Miles	120.52
EQV Per Capita (2010 EQV/2009 Population)	187,850
Number of Registered Vehicles (January 2010)	22,785
Average Age of Vehicles (January 2010)	8.62
2010 Number of Registered Voters	13,767

Certification

Most Recent	2010
Next Scheduled	2013

Bond Ratings

Moody's Bond Rating as of December 2010*	Aaa
S & P Bond Rating as of December 2010*	AAA

*Blank indicates the community has not been rated by the bond agency.

Fiscal Year 2011 Estimated Cherry Sheet Aid

Education Aid	5,174,403
General Government	1,343,630
Total Receipts	6,518,033
Total Assessments	225,654
Net State Aid	6,292,379



At A Glance Report for Acton

Fiscal Year 2011 Tax Classification

Tax Classification	Assessed Values	Tax Levy	Tax Rate
Residential	3,174,679,623	57,398,208	18.08
Open Space	0	0	0.00
Commercial	309,194,597	5,590,238	18.08
Industrial	90,955,570	1,644,477	18.08
Personal Property	65,944,035	1,192,268	18.08
Total	3,640,773,825	65,825,191	

Fiscal Year 2011 Revenues by Source

Revenue Source		Percent of Total
Tax Levy	65,825,191	76.94
State Aid	7,527,342	8.80
Local Receipts	10,443,708	12.21
Other Available	1,755,247	2.05
Total	85,551,488	

Fiscal Year 2011 Proposition 2½ Levy Capacity

New Growth	449,706
Override	0
Debt Exclusion	3,098,116
Levy Limit	66,118,401
Excess Capacity	293,210
Ceiling	91,019,346
Override Capacity	27,999,061

Other Available Funds

7/1/2010 Free Cash	FY2010 Stabilization Fund	FY2011 Overlay Reserve
4,650,574	0	612,709



At A Glance Report for Acton

Fiscal Year 2011 Average Single Family Tax Bill**

Number of Single Family Parcels	4,886
Assessed Value of Single Family	500,492
Average Single Family Tax Bill	9,049

State Average Single Family Tax Bill

Fiscal Year 2009	4,250
Fiscal Year 2010	4,390
Fiscal Year 2011	4,537

Acton issues property tax bills Quarterly.

**For the communities granting residential exemptions, DLS does not collect enough information to calculate an average single-family tax bill. In FY11 those communities are Barnstable, Boston, Brookline, Cambridge, Chelsea, Everett, Malden, Nantucket, Somerville, Somerset, Tisbury, Waltham and Watertown. Therefore, the average single-family tax bill information in this report will be blank.

Fiscal Year 2010 Schedule A – Actual Revenues and Expenditures

	General Fund	Special Revenue	Capital Projects	Enterprise Funds	Trust Revenue	Total All Funds
Revenues	75,355,406	6,609,953	0	4,239,492	57,710	86,262,561
Expenditures	74,295,664	8,201,970	1,125,196	5,269,411	51,977	88,944,218
Police	3,108,359	0	0	0	0	3,108,359
Fire	2,472,007	0	0	0	0	2,472,007
Education	45,981,554	2,812,347	326,694	0	0	49,120,595
Public Works	2,949,966	365,104	0	2,317,362	0	5,632,432
General Fund Debt Service	3,086,419					3,086,419
Health Ins	5,656,545					5,656,545
Pension	2,390,614					2,390,614
All Other	8,650,200	5,024,519	798,502	2,952,049	51,977	17,477,247

This data only represents the revenues and expenditures occurring in these funds and does **not** reflect any transfers to or from other funds. Therefore, this data should not be used to calculate an ending fund balance.

Total Revenues and Expenditures Per Capita

	General Fund	Special Revenue	Capital Projects	Enterprise Funds	Trust Revenue	Total All Funds
Revenues	3,437.1	301.5	0.0	193.4	2.6	3,934.6
Expenditures	3,388.8	374.1	51.3	240.3	2.4	4,056.9

If you have questions regarding the data contained in this report, please contact the Municipal Databank/Local Aid Section at (617) 626-2384 or databank@dor.state.ma.us.

Click [here](#) to see if the Division of Local Services' Technical Assistance Section has conducted a financial management review or other analysis in Acton.

Last Page Update 09/23/2011



Town of Acton

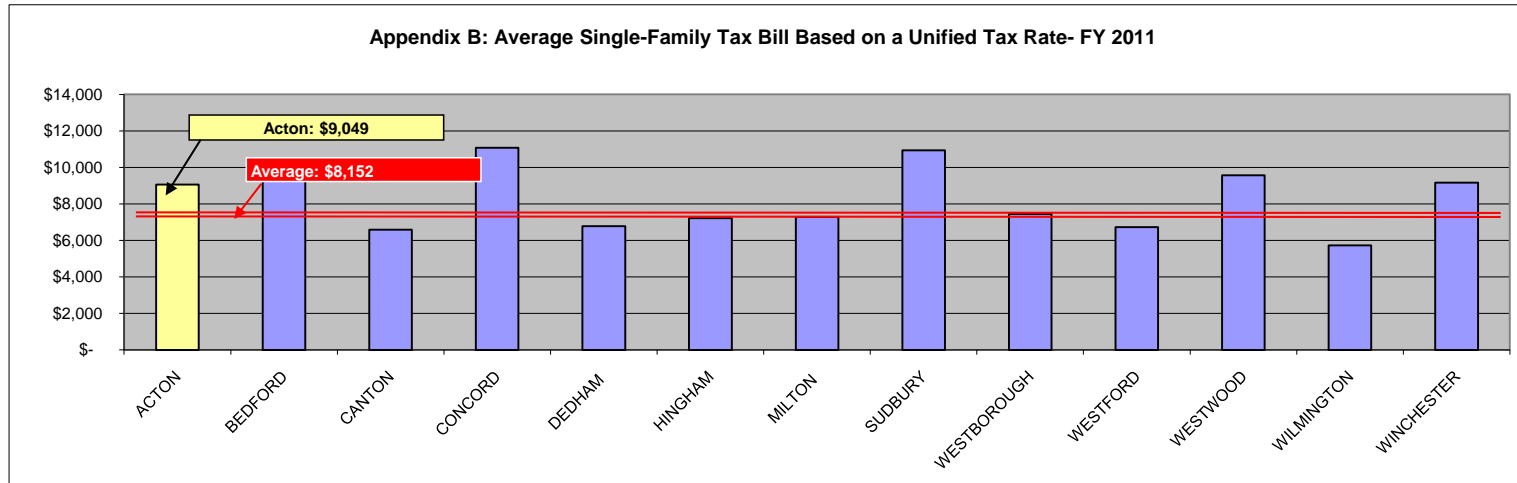
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Appendix B

Appendix B: Average Single-Family Tax Bill without Any Tax Shifts Applied

Average Tax Bill:

This table shows the average single-family tax bill based on unified tax rate for comparable communities to Acton for FY 2011. Acton is slightly above average compared to other communities.



Source: Mass. Dept. of Revenue, Div. Of Local Services.

Municipality	Assessed Value	Parcels	Average Value	Unified Tax Rate	Single Family Tax Bill
ACTON	\$ 2,445,404,100	4,886	\$ 500,492	\$ 18.08	\$ 9,049
BEDFORD	\$ 1,701,214,990	3,313	\$ 513,497	\$ 18.16	\$ 9,324 *
CANTON	\$ 2,455,543,230	5,307	\$ 462,699	\$ 14.24	\$ 6,588 *
CONCORD	\$ 3,836,829,200	4,570	\$ 839,569	\$ 13.19	\$ 11,074
DEDHAM	\$ 2,503,778,300	6,562	\$ 381,557	\$ 17.75	\$ 6,772 *
HINGHAM	\$ 4,000,363,900	6,136	\$ 651,950	\$ 11.08	\$ 7,224
MILTON	\$ 3,608,195,300	7,116	\$ 507,054	\$ 14.37	\$ 7,289 *
SUDBURY	\$ 3,386,110,700	5,392	\$ 627,988	\$ 17.40	\$ 10,928 *
WESTBOROUGH	\$ 1,564,788,800	3,833	\$ 408,241	\$ 18.24	\$ 7,446
WESTFORD	\$ 2,768,628,800	6,276	\$ 441,145	\$ 15.23	\$ 6,719
WESTWOOD	\$ 2,779,570,900	4,473	\$ 621,411	\$ 15.38	\$ 9,560 *
WILMINGTON	\$ 2,458,762,290	6,886	\$ 357,067	\$ 16.05	\$ 5,732 *
WINCHESTER	\$ 4,241,691,900	5,599	\$ 757,580	\$ 12.10	\$ 9,167
AVERAGE	\$ 2,942,123,193	5,455	\$ 547,480	\$ 15.27	\$ 8,152