

Town of Acton, MASSACHUSETTS

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Year Ended June 30, 2023

John Mangiaratti, Town Manager
Marianne C. Fleckner, Director of Administration and Finance

Prepared by the Town of Acton Finance Department

On the Cover – Acton Center – *Photo taken by Ganesh Prasanna*

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For the Year Ended
June 30, 2023

Prepared by:

Finance Department

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JUNE 30, 2023

TABLE OF CONTENTS

Introductory Section	1
Letter of Transmittal.....	3
Organizational Chart	9
Principal Town Officials – As of June 30, 2023	10
Certificate of Achievement for Excellence in Financial Reporting.....	11
Financial Section	13
Independent Auditor's Report.....	15
Management's Discussion and Analysis	18
Basic Financial Statements	26
Statement of net position	27
Statement of activities	28
Governmental funds – balance sheet	30
Reconciliation of the governmental funds balance sheet total fund balances to the statement of net position	31
Governmental funds – statement of revenues, expenditures and changes in fund balances.....	32
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	33
Proprietary funds – statement of net position	34
Proprietary funds – statement of revenues, expenses and changes in net position	35
Proprietary funds – statement of cash flows.....	36
Fiduciary funds – statement of net position	37
Fiduciary funds – statement of changes in net position.....	38
Notes to basic financial statements	39
Required Supplementary Information.....	74
General fund budgetary comparison schedule.....	75
Schedule of revenues, expenditures and changes in fund balance – general fund – budget and actual.....	76
Community preservation fund budgetary comparison schedule	80
Schedule of revenues, expenditures and changes in fund balance – Community preservation fund - budget and actual.....	81

Pension plan schedules – Town	82
Schedule of the Town’s proportionate share of net pension liability	83
Schedule of the Town contributions	84
Other postemployment benefits plan schedules.....	85
Schedule of changes in the Town’s net OPEB liability and related ratios.....	86
Schedule of the Town’s contributions.....	87
Schedule of investment returns	88
Notes to required supplementary information.....	89
Combining and Individual Fund Statements	93
Nonmajor governmental funds.....	94
Nonmajor governmental funds – combining balance sheet	96
Nonmajor governmental funds – combining statement of revenues, expenditures, and changes in fund balances	98
Statistical Section	101
Net position by component – last ten years	102
Changes in net position – last ten years	103
Fund balances, governmental funds – last ten years.....	104
Changes in fund balances, governmental funds – last ten years	105
Assessed value and actual value of taxable property by classification and tax rates – last ten years	106
Principal taxpayers – current year and nine years ago	107
Property tax levies and collections – last ten years	108
Ratios of outstanding debt and general bonded debt – last ten years.....	109
Direct and overlapping governmental activities debt – as of June 30, 2023.....	110
Computation of legal debt margin – last ten years.....	111
Demographic and economic statistics – last ten years	112
Principal employers – current year and nine years ago.....	113
Full-time equivalent Town employees – last ten years	114
Operating indicators by function/program – last ten calendar years.....	115
Capital asset statistics by function/program – last ten years	116
Computation of levy capacity and unused levy capacity – last ten years	117

Introductory Section



NARA Park – *Photo taken by Ganesh Prasanna*

Introductory Section

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Finance Office

TOWN OF ACTON

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Letter of Transmittal

December 27, 2023

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

At the close of each fiscal year, state law requires the Town of Acton to publish a complete set of audited financial statements in conformance with generally accepted accounting principles (GAAP) in the United States of America that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue this Annual Comprehensive Financial Report (ACFR) of the Town of Acton, Massachusetts, for the fiscal year ending June 30, 2023, for your review.

For the Year Ended June 30, 2023, our main benchmark of financial support, the Town's property tax collection rate, remained stable at 99%. This revenue source represents 93% of total general fund revenues. Our remaining 7% of total general fund revenues (State Aid and Local Receipts) for Fiscal Year 2023 performed well above budgeted levels.

Future area of concern moving forward – Inflation

Business owners and investors are understandably concerned about skyrocketing inflation. Over the last fiscal year, consumer prices have increased 3.2%, according to the latest data from the U.S. Bureau of Labor Statistics. The Consumer Price Index (CPI) covers the prices of food, clothing, shelter, fuels, transportation, doctors' and dentists' services, drugs, and other goods and services that people buy for day-to-day living. This was a smaller increase than the 8.5% figure for the prior fiscal year.

Future areas of concern moving forward – Cyber Risk

- Cyber risk is integral to wider risk management.
- The cyber risk insurance market is still maturing to a position that can be considered beneficial for all stakeholders.

Effective management of cyber risk is integral to the organizations' wider risk management profile. The increasing volume of cyber-attacks and their financial and reputational costs, underpins the importance of effective cyber risk management.

The Town's Information Technology Department, alongside Finance staff, have been in discussions with the Massachusetts Interlocal Insurance Association (MIIA) which is requiring certain measures to be put in place to

ensure optimal cyber security. One is to build a 2-factor authentication system. The other involves an upgrade to our current email server (Exchange) where the prerequisite steps are underway.

ACFR and other Pertinent Information

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

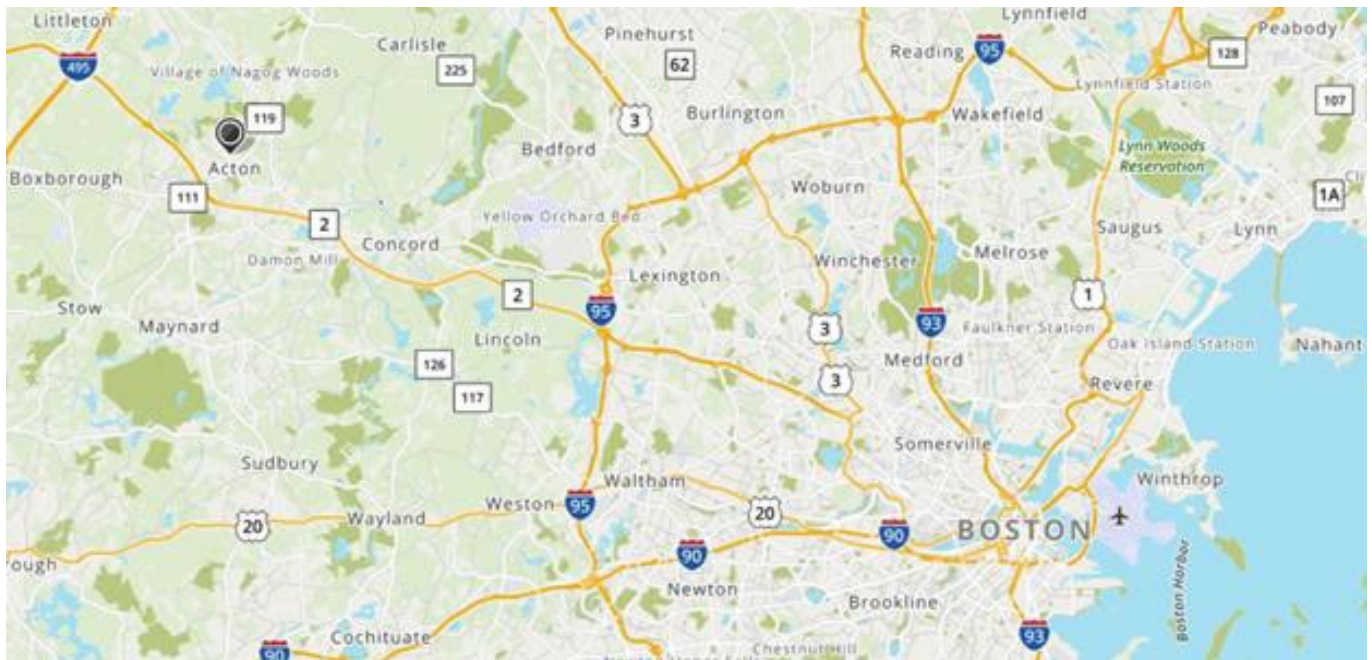
The Town's financial statements have been audited by Powers & Sullivan, LLC CPA's, a firm of licensed certified public accountants, who have been hired by and report to the Town's Select Board. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Acton for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Acton's financial statements for the fiscal year ended June 30, 2023, 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 FY2023, the independent audit of the financial statements of the Town of Acton was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. In order to meet the Single Audit Act threshold, an entity must have \$750,000 of federal expenditures.

GAAP 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 immediately follows 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 20,178 according to the most recent U.S. Census. The Town is primarily a residential community alongside a stable industrial base. The Town offers nearby commuter rail service to Boston to the east and Fitchburg to the west, providing valuable transportation options for residents, businesses and commuters.



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

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

The Town provides a full range of municipal services, including police and fire protection, ambulance, collection and disposal of waste, maintenance of roads, library, health and human services, culture and recreation and sewer. Above and beyond the typical municipal services, the Town provides nursing and transportation services to its residents. All of the Town's educational services are provided by the Acton-Boxborough Regional School District. The regionalization of the Town of Acton's school system provides the Town's school students with the full resources of the Acton-Boxborough Regional School District. The Acton Water District, a separate entity from the Town, provides water services to 90% of the Town's residents.

Factors Affecting Economic Condition

Acton's commercial economic base has remained stable over the past ten years, consistently accounting for between 10% and 13% of the Town's assessed value. In June 2022, based on data from the U.S. Census, the Town of Acton's median household income (\$150,482) is considerably higher than the average in Massachusetts (\$96,505). In addition, the Town of Acton continues to experience unemployment rates well below state, county, and national averages.

The Town's residential assessed values continue to rise each year. The Building Department issued 1,561 building permits in fiscal year 2023 worth an estimated construction value of over \$64.9 million.

The Town adopted the Community Preservation Act, in 2002 which allows for a 1.5% surcharge on real estate tax bills and a Commonwealth of Massachusetts match. Since its passage, the Town has collected approximately \$17.8 million from the 1.5% surcharge. In addition, the Commonwealth of Massachusetts provides an annual percent (varying amounts) match. Appropriations from this program continue to be approved annually at Annual Town Meeting and they have provided funding for many projects in the areas of housing, recreation, open space, historic preservation, and other land acquisition. This continual reaffirmation of a 1.5% surcharge, in an era of economic uncertainty, shows that the citizens remain committed to the viability of the program.

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

The Town has presented its only annual legally adopted budgets for the general and the community preservation fund in the required supplementary section of the report.

Over the past ten years, property tax and intergovernmental revenues comprised the vast majority of governmental fund's revenues. In fiscal year 2023, property taxes were 93% of the revenues. In previous fiscal years, property taxes have represented between 74.2% and 86.5% of Town Meeting appropriations; Intergovernmental revenues have fluctuated between 4.4% and 16.8% of Town Meeting appropriations. 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 of Acton decreased, and the property tax revenues percentage of total revenues increased. The reduction in education grant/local aid revenues caused the change in the intergovernmental percentage.

The Town has continued to aggressively fund the other post-employment benefits (OPEB) liability. In the past five fiscal years, the contributions in excess of the actuarially determined contribution have been \$151,756 (fiscal year 2023), \$164,547 (fiscal year 2022), \$162,327 (fiscal year 2021), \$55,750 (fiscal year 2020), \$217,767 (fiscal year 2019), \$617,277 (fiscal year 2018), and \$528,512 (fiscal year 2018). In fiscal year 2023, the Town continued to contribute to the OPEB Trust Fund (\$603,742, plus \$40,000 from a non-general account). The Town's OPEB trust fund has a balance of \$9,967,084 at June 30, 2023. The plan fiduciary net position as a percentage of the total OPEB liability has risen from 21.11% at June 30, 2018, to 24.47% at June 30, 2019, 27.07% at June 30, 2020, 36.45% at June 30, 2021, at 36.32% at June 30, 2022, and 42.57% at June 30, 2023.

Long Term Financial Planning and Recent Highlights

The level of budgetary control is established by Town Meeting. This approval defines the level at which expenditures may not exceed appropriations. Town Meeting authorizes a "bottom-line" fiscal budget for all legally binding appropriations made for municipal expenditures which the Town Manager cannot exceed. Additional appropriations may be approved at subsequent Town Meetings.

The Town continues to manage its financial affairs in a prudent manner, as is demonstrated by its AAA bond rating from Standard and Poor's. In its most recent rating, Standard and Poor's affirmed its 'AAA' rating, with a stable outlook, on the Town's existing General Obligation debt. In assigning this bond rating they cited:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA);

- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Strong budgetary flexibility, with an available fund balance in fiscal 2020 of 9.7% of operating expenditures;
- Very strong liquidity, with total government available cash at 19.3% of total governmental fund expenditures and 7.8% of governmental debt service, and access to external liquidity that we consider strong;
- Very strong debt and contingent liability profile, with debt service carrying charges at 2.5% of expenditures and net direct debt that is 24.9% of total governmental fund revenue, as well as low overall net debt at less than 3.0% of market value and rapid amortization, with 66.4% of debt scheduled to be retired in 10 years; and
- Strong institutional framework score.

The Town has secured its rating through initiatives such as:

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

Recent highlights or awards in the Town include

- \$85,000 grant for a Taxi ride program for residents
- State Grant of \$1 million, plus an additional \$300,000 (total \$1.3m) for River Street Dam Removal
- Mass-Works Infrastructure State Grant of \$2.7m to assist in Complete Streets of the Powder Mill Corridor
- State Grant of \$84,000 for full-time staff for Jail Diversion program
- Gardner Field Universal Access Park
- \$750,000 federal Grant for the refurbishment of the Asa Parlin House
- Mass-Works Infrastructure State Grant of \$2.3m to the redevelopment of the McManus Property
- \$43,000 in EV Charging Stations

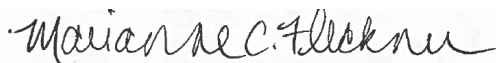
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Acton, Massachusetts for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

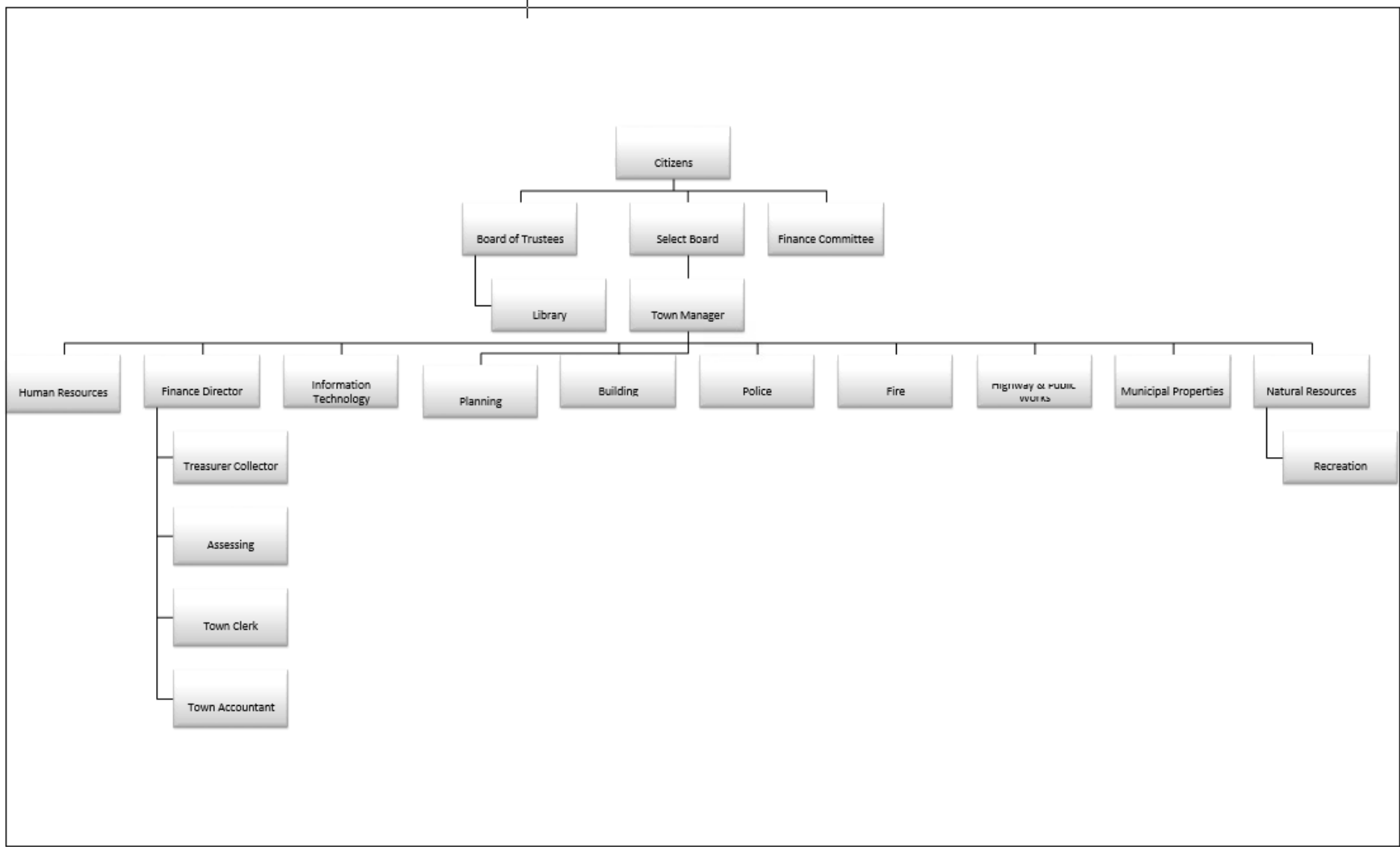
Respectfully Submitted,

A handwritten signature in black ink that reads "Marianne C. Fleckner". The signature is written in a cursive style with a large initial 'M'.

Marianne C. Fleckner
Director of Administration and Finance

Town of Acton, Massachusetts

Organizational Chart



Principal Town Officials – As of June 30, 2023

<u>Office</u>	<u>Name</u>	<u>Manner of Selection and Term</u>	<u>Term Expires</u>
Select Board Member(s)	Jim Snyder-Grant, Chair	Elected 3 Years	2026
	Francesca Arsenault, Vice-Chair	Elected 3 Years	2024
	Dean A. Charter, Clerk	Elected 3 Years	2025
	David D. Martin	Elected 3 Years	2025
	Alissa, Nicol	Elected 3 Years	2026
Town Manager	John S. Mangiaratti	Appointed 3 Years	2026
Town Treasurer	Theresa O'Leary	Appointed	Indefinite
Director of Administration and Finance	Marianne C. Fleckner	Appointed	Indefinite
Town Accountant	Joanne E. Norton	Appointed 3 Years	2026
Town Clerk	Eva K. Szkaradek	Appointed 3 Years	2025
Tax Collector	Theresa O'Leary	Appointed	Indefinite
Town Counsel	Anderson & Kreiger	Appointed	Annually



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Acton
Massachusetts**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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Financial Section



Memorial Library – *Photo taken by Raymond Merkh, Jr.*

Financial Section

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Independent Auditor's Report

To the Honorable Select Board
Town of Acton, Massachusetts

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Town of Acton, Massachusetts, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Acton, Massachusetts' basic financial statements as listed in the table of contents.

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, each major fund, the discretely presented component unit, and the aggregate remaining fund information of the Town of Acton, Massachusetts, as of June 30, 2023 and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Acton, Massachusetts and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Acton, Massachusetts' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Acton, Massachusetts' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Acton, Massachusetts' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, 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 solely 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 the effectiveness of the Town of Acton, Massachusetts' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Acton, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan, LLC

December 27, 2023

Management's Discussion and Analysis

Management's Discussion and Analysis

As management of the Town of Acton, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2023. The Town complies with financial reporting requirements issued by the Governmental Accounting Standards Board (GASB). We encourage readers to consider the information presented in this report in conjunction with additional information that we have furnished in our letter of transmittal.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators, and others) can assess the financial condition of one government compared to others.

Financial Highlights

- At the close of the current year, the Town's general fund reported an ending fund balance of \$13.0 million which represents 11.8% of total general fund expenditures.
- For the primary government's government-wide financial statements, assets and deferred outflows exceeded liabilities and deferred inflows of resources at the close of the most recent year by \$109.8 million (net position).
- The net pension liability increased by \$333,000 net of deferred inflows/outflows. This increase is due to the System experiencing investment losses in calendar 2022.
- The total gross debt (short-term and long-term combined excluding premium) decreased by \$2.2 million during the current year. This was due to the \$4.6 million in principal payments on outstanding debt and the issuance of an \$2.4 million BAN.
- The Town contributed an additional \$644,000 to the OPEB trust fund in 2023 and at year-end the trust fund had a net position of \$10.0 million. Currently, the Town's OPEB trust is 42.57% of the total OPEB liability.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Acton's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, highways and public works, health and human services, culture and recreation, community preservation, and interest. The business-type activities include the activities of sanitation and sewer services.

The government-wide financial statements include not only the Town of Acton itself (known as the *primary government*), but also a legally separate entity the Acton Community Housing Trust for which the Town of Acton is financially accountable. Financial information for this *component unit* is reported separately within the government wide financial statements.

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

Governmental funds. The focus of the Town of Acton's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town of Acton's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

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

The Town of Acton adopts an annual appropriated budget for its general fund. A budget to actual schedule has been provided as required supplementary information for the general fund to demonstrate compliance with this budget.

Proprietary funds. The Town maintains one type of proprietary fund.

Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its sanitation and sewer activities.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains two different types of fiduciary funds. The Other Postemployment Benefits Trust Fund is used to report resources held in trust for healthcare benefits for retirees and beneficiaries.

The Private Purpose Trust Fund is used to report the Town's bequests.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$109.8 million at the close of 2023, which was an increase of \$4.8 million from the prior year.

Net position of \$128.1 million reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position, \$16.3 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* has a year-end deficit of \$34.6 million. The primary reason for this deficit balance is the recognition of the Pension and OPEB liabilities.

At year-end, the Town is able to report positive balances in two of three categories of net position, for the Town as a whole and for its governmental activities. Its business-type activities report positive balances in both applicable categories.

Governmental Activities

The Town of Acton's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$92.3 million at the close of 2023, which was an increase of \$3.8 million from the prior year.

	2023	2022
Assets:		
Current assets.....	\$ 46,671,058	\$ 42,403,271
Capital assets, non depreciable.....	76,165,794	85,703,161
Capital assets, net of accumulated depreciation....	64,146,955	54,168,722
Total assets.....	186,983,807	182,275,154
Deferred outflows of resources.....	6,869,161	2,998,788
Liabilities:		
Current liabilities (excluding debt).....	7,796,775	5,822,960
Noncurrent liabilities (excluding debt).....	71,179,477	61,091,340
Current debt.....	3,721,593	2,965,016
Noncurrent debt.....	15,764,194	17,048,853
Total liabilities.....	98,462,039	86,928,169
Deferred inflows of resources.....	3,111,160	9,827,938
Net position:		
Net investment in capital assets.....	123,132,643	121,956,161
Restricted.....	16,300,172	14,656,902
Unrestricted.....	(47,153,046)	(48,095,228)
Total net position.....	\$ 92,279,769	\$ 88,517,835

	2023	2022
Program Revenues:		
Charges for services.....	\$ 5,505,577	\$ 4,845,502
Operating grants and contributions.....	4,309,367	3,141,578
Capital grants and contributions.....	603,276	711,550
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	102,095,792	98,201,011
Tax and other liens.....	1,149	52,610
Motor vehicle and other excise taxes.....	4,084,240	3,816,821
Community preservation tax.....	1,391,939	1,122,225
Penalties and interest on taxes.....	342,661	313,888
Payments in lieu of taxes.....	-	32,277
Grants and contributions not restricted to specific programs.....	1,801,100	1,745,377
Unrestricted investment income.....	812,925	233,314
Miscellaneous.....	175,390	583,581
Total revenues.....	121,123,416	114,799,734
Expenses:		
General government.....	12,242,052	10,759,862
Public safety.....	18,221,553	15,488,879
Education.....	72,530,578	69,733,801
Highway and Public works.....	6,901,134	5,142,006
Health and human services.....	4,253,167	3,531,150
Culture and recreation.....	1,987,918	2,413,289
Community preservation.....	526,888	2,621,086
Interest.....	353,639	326,569
Total expenses.....	117,016,929	110,016,642
Excess (Deficiency) before transfers.....	4,106,487	4,783,092
Transfers.....	(344,553)	175,704
Change in net position.....	3,761,934	4,958,796
Net position, beginning of year.....	88,517,835	83,559,039
Net position, end of year.....	\$ 92,279,769	\$ 88,517,835

The governmental expenses totaled \$117.0 million, of which \$10.4 million (8.9%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$110.7 million, primarily coming from property taxes, motor vehicle excise and other excise taxes, and non-restricted state aid.

The governmental net position increased by \$3.8 million during the current year. This increase was mainly due to a decrease of \$706,000 in the OPEB Liability net of applicable deferred inflows/outflows, the receipt of \$603,000 of capital grants, amortization of bond premiums of \$106,000, the full accrual treatment of lease principal payments of \$100,000, a general fund surplus of \$611,000, a community preservation fund surplus of \$1.2 million, and the Town's ability to fund capital asset additions with current year revenues. These increases were offset by an increase in the Pension Liability net of applicable deferred inflows/outflows of \$333,000.

Business-Type Activities

For the Town's business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17.5 million at the close of 2023.

	2023	2022
Assets:		
Current assets.....	\$ 8,674,420	\$ 8,396,280
Noncurrent assets (excluding capital).....	4,791,696	5,523,871
Capital assets, non depreciable.....	2,915,415	1,291,885
Capital assets, net of accumulated depreciation....	10,983,565	11,372,467
Total assets.....	27,365,096	26,584,503
Liabilities:		
Current liabilities (excluding debt).....	910,321	296,259
Noncurrent liabilities (excluding debt).....	-	2,015
Current debt.....	1,028,596	970,000
Noncurrent debt.....	7,901,576	8,800,000
Total liabilities.....	9,840,493	10,068,274
Net position:		
Net investment in capital assets.....	4,968,808	2,894,352
Unrestricted.....	12,555,795	13,621,877
Total net position.....	\$ 17,524,603	\$ 16,516,229
	2023	2022
Program Revenues:		
Charges for services.....	\$ 1,706,426	\$ 1,557,381
Operating grants and contributions.....	353,635	352,046
Capital grants and contributions.....	1,004,647	502,916
General Revenues:		
Unrestricted investment income.....	117,303	22,411
Total revenues.....	3,182,011	2,434,754
Expenses:		
Sanitation.....	609,588	601,811
Sewer.....	1,908,602	1,807,049
Total expenses.....	2,518,190	2,408,860
Excess (Deficiency) before transfers.....	663,821	25,894
Transfers.....	344,553	(175,704)
Change in net position.....	1,008,374	(149,810)
Net position, beginning of year.....	16,516,229	16,666,039
Net position, end of year.....	\$ 17,524,603	\$ 16,516,229

Business-type net position of \$5.0 million (28.4%) represents the investment in capital assets while \$12.6 million (71.6%) is unrestricted. The Town's business-type net position increased by \$1.0 million in the current year.

The sewer department net position increased by \$784,000. The increase is mainly due to capital contributions of \$848,000, which included \$159,000 of Massachusetts Clean Water Trust principal forgiveness, a Mass Works Powder Mill Grant of \$456,000, and a MCWT subsidy of \$214,000, and a transfer from the general fund of \$345,000. These increases were offset by an operating loss of \$410,000.

The sanitation department net position increased by \$225,000. The increase is mainly related to an operating surplus of \$57,000 and a capital grant from the Highway Fund of \$156,000 to purchase a new asphalt shredder for the transfer station. The fund is working as designed where charges for services charged are sufficient to run the operations of the fund.

Financial Analysis of the Government's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the current year, governmental funds reported combined ending fund balances of \$33.3 million, which is comprised of \$13.0 million in the general fund, \$6.8 million in the community preservation fund, and a deficit of (\$131,000) in the other capital projects fund. Cumulatively there was an increase of \$988,000 in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund was \$10.3 million, while total fund balance was \$13.0 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.4% of total general fund budgetary expenditures, while total fund balance represents 11.8% of that same amount. The general fund experienced an increase of \$611,000, which was due to a budgetary surplus of \$614,000, offset by an increase of \$39,000 from the recognition of real estate and personal property tax revenue received within 60 days of year-end, and a \$65,000 increase in the accrual related to Appellate Tax Board cases.

The Community Preservation Act Fund (CPA) is used to account for the Community Preservation activities prescribed by Massachusetts General Laws. Revenues are derived, primarily, from property tax surcharges and state aid. Expenditures are allowed for affordable housing, historic preservation, and for open space. The Community Preservation Act expenditures are typically project driven. The CPA fund expended \$659,000 for approved projects and recognized state grant revenue of \$467,000, and \$1.3 million in tax surcharge revenues. The fund has a balance of \$6.8 million, which is due to the timing of the receipt and disbursement of tax surcharges and state aid.

The American Rescue Plan Act (ARPA) fund is used to account for the receipt and disbursement of ARPA funds. During FY2023, the Town recorded \$3.9 million of unearned revenue related to ARPA funds received not yet spent because the recognition criteria has not been met.

The Capital Projects fund experienced a decrease of \$1.3 million. This is due to the timing between utilizing short-term debt to get the project underway and the issuance of long-term debt to permanently fund the projects. The fund has a balance of a deficit (\$131,252) at fiscal year-end which will be funded through the issuance of long-term debt in future fiscal years.

General Fund Budgetary Highlights

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2023 approved budget authorized \$113.5 million in appropriations and other amounts to be raised. During 2023, Town Meeting did not approve any supplemental appropriations.

Capital Asset and Debt Administration

Capital Assets. In conjunction with the annual operating budget, the Town annually prepares a capital budget for the upcoming year and a ten-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

Major capital events during the current year include the following:

- Governmental activities included additions to construction in progress, land improvements, buildings, machinery and equipment, infrastructure and vehicles totaling \$3.6 million.
- Business-type activities included additions to construction in progress and machinery and equipment totaling \$2.0 million.

Debt Administration. The Town of Acton maintains a AAA Bond Rating with Standard & Poor's Investors Service and continues to maintain strong market access for both note and bond sales.

As of June 30, 2023, outstanding long-term debt for governmental activities totaled \$14.2 million, and \$630,000 of outstanding unamortized bond premiums.

The sanitation enterprise fund has \$130,172 in long-term debt. This is the result of an asphalt shredder for the transfer station leased to own over five years and classified as long-term debt as required by GASB Statement #87 *Leases*.

The sewer enterprise fund has outstanding long-term debt totaling \$8.8 million. The debt is fully supported by rates and does not rely on a general fund subsidy.

Please refer to notes 4, 6, 7, and 8 for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Acton's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, Town Offices, 472 Main Street, Acton, Massachusetts 01720.

Basic Financial Statements

STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	Acton Community Housing Corporation
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 36,479,201	\$ 7,726,952	\$ 44,206,153	\$ 66,083
Investments.....	5,691,939	-	5,691,939	-
Receivables, net of allowance for uncollectibles:				
Real estate and personal property taxes.....	1,287,783	-	1,287,783	-
Tax liens.....	468,485	32,081	500,566	-
Community preservation fund surtax.....	11,108	-	11,108	-
Motor vehicle and other excise taxes.....	390,550	-	390,550	-
User charges.....	379,063	180,955	560,018	-
Departmental and other.....	167,557	-	167,557	-
Intergovernmental.....	525,908	-	525,908	-
Community preservation state share.....	467,277	-	467,277	-
Special assessments.....	74,903	734,432	809,335	-
Tax foreclosures.....	727,284	-	727,284	-
Due from Town of Acton.....	-	-	-	566,626
Total current assets.....	46,671,058	8,674,420	55,345,478	632,709
NONCURRENT:				
Receivables, net of allowance for uncollectibles:				
Special assessments.....	-	4,791,696	4,791,696	-
Capital assets, nondepreciable.....	76,165,794	2,915,415	79,081,209	-
Capital assets, net of accumulated depreciation.....	64,146,955	10,983,565	75,130,520	-
Total noncurrent assets.....	140,312,749	18,690,676	159,003,425	-
TOTAL ASSETS.....	186,983,807	27,365,096	214,348,903	632,709
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	6,134,205	-	6,134,205	-
Deferred outflows related to other postemployment benefits.....	734,956	-	734,956	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	6,869,161	-	6,869,161	-
LIABILITIES				
CURRENT:				
Warrants payable.....	1,569,468	706,412	2,275,880	-
Accrued payroll.....	856,436	10,050	866,486	-
Unearned revenue.....	3,951,222	-	3,951,222	-
Tax refunds payable.....	215,000	-	215,000	-
Due to Acton Housing Corporation.....	566,626	-	566,626	-
Accrued interest.....	195,177	193,859	389,036	-
Liabilities due depositors.....	23,589	-	23,589	-
Other liabilities.....	117,435	-	117,435	5,932
Right to use lease liabilities.....	104,329	-	104,329	-
Landfill closure.....	2,500	-	2,500	-
Compensated absences.....	299,322	-	299,322	-
Notes payable.....	2,436,933	-	2,436,933	-
Bonds payable.....	1,180,331	1,028,596	2,208,927	-
Total current liabilities.....	11,518,368	1,938,917	13,457,285	5,932
NONCURRENT:				
Other liabilities.....	814,610	-	814,610	-
Right to use lease liabilities.....	2,141,331	-	2,141,331	-
Landfill closure.....	27,500	-	27,500	-
Compensated absences.....	448,982	-	448,982	-
Net pension liability.....	56,442,883	-	56,442,883	-
Net other postemployment benefits liability.....	13,445,502	-	13,445,502	-
Bonds payable.....	13,622,863	7,901,576	21,524,439	-
Total noncurrent liabilities.....	86,943,671	7,901,576	94,845,247	-
TOTAL LIABILITIES.....	98,462,039	9,840,493	108,302,532	5,932
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	1,314,946	-	1,314,946	-
Deferred inflows related to other postemployment benefits.....	1,796,214	-	1,796,214	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	3,111,160	-	3,111,160	-
NET POSITION				
Net investment in capital assets.....	123,132,643	4,968,808	128,101,451	-
Restricted for:				
Community preservation.....	7,302,798	-	7,302,798	-
Ambulance services.....	833,532	-	833,532	-
Permanent funds:				
Expendable.....	3,291,005	-	3,291,005	-
Nonexpendable.....	2,549,604	-	2,549,604	-
Gifts and grants.....	2,323,233	-	2,323,233	-
Unrestricted.....	(47,153,046)	12,555,795	(34,597,251)	626,777
TOTAL NET POSITION.....	\$ 92,279,769	\$ 17,524,603	\$ 109,804,372	\$ 626,777

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

		Program Revenues				
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue	
Primary Government:						
Governmental Activities:						
General government.....	\$ 12,242,052	\$ 552,784	\$ 2,544,841	\$ 25,314	\$ (9,119,113)	
Public safety.....	18,221,553	3,353,939	295,719	-	(14,571,895)	
Education.....	72,530,578	-	-	-	(72,530,578)	
Highways and public works.....	6,901,134	131,927	347,868	577,962	(5,843,377)	
Health and human services.....	4,253,167	787,329	315,778	-	(3,150,060)	
Culture and recreation.....	1,987,918	679,598	337,884	-	(970,436)	
Community preservation.....	526,888	-	467,277	-	(59,611)	
Interest.....	353,639	-	-	-	(353,639)	
Total Governmental Activities.....	117,016,929	5,505,577	4,309,367	603,276	(106,598,709)	
Business-Type Activities:						
Sanitation.....	609,588	666,578	-	156,028	213,018	
Sewer.....	1,908,602	1,039,848	353,635	848,619	333,500	
Total Business-Type Activities.....	2,518,190	1,706,426	353,635	1,004,647	546,518	
Total Primary Government.....	\$ 119,535,119	\$ 7,212,003	\$ 4,663,002	\$ 1,607,923	\$ (106,052,191)	
Component Unit:						
Acton Community Housing Corporation.....	\$ 3,491	\$ -	\$ 140,000	\$ -	\$ 136,509	

See notes to basic financial statements.

(Continued)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	Acton Community Housing Corporation
Changes in net position:				
Net (expense) revenue from previous page.....	\$ (106,598,709)	\$ 546,518	\$ (106,052,191)	\$ 136,509
<i>General revenues:</i>				
Real estate and personal property taxes, net of tax refunds payable.....	102,095,792	-	102,095,792	-
Tax and other liens.....	1,149	-	1,149	-
Motor vehicle and other excise taxes.....	4,084,240	-	4,084,240	-
Community preservation tax.....	1,391,939	-	1,391,939	-
Penalties and interest on taxes.....	342,661	-	342,661	-
Grants and contributions not restricted to specific programs.....	1,801,100	-	1,801,100	-
Unrestricted investment income.....	812,925	117,303	930,228	214
Miscellaneous.....	175,390	-	175,390	-
<i>Transfers, net</i>	(344,553)	344,553	-	-
Total general revenues and transfers.....	110,360,643	461,856	110,822,499	214
Change in net position.....	3,761,934	1,008,374	4,770,308	136,723
<i>Net position:</i>				
Beginning of year.....	88,517,835	16,516,229	105,034,064	490,054
End of year.....	\$ 92,279,769	\$ 17,524,603	\$ 109,804,372	\$ 626,777

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2023

	General	Community Preservation Fund	American Rescue Plan Act Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents.....	\$ 14,121,090	\$ 7,203,614	\$ 3,939,469	\$ 2,630,074	\$ 8,584,953	\$ 36,479,200
Investments.....	-	-	-	-	5,691,939	5,691,939
Receivables, net of uncollectibles:						
Real estate and personal property taxes.....	1,287,783	-	-	-	-	1,287,783
Tax liens.....	466,138	2,347	-	-	-	468,485
Community preservation fund surtax.....	-	11,108	-	-	-	11,108
Motor vehicle and other excise taxes.....	390,550	-	-	-	-	390,550
User charges.....	-	-	-	-	379,063	379,063
Departmental and other.....	85,832	-	-	-	81,725	167,557
Intergovernmental - other.....	-	-	-	-	525,908	525,908
Community preservation state share.....	-	467,277	-	-	-	467,277
Special assessments.....	-	-	-	-	74,903	74,903
Tax foreclosures.....	726,463	821	-	-	-	727,284
Due from other funds.....	130,066	-	-	-	-	130,066
TOTAL ASSETS.....	\$ 17,207,922	\$ 7,685,167	\$ 3,939,469	\$ 2,630,074	\$ 15,338,491	\$ 46,801,123
LIABILITIES						
Warrants payable.....	\$ 512,394	\$ 54,232	\$ -	\$ 324,393	\$ 678,449	\$ 1,569,468
Accrued payroll.....	733,815	3,137	-	-	119,484	856,436
Unearned revenue.....	-	-	3,939,469	-	11,753	3,951,222
Tax refunds payable.....	215,000	-	-	-	-	215,000
Due to other funds.....	-	-	-	-	130,066	130,066
Due to Acton Housing Corporation.....	-	325,000	-	-	241,626	566,626
Liabilities due depositors.....	329	-	-	-	23,260	23,589
Other liabilities.....	-	-	-	-	-	-
Notes payable.....	-	-	-	2,436,933	-	2,436,933
TOTAL LIABILITIES.....	1,461,538	382,369	3,939,469	2,761,326	1,204,638	9,749,340
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	2,739,006	481,553	-	-	535,614	3,756,173
FUND BALANCES						
Nonspendable.....	-	-	-	-	2,549,604	2,549,604
Restricted.....	-	6,821,245	-	-	11,048,635	17,869,880
Committed.....	521,691	-	-	-	-	521,691
Assigned.....	2,148,725	-	-	-	-	2,148,725
Unassigned.....	10,336,962	-	-	(131,252)	-	10,205,710
TOTAL FUND BALANCES.....	13,007,378	6,821,245	-	(131,252)	13,598,239	33,295,610
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 17,207,922	\$ 7,685,167	\$ 3,939,469	\$ 2,630,074	\$ 15,338,491	\$ 46,801,123

See notes to basic financial statements.

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

JUNE 30, 2023

Total governmental fund balances.....	\$ 33,295,610
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....	140,312,749
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....	3,756,174
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....	3,758,001
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....	(195,177)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable.....	(14,803,194)
Net pension liability.....	(56,442,883)
Net other postemployment benefits liability.....	(13,445,502)
Other liabilities.....	(932,045)
Landfill closure.....	(30,000)
Lease liabilities.....	(2,245,660)
Compensated absences.....	(748,304)
Net effect of reporting long-term liabilities.....	<u>(88,647,588)</u>
Net position of governmental activities.....	<u>\$ 92,279,769</u>

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	General	Community Preservation Fund	American Rescue Plan Act Fund	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:						
Real estate and personal property taxes, net of tax refunds.....	\$ 102,060,554	\$ -	\$ -	\$ -	\$ -	\$ 102,060,554
Tax liens.....	115,343	1,149	-	-	-	116,492
Motor vehicle and other excise taxes.....	4,017,759	-	-	-	-	4,017,759
Charges for services.....	203,199	-	-	-	2,695,379	2,898,578
Penalties and interest on taxes.....	353,935	2,796	-	-	13,461	370,192
Licenses and permits.....	1,113,748	-	-	-	384,550	1,498,298
Fines and forfeitures.....	33,441	-	-	-	1,807	35,248
Intergovernmental - School Building Authority.....	922,672	-	-	-	-	922,672
Intergovernmental - other.....	1,847,729	-	1,818,730	-	2,248,312	5,914,771
Departmental and other.....	366,111	-	-	-	738,042	1,104,153
Community preservation taxes.....	-	1,293,513	-	-	-	1,293,513
Community preservation state match.....	-	467,277	-	-	-	467,277
Special assessments.....	-	-	-	-	15,864	15,864
Contributions and donations.....	-	-	-	-	438,488	438,488
Investment income.....	337,593	94,349	-	-	380,983	812,925
Miscellaneous.....	29,814	-	-	-	145,576	175,390
TOTAL REVENUES.....	111,401,898	1,859,084	1,818,730	-	7,062,462	122,142,174
EXPENDITURES:						
Current:						
General government.....	7,049,977	-	1,683,730	-	551,163	9,284,870
Public safety.....	9,968,006	-	-	321,927	2,854,614	13,144,547
Education.....	72,530,578	-	-	-	-	72,530,578
Highways and public works.....	4,125,572	-	-	1,026,736	1,797,983	6,950,291
Health and human services.....	1,546,563	-	-	-	862,514	2,409,077
Culture and recreation.....	1,699,924	-	-	-	835,884	2,535,808
Community preservation.....	-	526,888	-	-	-	526,888
Pension benefits.....	5,137,366	-	-	-	-	5,137,366
Employee benefits.....	4,453,367	-	-	-	40,000	4,493,367
State and county charges.....	336,421	-	-	-	-	336,421
Debt service:						
Principal payments on right to use lease.....	100,245	-	-	-	-	100,245
Interest payments on right to use lease.....	95,576	-	-	-	-	95,576
Principal.....	2,558,464	100,000	-	-	100,380	2,758,844
Interest.....	461,650	32,300	-	-	11,410	505,360
TOTAL EXPENDITURES.....	110,063,709	659,188	1,683,730	1,348,663	7,053,948	120,809,238
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,338,189	1,199,896	135,000	(1,348,663)	8,514	1,332,936
OTHER FINANCING SOURCES (USES):						
Transfers in.....	226,561	-	-	59,067	579,325	864,953
Transfers out.....	(953,620)	-	(135,000)	-	(120,886)	(1,209,506)
TOTAL OTHER FINANCING SOURCES (USES).....	(727,059)	-	(135,000)	59,067	458,439	(344,553)
NET CHANGE IN FUND BALANCES.....	611,130	1,199,896	-	(1,289,596)	466,953	988,383
FUND BALANCES AT BEGINNING OF YEAR.....	12,396,248	5,621,349	-	1,158,344	13,131,286	32,307,227
FUND BALANCES AT END OF YEAR.....	\$ 13,007,378	\$ 6,821,245	\$ -	\$ (131,252)	\$ 13,598,239	\$ 33,295,610

See notes to basic financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental funds.....		\$ 988,383
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay.....	3,596,949	
Loss on capital assets.....	(14,391)	
Depreciation expense.....	<u>(3,141,692)</u>	
Net effect of reporting capital assets.....		440,866
Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....		
		(1,026,397)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.		
Principal payments on right to use lease liabilities.....	100,245	
Net amortization of premium from issuance of bonds.....	105,926	
Net change in deferred charge on refunding.....	(17,131)	
Debt service principal payments.....	<u>2,758,844</u>	
Net effect of reporting long-term debt.....		2,947,884
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in compensated absences accrual.....	(122,662)	
Net change in accrued interest on long-term debt.....	42,184	
Net change in deferred outflow/(inflow) of resources related to pensions.....	11,791,598	
Net change in net pension liability.....	(12,125,030)	
Net change in deferred outflow/(inflow) of resources related to other postemployment benefits.....	(1,284,592)	
Net change in net other postemployment benefits liability.....	1,990,554	
Net change in other long-term liabilities.....	116,646	
Net change in landfill closure.....	<u>2,500</u>	
Net effect of recording long-term liabilities.....		<u>411,198</u>
Change in net position of governmental activities.....		<u>\$ 3,761,934</u>

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2023

	Business-type Activities - Enterprise Funds		
	Sanitation	Sewer	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 824,320	\$ 6,902,632	\$ 7,726,952
Receivables, net of allowance for uncollectibles:			
Liens - user charges.....	-	32,081	32,081
User charges.....	-	180,955	180,955
Special assessments.....	-	734,432	734,432
Total current assets.....	824,320	7,850,100	8,674,420
NONCURRENT:			
Receivables, net of allowance for uncollectibles:			
Special assessments.....	-	4,791,696	4,791,696
Capital assets, non depreciable.....	527,528	2,387,887	2,915,415
Capital assets, net of accumulated depreciation.....	572,690	10,410,875	10,983,565
Total noncurrent assets.....	1,100,218	17,590,458	18,690,676
TOTAL ASSETS.....	1,924,538	25,440,558	27,365,096
LIABILITIES			
CURRENT:			
Warrants payable.....	39,566	666,846	706,412
Accrued payroll.....	6,940	3,110	10,050
Accrued interest.....	-	193,859	193,859
Bonds payable.....	23,596	1,005,000	1,028,596
Total current liabilities.....	70,102	1,868,815	1,938,917
NONCURRENT:			
Bonds payable.....	106,576	7,795,000	7,901,576
TOTAL LIABILITIES.....	176,678	9,663,815	9,840,493
NET POSITION			
Net investment in capital assets.....	970,046	3,998,762	4,968,808
Unrestricted.....	777,814	11,777,981	12,555,795
TOTAL NET POSITION.....	\$ 1,747,860	\$ 15,776,743	\$ 17,524,603

See notes to basic financial statements.

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

YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
<u>OPERATING REVENUES:</u>			
Charges for services.....	\$ 666,578	\$ 1,039,848	\$ 1,706,426
<u>OPERATING EXPENSES:</u>			
Cost of services and administration.....	368,623	629,490	998,113
Salaries and wages.....	170,948	68,421	239,369
Depreciation.....	70,017	730,722	800,739
 TOTAL OPERATING EXPENSES.....	 609,588	 1,428,633	 2,038,221
 OPERATING INCOME (LOSS).....	 56,990	 (388,785)	 (331,795)
<u>NONOPERATING REVENUES (EXPENSES):</u>			
Investment income.....	11,722	105,581	117,303
Interest expense.....	-	(479,969)	(479,969)
Intergovernmental - subsidy.....	-	353,635	353,635
 TOTAL NONOPERATING REVENUES (EXPENSES), NET.....	 11,722	 (20,753)	 (9,031)
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS.....	 68,712	 (409,538)	 (340,826)
 CAPITAL CONTRIBUTIONS.....	 156,028	 848,619	 1,004,647
<u>TRANSFERS:</u>			
Transfers in.....	-	344,553	344,553
 CHANGE IN NET POSITION.....	 224,740	 783,634	 1,008,374
 NET POSITION AT BEGINNING OF YEAR.....	 1,523,120	 14,993,109	 16,516,229
 NET POSITION AT END OF YEAR.....	 \$ 1,747,860	 \$ 15,776,743	 \$ 17,524,603

See notes to basic financial statements.

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Sanitation</u>	<u>Sewer</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users.....	\$ 666,578	\$ 955,000	\$ 1,621,578
Payments to vendors.....	(353,210)	(637,473)	(990,683)
Payments to employees.....	(170,924)	(67,634)	(238,558)
NET CASH FROM OPERATING ACTIVITIES.....	142,444	249,893	392,337
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>			
Transfers in.....	-	344,553	344,553
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>			
Capital contributions.....	156,028	1,821,931	1,977,959
Acquisition and construction of capital assets.....	(300,392)	(979,885)	(1,280,277)
Principal payments on bonds and notes.....	-	(1,183,674)	(1,183,674)
Interest expense.....	-	(147,446)	(147,446)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES.....	(144,364)	(489,074)	(633,438)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Investment income.....	11,722	105,581	117,303
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	9,802	210,953	220,755
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	814,518	6,691,679	7,506,197
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 824,320	\$ 6,902,632	\$ 7,726,952
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH</u>			
<u>FROM OPERATING ACTIVITIES:</u>			
Operating income (loss).....	\$ 56,990	\$ (388,785)	\$ (331,795)
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation.....	70,017	730,722	800,739
Changes in assets and liabilities:			
Liens - user charges.....	-	(2,593)	(2,593)
User charges.....	-	(82,255)	(82,255)
Warrants payable.....	15,413	(7,983)	7,430
Accrued payroll.....	3,383	787	4,170
Compensated absences.....	(3,359)	-	(3,359)
Total adjustments.....	85,454	638,678	724,132
NET CASH FROM OPERATING ACTIVITIES.....	\$ 142,444	\$ 249,893	\$ 392,337
<u>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</u>			
Acquisition of capital assets on account.....	\$	\$ 624,918	\$ 624,918
Capital financing payable.....	130,172		130,172
Intergovernmental subsidy of debt service.....	-	567,309	567,309

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ASSETS		
Investments:		
Investments in Pension Reserve Investment Trust.....	\$ 9,967,084	\$ -
Government sponsored enterprises.....	-	387,231
TOTAL ASSETS.....	9,967,084	387,231
NET POSITION		
Restricted for other postemployment benefits.....	9,967,084	-
Held in trust for other purposes.....	-	387,231
TOTAL NET POSITION.....	\$ 9,967,084	\$ 387,231

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2023

	Other Postemployment Benefit Trust Fund	Private Purpose Trust Fund
ADDITIONS:		
Contributions:		
Employer contributions to the Trust.....	\$ 643,742	\$ -
Employer contributions for other postemployment benefit payments.....	1,235,627	-
Total contributions.....	1,879,369	-
Net investment income:		
Investment income.....	518,874	23,413
TOTAL ADDITIONS.....	2,398,243	23,413
DEDUCTIONS:		
Other postemployment benefit payments.....	1,235,627	-
Educational scholarships.....	-	3,000
TOTAL DEDUCTIONS.....	1,235,627	3,000
NET INCREASE (DECREASE) IN NET POSITION.....	1,162,616	20,413
NET POSITION AT BEGINNING OF YEAR.....	8,804,468	366,818
NET POSITION AT END OF YEAR.....	\$ 9,967,084	\$ 387,231

See notes to basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Acton, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town is a municipal corporation that is governed by a five-member elected Select Board (Board).

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

Discretely Presented Component Unit – The following component unit is discretely presented as a component unit of the primary government due to the nature and significance of the relationship between the Town and the component unit.

The Acton Community Housing Corporation (ACHC) is considered a component unit and included in the accompanying basic financial statements. The ACHC was created by the Special Legislation enacted in 1996 “for the purpose of investigating and implementing alternatives for the provision of and to provide affordable housing for persons of low, moderate, and middle income and other persons whose needs may be determined from time to time.” The Town of Acton is financially accountable for the ACHC because the Board of Directors of the ACHC (not less than five) are appointed by the Town of Acton’s Select Board and the Town of Acton can impose its will on the ACHC. The separately issued financial statements can be obtained by contacting the ACHC at Town Hall, 472 Main Street, Acton, Massachusetts 01720.

Joint Ventures

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated and governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in the following joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

Acton-Boxborough Regional School District

The Town is a participant in the Acton-Boxborough Regional School District, which is located at 15 Charter Road, Acton, MA 01720. The District is made up of the Towns of Acton and Boxborough and is governed by an eleven - member school committee, which consists of elected members from the District for a term of three years. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. The Town’s fiscal year 2023 assessment totaled \$69,689,255 and the Town does not

have an equity interest in the joint venture. Financial statements may be obtained from the joint venture by contacting them directly.

Minutemen Regional Vocational Technical School District

The Town is a participant in the Minuteman Regional Vocational Technical School District, which is located at 758 Marrett Road, Lexington, MA 02421. The District is made up of the Towns of Acton, Arlington, Bolton, Concord, Dover, Lancaster, Lexington, Needham, and Stow, and is governed by a three-member school committee, which consists of elected members from the District for a term of one year. The Town is indirectly liable for debt and other expenditures of the District and is assessed annually for its share of the operating and capital costs. The Town's fiscal year 2023 assessment totaled \$2,841,323 and the Town does not have an equity interest in the joint venture. Financial statements may be obtained from the joint venture by contacting them directly.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

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

Major Fund Criteria

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

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

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

Fiduciary Funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisition under capital leases are reported as other financing sources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met, and the amount is received during the period or within the availability period for this revenue source.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation* fund is a special revenue fund used to account for funds held for uses restricted by law for community preservation purposes. These funds are attributable to the Town's acceptance of the Community Preservation Act, which allows the Town to impose up to a 3% surcharge on property taxes and to receive matching state grant funds for specified uses related to the acquisition, creation, preservation and support of open space, historic resources, land for recreational use and community housing.

The *American Rescue Plan Act (ARPA)* fund is used to account for the receipt and expenditure of ARPA related funds.

The *capital projects fund* is used to account for resources and costs associated with purchase, construction, and rehabilitation of various Town capital assets.

The *nonmajor governmental funds* consist of other special revenue, and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental fund financial statements. The following describes the general use of these fund types:

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

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

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

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

The following major proprietary funds are reported:

The *sanitation enterprise fund* is used to account for activities related to trash collection.

The *sewer enterprise fund* is used to account for the sewer activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, except for custodial funds which have no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *other postemployment benefit trust fund* accumulates resources to provide funding for future OPEB (other postemployment benefits) liabilities.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings. The Town maintains private purpose trust funds for several charitable trust funds.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

The fair values were determined by the closing price for those securities traded on national stock exchanges and at the average bid-and-asked quotation for those securities traded in the over-the-counter market.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value.

Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 – Cash and Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes, and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessors for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the year of the levy.

Real estate tax liens are processed as of July 1 after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

User Fees

User fees are levied monthly based on individual meter readings and are subject to penalties and interest if they are not paid by the respective due date. Unbilled user fees are estimated at year-end and are recorded as revenue in the current period. Sewer liens are processed in December of every year and are included as a lien on the property owner's tax bill. Sanitation and Sewer fees, as well as liens are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables consist primarily of nursing program receivables, Veterans Aid, and other receivables and are recorded as receivables in the year accrued. The allowance of uncollectibles is estimated based on historical trends and specific account analysis.

Special Assessments

Special assessments consist of sewer betterments levied on properties that have benefited by capital improvements to the Town's sewer system. The sewer betterment assessment is a one-time tax that can be paid in one lump sum or apportioned up to a maximum of twenty (20) years and is primarily designed to pay back all or a portion of the debt service associated with the sewer project.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories**Government-Wide and Fund Financial Statements**

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets**Government-Wide and Proprietary Fund Financial Statements**

Capital assets, which include land, construction in progress, land improvements, buildings, right to use building, machinery and equipment, vehicles, and infrastructure (e.g., roads, water mains, sewer mains, and similar items), are reported in the applicable governmental or business-type activity column of the government-wide financial statements, and the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Intangible right to use leased assets are recorded

at the net present value of non-cancellable lease payments at inception. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year. Capital assets (excluding land and construction-in-progress) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Capital Asset Type	Estimated Useful Life (in years)
Land improvements.....	10-20
Buildings.....	10-40
Right to use buildings.....	15
Machinery and equipment.....	5-15
Vehicles.....	5-15
Infrastructure.....	40

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pensions and other postemployment benefits in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported deferred inflows of resources related to pensions and other postemployment benefits.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have been recorded in the governmental fund financial statements, but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has reported unavailable revenues in this category.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds and internal service funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of activities. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are *not* eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Unavailable Revenue

Unavailable revenue at the governmental fund financial statement level represents billed receivables that do not meet the available criterion in accordance with the current financial resources measurement focus and the modified accrual basis of accounting, i.e. receivables that are not considered to be available to liquidate liabilities of the current period. Unavailable revenue is recognized as revenue in the conversion to the government-wide (full accrual) financial statements.

M. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position reported as "net investment in capital assets" includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets. Outstanding debt related to future reimbursements from the state's school building program is not considered to be capital related debt.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Community preservation” represents amounts held for uses restricted by law for community preservation purposes.

“Ambulance services” represents amounts restricted for Ambulance related purposes.

“Permanent funds - expendable” represents the amount of realized and unrealized investment earnings of donor restricted trusts. The restrictions and trustee policies only allow the trustees to approve spending of the realized investment earnings.

“Permanent funds - nonexpendable” represents the endowment portion of donor restricted trusts.

“Grants and gifts” represent assets that have restrictions placed on them from outside parties.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an article, which constitutes the most binding restraint, prior to the end of the year, to commit fund balance. Once adopted, the limitation imposed by the article remains in place until a similar action is taken to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes but are neither restricted nor committed. The Select Board, Town Administrator, and the Town Accountant have the authority to assign funds. The Select Board, Town Administrator, and the Town Accountant may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s budget. Unlike commitments, assignments generally only

exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount, all other funds will only report unassigned if a deficit exists.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

N. Long-term debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported gross of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. Intangible right to use lease liabilities are reported at the present value of their future minimum lease payments.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures. Intangible right to use lease payments are reported within the governmental funds as other financing sources and an expenditure. Lease payments are reported as debt service expenditures.

O. Pensions

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

P. Investment Income

Excluding the permanent funds, investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

Q. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Compensated absence liabilities related to both governmental and business-

type activities are normally paid from the funds reporting payroll and related expenditures. Compensated absences are reported in governmental funds only if they have matured.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

R. Use of Estimates

Government-Wide and Fund Financial Statements

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

S. Individual Fund Deficits

The capital projects fund is in a deficit of \$131,252, this deficit will be funded from bond proceeds and available funds in future fiscal years.

T. Total Column

Government-Wide Financial Statements

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

Fund Financial Statements

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

NOTE 2 – CASH AND INVESTMENTS

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

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit (CD's), repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

The Town participates in the State Retiree Benefits Trust Fund (SRBTF). The Town's other postemployment benefits trust assets are invested by the SRBTF in the Pension Reserve Investment Trust (PRIT), which meets the criteria of an external investment pool. PRIT is administered by the Pension Reserves Investment Management Board, which was established by the Treasurer of the Commonwealth of Massachusetts who serves as Trustee. The fair value of the position in the PRIT is the same as the value of the PRIT shares.

The Acton Community Housing Corporation component unit reports \$66,083 of cash and cash equivalents which are not included in the Town's disclosures below.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town of Acton's deposits may not be recovered. At year-end, the carrying amount of deposits totaled \$40,595,988 and the bank balance totaled \$40,694,009. Of the bank balance, \$20,705,222 was covered by Federal Depository Insurance, \$2,160,929 was covered by Depositors Insurance Fund, \$4,503,077 was collateralized, and \$13,324,781 was exposed to custodial credit risk because it was uninsured and uncollateralized. The Town does not have a formal investment policy regarding custodial credit risk on deposits.

As of June 30, 2023, the Town of Acton had the following investments:

Investment Type	Fair value	Maturities		
		Under 1 Year	1-5 Years	6-10 Years
Debt securities:				
U.S. treasury notes.....	\$ 1,141,346	\$ 225,048	\$ 749,691	\$ 166,607
Government sponsored enterprises.....	268,044	-	268,044	-
Corporate bonds.....	1,381,050	234,965	1,146,085	-
Total debt securities.....	2,790,440	\$ 460,013	\$ 2,163,820	\$ 166,607
Other investments:				
Equity securities.....	3,261,324			
Fixed income mutual funds.....	27,406			
Money market mutual funds.....	148,668			
Pension Reserve Investment Trust (PRIT).....	9,967,084			
MMDT - Cash portfolio.....	3,461,497			
Total investments.....	\$ 19,656,419			

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. Of the investments of \$1,141,346 in U.S. treasury notes, \$268,044 in government sponsored enterprises, \$1,381,050 in corporate bonds and \$3,261,324 in equity securities, the Town has a custodial credit risk exposure of \$6,051,764 because the related securities are uninsured, unregistered and held by the counterparty. The Town does not have a formal policy regarding custodial credit risk on investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses due to interest rate changes.

The Town participates in MMDT, which maintains a cash portfolio and a short-term bond fund with combined average maturities of approximately 3 months.

The Town participates in PRIT. The effective weighted duration rate for PRIT investments ranged from 1.98 to 14.64 years.

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. At June 30, 2023, the Town's investments were rated as follows:

Quality Rating	U.S. Treasury Notes	Government Sponsored Enterprises	Corporate Bonds
AAA.....	\$ 1,141,346	\$ -	\$ 271,005
AA+.....	-	268,044	-
A+.....	-	-	369,719
A-.....	-	-	132,971
BBB+.....	-	-	325,209
BBB.....	-	-	282,146
Total.....	\$ <u>1,141,346</u>	\$ <u>268,044</u>	\$ <u>1,381,050</u>

Additionally, the Town had investments in money market mutual funds, MMDT and the SRBTF, all of which are unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town does not have a formal policy regarding the concentration of credit risk. As of June 30, 2023, no more than 5 percent of the Town's investments are invested in any one issuer.

Fair Value of Investments

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

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2023:

Investment Type	June 30, 2023	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identicle Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
U.S. treasury notes.....	\$ 1,141,346	\$ 1,141,346	\$ -	\$ -
Government sponsored enterprises.....	268,044	268,044	-	-
Corporate bonds.....	1,381,050	-	1,381,050	-
Total debt securities.....	2,790,440	1,409,390	1,381,050	-
<u>Other investments:</u>				
Equity securities.....	3,261,324	3,261,324	-	-
Fixed income mutual funds.....	27,406	27,406	-	-
Money market mutual funds.....	148,668	148,668	-	-
Total other investments.....	3,437,398	3,437,398	-	-
Total investments measured at fair value.....	6,227,838	\$ 4,846,788	\$ 1,381,050	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	3,461,497			
Investments measured at net asset value:				
Pension Reserve Investment Trust (PRIT).....	9,967,084			
Total investments.....	\$ 19,656,419			

U.S. treasury notes, government sponsored enterprises, money market mutual funds, equity securities, and fixed income mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

PRIT Investments are valued using the net asset value method. This investment pool was established by the Treasurer of the Commonwealth of Massachusetts, who serves as Trustee. PRIT is administered by the Pension Reserves Investment Management Board (PRIM). The fair values of the positions in each investment Pool are the same as the value of each Pool's shares. The Town does not have the ability to control any of the investment decisions relative to its funds in PRIT.

NOTE 3 – RECEIVABLES

At June 30, 2023, receivables for the individual major and non-major governmental funds including the applicable allowances for uncollectible accounts are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,338,826	\$ (51,043)	\$ 1,287,783
Tax liens.....	468,485	-	468,485
Motor vehicle and other excise taxes.....	408,785	(18,235)	390,550
User charges.....	379,063	-	379,063
Departmental and other.....	167,557	-	167,557
Intergovernmental.....	525,908	-	525,908
Community preservation fund surtax.....	11,108	-	11,108
Community preservation state share.....	467,277	-	467,277
Special assessments.....	74,903	-	74,903
Total.....	\$ 3,841,912	\$ (69,278)	\$ 3,772,634

At June 30, 2023, receivables for the sanitation and sewer enterprise consist of the following:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Sewer liens - user charges.....	\$ 32,081	\$ -	\$ 32,081
Sewer user charges.....	180,955	-	180,955
Sewer special assessments.....	5,526,128	-	5,526,128
Total.....	\$ 5,739,164	\$ -	\$ 5,739,164

Governmental funds report *unavailable revenues* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenues* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables:</u>			
Real estate and personal property taxes.....	\$ 1,070,023	\$ -	\$ 1,070,023
Tax liens.....	466,138	2,347	468,485
Motor vehicle and other excise taxes.....	390,550	-	390,550
User charges.....	-	379,063	379,063
Departmental and other.....	85,832	81,648	167,480
Community preservation state share and surtax...	-	478,385	478,385
Special assessments.....	-	74,903	74,903
Tax foreclosures.....	726,463	821	727,284
Total.....	\$ 2,739,006	\$ 1,017,167	\$ 3,756,173

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 72,795,623	\$ -	\$ -	\$ 72,795,623
Construction in progress.....	12,907,539	1,396,507	(10,933,875)	3,370,171
Total capital assets not being depreciated.....	85,703,162	1,396,507	(10,933,875)	76,165,794
<u>Capital assets being depreciated:</u>				
Land improvements.....	4,045,990	893,595	-	4,939,585
Buildings.....	18,504,401	10,882,988	-	29,387,389
Right to use leased building.....	2,541,726	-	-	2,541,726
Machinery and equipment.....	11,274,959	230,877	(21,851)	11,483,985
Vehicles.....	6,413,585	444,049	(169,910)	6,687,724
Infrastructure.....	53,257,424	682,808	-	53,940,232
Total capital assets being depreciated.....	96,038,085	13,134,317	(191,761)	108,980,641
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(2,277,925)	(163,981)	-	(2,441,906)
Buildings.....	(8,593,219)	(665,015)	-	(9,258,234)
Right to use leased building.....	(169,448)	(169,448)	-	(338,896)
Machinery and equipment.....	(7,826,161)	(613,118)	21,851	(8,417,428)
Vehicles.....	(5,315,337)	(441,691)	155,519	(5,601,509)
Infrastructure.....	(17,687,274)	(1,088,439)	-	(18,775,713)
Total accumulated depreciation.....	(41,869,364)	(3,141,692)	177,370	(44,833,686)
Total capital assets being depreciated, net.....	54,168,721	9,992,625	(14,391)	64,146,955
Total governmental activities capital assets, net.....	\$ 139,871,883	\$ 11,389,132	\$ (10,948,266)	\$ 140,312,749
Business Type:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 534,769	\$ -	\$ -	\$ 534,769
Construction in progress.....	757,116	1,623,530	-	2,380,646
Total capital assets not being depreciated....	1,291,885	1,623,530	-	2,915,415
<u>Capital assets being depreciated:</u>				
Land improvements.....	48,796	-	-	48,796
Buildings.....	10,185,166	-	-	10,185,166
Machinery and equipment.....	1,252,448	411,837	(227,663)	1,436,622
Vehicles.....	184,742	-	-	184,742
Infrastructure.....	15,760,086	-	-	15,760,086
Total capital assets being depreciated.....	27,431,238	411,837	(227,663)	27,615,412
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(31,921)	(2,440)	-	(34,361)
Buildings.....	(6,901,018)	(340,847)	-	(7,241,865)
Machinery and equipment.....	(1,208,111)	(45,654)	227,663	(1,026,102)
Vehicles.....	(51,888)	(20,180)	-	(72,068)
Infrastructure.....	(7,865,833)	(391,618)	-	(8,257,451)
Total accumulated depreciation.....	(16,058,771)	(800,739)	227,663	(16,631,847)
Total capital assets being depreciated, net.....	11,372,467	(388,902)	-	10,983,565
Total business type capital assets, net.....	\$ 12,664,352	\$ 1,234,628	\$ -	\$ 13,898,980

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

Governmental Activities:	
General government.....	\$ 399,148
Public safety.....	971,327
Highways and public works.....	1,411,705
Health and human services.....	106,352
Culture and recreation.....	253,160
Total depreciation expense - governmental activities.....	<u>\$ 3,141,692</u>
Business-Type Activities:	
Sewer.....	\$ 730,722
Sanitation.....	70,017
Total depreciation expense - business-type activities.....	<u>\$ 800,739</u>

NOTE 5 – INTERFUND TRANSFERS, RECEIVABLES AND PAYABLES

At June 30, 2023, the Town had an interfund receivable/payable of \$130,066 between the general fund and the highway construction fund to meet temporary cash flow needs.

At June 30, 2023, the Town has a due to Acton Housing Corporation of \$566,626. These funds are drawn down as needed by the Housing Corporation.

During fiscal year 2009, in connection with a court settlement related to a sewer betterment abatement for W.R. Grace & Co., the Town has assumed payment of \$1.5 million of a \$3.7 million abatement granted. The Town has been paying this down each year with current revenues or other available funds and has six years and \$575,121 remaining on the agreement. The general fund is paying this settlement which is recorded as an other liability in the governmental fund entity-wide financial statements.

Interfund transfers for the year ended June 30, 2023, are summarized as follows:

Transfers Out:	Transfers In:					Total	
	General fund	Other Capital Projects	Nonmajor governmental funds	Sewer enterprise fund			
General fund.....	\$ -	\$ 59,067	\$ 550,000	\$ 344,553	\$	953,620	(1)
American Rescue Plan Act fund.....	135,000	-	-	-		135,000	(2)
Nonmajor governmental funds.....	91,561	-	29,325	-		120,886	(3)
Total.....	<u>\$ 226,561</u>	<u>\$ 59,067</u>	<u>\$ 579,325</u>	<u>\$ 344,553</u>	<u>\$</u>	<u>1,209,506</u>	

- (1) Transfers from the general fund to capital project funds for current year capital articles, transfer to the transportation fund, a transfer to the ambulance fund, and a transfer to the sewer fund for their share of betterment principal.
- (2) Transfers from the American Rescue Plan Act fund to the general fund.
- (3) Transfers to the general fund from other available funds as well as transfers between nonmajor funds.

NOTE 6 – LEASE LIABILITIES

During the year 2022, the Town adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. This statement redefines a lease as a right to use another entity's asset over a definitive period of time and required the Town to record a lease for the use of the Town Hall building. No restatement of beginning net position was required.

Leases

The Town has entered into a right-to-use lease agreement for the use of the Town Hall building. The lease agreement has been recorded at the present value of the future minimum lease payments using an interest rate of 4.0% as of the inception date or at the beginning of the year of implementation of GASB Statement No. 87.

The following identifies the right to use asset recorded under a lease agreement along with the related accumulated depreciation:

		Governmental Activities
<u>Asset:</u>		
Right-to-use buildings.....	\$	2,541,726
Less: accumulated depreciation...		(338,896)
Total.....	\$	<u>2,202,830</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Years ending June 30:	Governmental Activities		
	Principal	Interest	Total
2024.....	\$ 104,329	\$ 91,492	\$ 195,821
2025.....	108,580	87,241	195,821
2026.....	113,004	82,817	195,821
2027.....	148,680	78,213	226,893
2028.....	154,737	72,156	226,893
2029.....	161,041	65,852	226,893
2030.....	167,602	59,291	226,893
2031.....	174,431	52,462	226,893
2032.....	205,232	45,356	250,588
2033.....	213,594	36,994	250,588
2034.....	222,296	28,292	250,588
2035.....	231,353	19,235	250,588
2036.....	240,781	9,810	250,591
Total Lease Payments.....	\$ <u>2,245,660</u>	\$ <u>729,211</u>	\$ <u>2,974,871</u>

NOTE 7 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

Details related to the short-term debt activity for the year ended June 30, 2023, is as follows:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2022	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2023
Governmental Funds:							
BAN	Acton Center Road Project..	1.20%	03/30/23	\$ 886,000	\$ -	\$ (886,000)	\$ -
BAN	Various Capital Projects.....	4.57%	03/29/24	-	2,436,933	-	2,436,933
Total Governmental Funds.....				\$ 886,000	\$ 2,436,933	\$ (886,000)	\$ 2,436,933

NOTE 8 – LONG-TERM DEBT

Under the provisions of Chapter 44, Section 10, Municipal Law authorizes indebtedness up to a limit of 5% of the equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit". In addition, however, debt may be authorized in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit".

Details related to the outstanding indebtedness at June 30, 2023, and the debt service requirements are as follows:

Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
Municipal Purpose Refunding Bonds of 2013...	2023	\$ 12,220,000	2.0-4.0	\$ -
Municipal Purpose Bonds of 2004.....	2024	6,400,000	3.5-4.5	170,000
Municipal Purpose Bonds of 2010.....	2024	1,880,280	2.0-3.3	130,000
Municipal Purpose Bonds of 2012.....	2028	2,093,652	1.4-3.0	380,000
Municipal Purpose Bonds of 2016.....	2032	1,854,040	2.0-4.0	800,000
Municipal Purpose Bonds of 2021.....	2050	14,085,000	2.0-5.0	12,650,000
Total General Obligation Bonds Payable.....				14,130,000
Direct Borrowing Bonds Payable:				
MCWT- Water study.....	2023	218,403	5.00	-
MCWT- Water study.....	2023	154,350	0.00	-
MCWT- Title V.....	2028	174,305	0.00	43,580
Total Direct Borrowings Bonds Payable.....				43,580
Add: Unamortized premium on bonds.....				629,614
Total Bonds Payable, net.....				\$ 14,803,194

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

Year	General Obligation Bonds			Direct Borrowings and Placements			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2024.....	\$ 1,105,000	\$ 395,502	\$ 1,500,502	\$ 8,716	\$ -	\$ 8,716	\$ 1,509,218
2025.....	810,000	348,116	1,158,116	8,716	-	8,716	1,166,832
2026.....	810,000	313,471	1,123,471	8,716	-	8,716	1,132,187
2027.....	820,000	280,078	1,100,078	8,716	-	8,716	1,108,794
2028.....	690,000	246,834	936,834	8,716	-	8,716	945,550
2029.....	550,000	218,288	768,288	-	-	-	768,288
2030.....	565,000	193,787	758,787	-	-	-	758,787
2031.....	570,000	182,458	752,458	-	-	-	752,458
2032.....	545,000	171,027	716,027	-	-	-	716,027
2033.....	480,000	160,548	640,548	-	-	-	640,548
2034.....	470,000	150,782	620,782	-	-	-	620,782
2035.....	475,000	141,218	616,218	-	-	-	616,218
2036.....	485,000	131,387	616,387	-	-	-	616,387
2037.....	425,000	121,358	546,358	-	-	-	546,358
2038.....	430,000	112,528	542,528	-	-	-	542,528
2039.....	440,000	103,460	543,460	-	-	-	543,460
2040.....	445,000	94,192	539,192	-	-	-	539,192
2041.....	395,000	84,825	479,825	-	-	-	479,825
2042.....	380,000	76,925	456,925	-	-	-	456,925
2043.....	385,000	68,850	453,850	-	-	-	453,850
2044.....	400,000	60,669	460,669	-	-	-	460,669
2045.....	405,000	52,169	457,169	-	-	-	457,169
2046.....	415,000	43,562	458,562	-	-	-	458,562
2047.....	420,000	34,744	454,744	-	-	-	454,744
2048.....	395,000	25,819	420,819	-	-	-	420,819
2049.....	405,000	17,425	422,425	-	-	-	422,425
2050.....	415,000	8,818	423,818	-	-	-	423,818
Total.....	\$ 14,130,000	\$ 3,838,840	\$ 17,968,840	\$ 43,580	\$ -	\$ 43,580	\$ 18,012,420

Bonds Payable Schedule – Enterprise Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2023
General Obligation Bonds Payable:				
Sewer.....	2024	\$ 694,000	3.5-4.5	\$ 35,000
Direct Borrowing Bonds Payable:				
MCWT- Sewer.....	2031	1,852,634	5.2-5.5	760,000
MCWT- Sewer.....	2031	7,800,326	5.06-5.5	3,185,000
MCWT- Sewer.....	2031	12,159,555	4.58-5.12	4,820,000
Capital Financing Payable.....	2023	286,200		130,172
Total Direct Borrowing Bonds Payable.....				8,895,172
Total Bonds Payable, net.....				\$ 8,930,172

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

Year	General Obligation Bonds			Direct Borrowings and Placements			Grand Total
	Principal	Interest	Total	Principal	Interest	Total	
2024.....	\$ 35,000	\$ 1,576	\$ 36,576	\$ 993,596	\$ 330,698	\$ 1,324,294	\$ 1,360,870
2025.....	-	-	-	1,029,756	246,597	1,276,353	1,276,353
2026.....	-	-	-	1,060,974	349,822	1,410,796	1,410,796
2027.....	-	-	-	1,102,253	292,744	1,394,997	1,394,997
2028.....	-	-	-	1,138,593	234,012	1,372,605	1,372,605
2029.....	-	-	-	1,155,000	174,700	1,329,700	1,329,700
2030.....	-	-	-	1,195,000	113,007	1,308,007	1,308,007
2031.....	-	-	-	1,220,000	49,464	1,269,464	1,269,464
Total.....	\$ 35,000	\$ 1,576	\$ 36,576	\$ 8,895,172	\$ 1,791,044	\$ 10,686,216	\$ 10,722,792

The Town is scheduled to be subsidized by the Massachusetts Clean Water Trust (MCWT) on a periodic basis for principal in the amount of \$2,720,575 and interest costs for \$1,266,052. The principal subsidies are guaranteed. The interest subsidies are supported through future investment income and are expected to be made, although not guaranteed. Since the City is legally obligated for the total amount of the debt, such amounts have been reported in the accompanying basic financial statements. The 2023 principal and interest subsidies totaled approximately \$214,000 and \$353,000, respectively.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2023, the Town had the following authorized and unissued debt:

Purpose	Amount
Kelley's Corner Ped Lights.....	\$ 505,770
River St. Dam.....	1,000,000
Total.....	\$ 1,505,770

Changes in Long-term Liabilities

During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 16,932,424	\$ -	\$ (2,758,844)	\$ -	\$ -	\$ 14,173,580	\$ 1,113,716
Add: Unamortized premium on bonds.....	735,540	-	-	-	(105,926)	629,614	66,615
Total bonds payable.....	17,667,964	-	(2,758,844)	-	(105,926)	14,803,194	1,180,331
Right to use leases.....	2,345,905	-	-	-	(100,245)	2,245,660	104,329
Landfill closure.....	32,500	-	-	-	(2,500)	30,000	2,500
Compensated absences.....	625,642	-	-	372,919	(250,257)	748,304	299,322
Other liabilities.....	1,048,691	-	-	-	(116,646)	932,045	117,435
Net pension liability.....	44,317,853	-	-	17,262,396	(5,137,366)	56,442,883	-
Net other postemployment benefits liability....	15,436,056	-	-	-	(1,990,554)	13,445,502	-
Total governmental activity long-term liabilities.....	\$ 81,474,611	\$ -	\$ (2,758,844)	\$ 17,635,315	\$ (7,703,494)	\$ 88,647,588	\$ 1,703,917
Business-Type Activities:							
Long-term bonds payable.....	\$ 9,770,000	\$ -	\$ (970,000)	\$ 286,200	\$ (156,028)	\$ 8,930,172	\$ 1,028,596
Compensated absences.....	3,359	-	-	-	(3,359)	-	-
Total business-type activity long-term liabilities.....	\$ 9,773,359	\$ -	\$ (970,000)	\$ 286,200	\$ (159,387)	\$ 8,930,172	\$ 1,028,596

Long-term liabilities related to both governmental and business-type activities are normally paid from the general fund and enterprise funds, respectfully.

NOTE 9 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the Town's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision-making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch. 40 §5B allows for the establishment of Stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body. At year-end, the balance of the general stabilization fund totaled \$1,477,312 and is reported as unassigned fund balance within the General Fund.

As of June 30, 2023, the governmental fund balances consisted of the following:

	General	Community Preservation Fund	Other Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Cemetery..... \$	- \$	- \$	- \$	2,367,465 \$	2,367,465
Library.....	-	-	-	94,239	94,239
Other.....	-	-	-	87,900	87,900
Restricted for:					
Town Gifts.....	-	-	-	1,757,659	1,757,659
Town Grants.....	-	-	-	565,574	565,574
Town Revolving.....	-	-	-	2,334,595	2,334,595
Community Preservation.....	-	6,821,245	-	-	6,821,245
Other special Revenue.....	-	-	-	3,099,802	3,099,802
Cemetery.....	-	-	-	2,162,134	2,162,134
Library.....	-	-	-	721,342	721,342
Permanent Other.....	-	-	-	407,529	407,529
Committed to:					
Articles and continuing appropriations:					
Stormwater Management.....	20,600	-	-	-	20,600
Asset Management Data.....	237	-	-	-	237
Net Zero Vehicle.....	44,000	-	-	-	44,000
Fire Station.....	35,000	-	-	-	35,000
Fire Station 1 & 3 Alarm.....	3,200	-	-	-	3,200
Public Shade Tree.....	10,000	-	-	-	10,000
Dam Management Program.....	25,000	-	-	-	25,000
Public Art Plan.....	15,000	-	-	-	15,000
First Year Debt Service.....	366,154	-	-	-	366,154
Affordable Housing Trust Study.....	2,500	-	-	-	2,500
Assigned to:					
General government.....	711,456	-	-	-	711,456
Public safety.....	52,118	-	-	-	52,118
Highway and Public works.....	287,877	-	-	-	287,877
Health and human services.....	21,955	-	-	-	21,955
Culture and recreation.....	25,319	-	-	-	25,319
Free cash used for subsequent year budget.....	1,050,000	-	-	-	1,050,000
Unassigned.....	10,336,962	-	(131,252)	-	10,205,710
Total Fund Balances..... \$	13,007,378 \$	6,821,245 \$	(131,252) \$	13,598,239 \$	33,295,610

NOTE 10 – RISK FINANCING

The Town is exposed to various risks of loss related to torts, theft, damage to and/or destruction of assets, errors and omissions, injuries to employees, employees' health and life insurance, as well as natural disasters for which the Town carries commercial insurance. The amount of claim settlements has not exceeded insurance coverage in any of the previous three years.

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

The Town participates in the Acton Health Insurance Trust for health care benefits pursuant to Chapter 32B, Section 12 and Chapter 40, Section 3A of the Massachusetts General Laws. The Trust includes the Town of Acton and the Acton-Boxborough Regional School District. The claims administration contract holds all participants jointly and severally liable for claims. The Trust provides healthcare coverage for all active and retired employees that qualify for and select healthcare coverage as an employee benefit.

Active and retired employees participating in the trust pay a percentage of a health insurance premium. The contribution percentage for active employees is 25% for HMO plans and 50% for indemnity plans. All retirees pay 50% of the health insurance premium. All participants are obligated to pay the group its required premiums and, in the event the Trust is terminated, its pro-rata share of a deficit should one exist.

NOTE 11 – PENSION PLAN**Plan Description**

The Town is a member of the Middlesex County Retirement System (the System), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The System is administered by the Middlesex Retirement Board (the Board) on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://middlesexretirement.org>.

Benefits Provided

The Middlesex County Retirement System provides retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System. There were no changes in pension benefits since the last measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the System a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's proportionate share of the required contribution for the year ended June 30, 2023 was \$5,133,300, actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The Town's actual contribution for the year ended June 30, 2023 was \$5,137,366, or 32.68% of covered payroll.

During 2017, the Town determined that costs related to the Town's pension liability will no longer be charged to the business-type funds. The Town has no intention to charge these funds in the future. As a result, the pension liability, expense, deferred outflows, and deferred inflows of resources are not allocated to the business-type funds. In addition, the component unit, the Acton Community Housing Corporation, has no employees eligible for pension benefits, and as a result no amounts have been allocated to it as well.

Pension Liabilities

At June 30, 2023, the Town reported a liability of \$56,442,883 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. 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, 2022, the Town's proportion was 3.33%, which is .02% higher than its proportion measured at December 31, 2021.

Pension Expense

For the year ended June 30, 2023, the Town recognized pension expense of \$5,470,798. At June 30, 2023, the Town reported deferred outflows of resources related to pensions of \$6,134,205 and deferred inflows of resources related to pensions of \$1,314,946. The balances of deferred outflows and inflows at June 30, 2023 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 414,738	\$ -	\$ 414,738
Difference between projected and actual earnings, net.....	4,537,806	-	4,537,806
Changes in assumptions.....	974,581	-	974,581
Changes in proportion and proportionate share of contributions...	207,080	(1,314,946)	(1,107,866)
Total deferred outflows/(inflows) of resources.....	\$ 6,134,205	\$ (1,314,946)	\$ 4,819,259

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

Year ended June 30:

2024.....	\$ 552,537
2025.....	557,660
2026.....	1,051,940
2027.....	2,657,122
Total deferred outflows/(inflows) of resources.....	\$ 4,819,259

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement that was rolled back to December 31, 2022:

Valuation date.....	January 1, 2022
Actuarial cost method.....	Entry Age Normal Cost Method
Amortization method.....	Prior year's total contribution increased by 6.50% for fiscal 2022 through fiscal 2028, and thereafter the remaining unfunded liability will be amortized on a 4.00% annual increasing basis; ERI liability amortized in level payments.
Remaining amortization period.....	17 years from July 1, 2020 for non-ERI liability, and 2 years from July 1, 2020 for 2010 ERI.
Asset valuation method.....	The difference between the expected return and the actual investment return on a market value basis is recognized over a five year period. Asset value is adjusted as necessary to be within 20% of the market value.
Investment rate of return.....	7.15%
Discount rate.....	7.15%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4
Cost of living adjustments.....	3.00% of the first \$16,000 retirement income
Mortality rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2021.
Health Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2021.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2021.

Investment policy

The pension plan's policy in regard to the allocation of invested assets is established by Pension Reserve Investment Trust (PRIT). Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

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

Best estimates of the arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2022, are summarized in the following table:

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	20.50%	6.59%
International developed markets equity..	12.00%	6.87%
International emerging markets equity...	4.50%	8.30%
Core fixed income.....	15.00%	1.53%
High-yield fixed income.....	8.00%	3.54%
Timber.....	10.00%	3.44%
Hedge funds, GTAA, risk parity.....	4.00%	4.01%
Private equity.....	10.00%	3.06%
Real estate.....	16.00%	9.49%
Total.....	100.00%	

Rate of return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount rate

The discount rate used to measure the total pension liability was 7.15% for FY23 and FY22. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net position liability to changes in the discount rate

The following presents the net position liability, calculated using the discount rate of 7.15%, as well as what the net position liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.15%) or 1-percentage-point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount (7.15%)	1% Increase (8.15%)
The Town's proportionate share of the net pension liability.....	\$ 69,868,529	\$ 56,442,883	\$ 45,139,600

Changes of Assumptions

None.

Changes in Plan Provisions

None.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*Plan Description*

The Town of Acton administers a single employer defined benefit healthcare plan (Plan). The plan provides lifetime healthcare insurance, dental insurance, and life insurance for eligible retirees and their spouses through a single employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report. During 2017, the Town determined that costs related to the Town's other postemployment benefits liability will no longer be charged to the business-type funds. The Town has no intention to charge these funds in the future. As a result, the OPEB liability, expense, deferred outflows and deferred inflows of resources are not allocated to the business-type funds. In addition, the component unit, the Acton Community Housing Corporation, has no employees eligible for OPEB benefits, and as a result no amounts have been allocated to it as well. The plan does not issue a publicly available financial report.

Summary of Significant Accounting Policies

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

Funding Policy

The contribution requirements are also negotiated between the Town and union representatives. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes a variable portion of the cost of current-year premiums, which varies by plan, for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining portion of their premium costs. For the year ended June 30, 2023, the Town's average contribution rate was 11.75% of covered-employee payroll.

The Commonwealth of Massachusetts passed legislation that has allowed the Town to establish the postemployment benefit trust fund to begin pre-funding its OPEB liabilities. During 2023, the town pre-funded future OPEB liabilities totaling \$643,742 by contributing funds to the OPEB Fund in excess of the pay-as-you-go required contribution. These funds are reported within the Fiduciary Funds financial statements. As of June 30, 2023, the net position of the OPEB trust fund totaled \$9,967,084.

Investment policy

The Town's policy regarding the allocation of invested assets is established and may be amended by the Select Board by a majority vote of its members. The OPEB plan's assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the OPEB plan. The long-term real rate of return on OPEB investments was determined using the Town's investment policy.

Employees Covered by Benefit Terms

The following table represents the Plan's membership at December 31, 2022:

Active members.....	149
Inactive members currently receiving benefits.....	332
Total.....	<u>481</u>

Components of OPEB Liability

The following table represents the components of the Plan's OPEB liability as of June 30, 2023:

Total OPEB liability.....	\$ 23,412,586
Less: OPEB plan's fiduciary net position.....	<u>(9,967,084)</u>
Net OPEB liability.....	<u>\$ 13,445,502</u>
The OPEB plan's fiduciary net position as a percentage of the total OPEB liability.....	42.57%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the December 31, 2022, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement date that was updated to June 30, 2023:

Valuation date.....	December 31, 2022
Actuarial cost method.....	Entry age normal - Level percentage of payroll
Amortization method.....	Level percentage of payroll, increasing at 3.25% per year.
Asset valuation method.....	Fair value
Investment rate of return.....	7.00%
Discount rate.....	7.00%
Inflation rate.....	3.25%
Projected salary increases.....	Groups 1 and 2: 6.00% decreasing to 4.00% based on service. Group 4: 7.00% to decreasing to 4.50% based on service.

Health care cost trend rates.....	<p>Non-Medicare cost trend rate: 8.00% then 6.75% graded by 0.25% for 9 years to an ultimate level of 4.50%.</p> <p>Medicare cost trend rate: 7.00% graded by 0.25% for 10 years to an ultimate level of 4.50%.</p> <p>Contributions: Retiree contributions are expected to increase with the medical trend.</p>
Mortality rates.....	<p>Pre-Retirement (non-teachers): RP-2014 Blue Collar Employee Mortality Table projected generationally using Scale MP-2021.</p> <p>Healthy Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally using Scale MP-2021.</p> <p>Disabled Retiree (non-Teachers): RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year projected generationally using Scale MP-2021.</p> <p>Healthy Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020.</p> <p>Disabled Retiree (Teachers): Pub-2010 Teacher Retiree Mortality Table (headcount weighted) projected generationally with Scale MP-2020.</p>

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments was 5.56%. The money-weighted rate of return expresses investment performance, net of OPEB plan investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and by subtracting expected investment expenses and a risk margin. Best estimates of arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2023, are summarized in the following table.

Asset Class	Long-Term Expected Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity.....	20.50%	6.59%
International developed markets equity.....	12.00%	6.87%
International emerging markets equity.....	4.50%	8.30%
Core fixed income.....	15.00%	1.53%
High-yield fixed income.....	8.00%	3.54%
Real estate.....	10.00%	3.44%
Timber.....	4.00%	4.01%
Hedge fund, GTAA, Risk parity.....	10.00%	3.06%
Private equity.....	16.00%	9.49%
Total.....	100.00%	

Discount rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2023 and June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments to current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2022.....	\$ 24,240,524	\$ 8,804,468	\$ 15,436,056
Changes for the year:			
Service cost.....	491,772	-	491,772
Interest.....	1,688,745	-	1,688,745
Differences between expected and actual experience.....	(2,149,176)	-	(2,149,176)
Changes in assumptions and other inputs.....	376,348	-	376,348
Benefit payments.....	(1,235,627)	(1,235,627)	-
Contributions - employer.....	-	1,879,369	(1,879,369)
Net investment income.....	-	518,874	(518,874)
Net change.....	(827,938)	1,162,616	(1,990,554)
Balances at June 30, 2023.....	\$ 23,412,586	\$ 9,967,084	\$ 13,445,502

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net other postemployment benefit liability and service cost, calculated using the discount rate of 7.00% as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate.

	Current		
	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB liability.....	\$ 16,088,058	\$ 13,445,502	\$ 11,218,506

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rate

The following table presents the net other postemployment benefit liability and service cost, calculated using the current healthcare trend rate, as well as what the net other postemployment benefit liability and service cost would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability.....	\$ 10,960,340	\$ 13,445,502	\$ 16,443,534

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,173,407. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 149,410	\$ (1,611,882)	\$ (1,462,472)
Difference between projected and actual earnings, net.....	303,285	-	303,285
Changes in assumptions.....	282,261	(184,332)	97,929
Total deferred outflows/(inflows) of resources.....	\$ 734,956	\$ (1,796,214)	\$ (1,061,258)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2024.....	\$ (341,475)
2025.....	(518,000)
2026.....	(225,777)
2027.....	23,994
Total deferred outflows/(inflows) of resources.....	\$ (1,061,258)

Changes of Assumptions

- None.

Changes in Plan Provisions

- None.

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site after closure. The Town has closed the landfill and has recorded its estimated post closure care costs to be \$30,000 at June 30, 2023, in the government-wide financial statements governmental activities. Actual costs may be higher due to inflation, changes in technology or changes in regulations.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative

Requirements, Cost Principles, and Audit Requirements for Federal Awards through June 30, 2023, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2023, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2023.

The Town has \$1.6 million of encumbrances and continuing appropriations in the general fund and has \$3.8 million with the community preservation fund.

NOTE 15 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 27, 2023, which is the date the financial statements were available to be issued.

NOTE 16 – TAX ABATEMENT PROGRAM

The Town enters into tax increment financing (TIF) agreements with local businesses under Chapter 40, Section 59 of the Massachusetts General Laws. Under this section of the law, localities may grant property tax exemptions of a business' property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The exemptions may be granted to any business located within or promising to relocate to the Town. Currently there is 1 agreement in place, which extends out until 2037. For the fiscal year ended 2023, the Town exempted property taxes totaling \$168,921 under this agreement.

The Town has not made any commitments as part of the agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2023, the following GASB pronouncements were implemented:

- GASB Statement #91, *Conduit Debt Obligations*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #96, *Subscription-Based Information Technology Arrangements*. This pronouncement did not impact the annual comprehensive financial report.
- GASB Statement #99, *Omnibus 2022*. This pronouncement did not impact the annual comprehensive financial report.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #100, *Accounting Changes and Error Corrections*, which is required to be implemented in 2024.
- The GASB issued Statement #101, *Compensated Absences*, which is required to be implemented in 2025.

Management is currently assessing the impact the implementation of these pronouncements will have on the annual comprehensive financial report.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used for all the financial resources, except those required to be accounted for in another fund.

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Real estate and personal property taxes, net of tax refunds.....	\$ -	\$ 102,279,730	\$ 102,279,730	\$ 102,279,730	\$ 102,087,171	\$ -	\$ (192,559)
Tax liens.....	-	-	-	-	115,343	-	115,343
Motor vehicle and other excise taxes.....	-	3,534,210	3,534,210	3,534,210	4,017,759	-	483,549
Charges for services.....	-	263,300	263,300	263,300	203,199	-	(60,101)
Penalties and interest on taxes.....	-	261,900	261,900	261,900	353,935	-	92,035
Payments in lieu of taxes.....	-	32,000	32,000	32,000	-	-	(32,000)
Licenses and permits.....	-	1,144,800	1,144,800	1,144,800	1,113,748	-	(31,052)
Fines and forfeitures.....	-	36,800	36,800	36,800	33,441	-	(3,359)
Intergovernmental - School Building Authority.....	-	922,672	922,672	922,672	922,672	-	-
Intergovernmental - other.....	-	1,827,885	1,827,885	1,827,885	1,843,229	-	15,344
Departmental and other.....	-	89,500	89,500	89,500	366,111	-	276,611
Investment income.....	-	35,900	35,900	35,900	313,584	-	277,684
Miscellaneous.....	-	-	-	-	29,814	-	29,814
TOTAL REVENUES.....	-	110,428,697	110,428,697	110,428,697	111,400,006	-	971,309
EXPENDITURES:							
Current:							
General government							
Moderator							
Expenses.....	-	20,000	20,000	19,999	16,060	-	3,939
Town Manager							
Salaries.....	-	1,341,110	1,341,110	1,341,110	905,594	-	435,516
Expenses.....	44,957	771,800	816,757	816,757	840,381	188,203	(211,827)
Total.....	44,957	2,112,910	2,157,867	2,157,867	1,745,975	188,203	223,689
Green Advisory Board							
Salaries.....	-	83,644	83,644	83,644	66,237	-	17,407
Expenses.....	-	37,162	37,162	37,162	24,325	125	12,712
Total.....	-	120,806	120,806	120,806	90,562	125	30,119
Finance Committee							
Expenses.....	-	280	280	280	286	-	(6)
Finance Director							
Salaries.....	-	310,641	310,641	310,641	256,650	-	53,991
Expenses.....	112,551	269,075	381,626	381,626	313,868	102,731	(34,973)
Total.....	112,551	579,716	692,267	692,267	570,518	102,731	19,018
Comptroller							
Salaries.....	-	351,739	351,739	351,739	312,571	-	39,168
Expenses.....	-	3,550	3,550	3,550	170	-	3,380
Total.....	-	355,289	355,289	355,289	312,741	-	42,548
Board of Assessors							
Salaries.....	-	296,673	296,673	296,673	254,291	-	42,382
Expenses.....	-	17,746	17,746	17,746	39,812	-	(22,066)
Total.....	-	314,419	314,419	314,419	294,103	-	20,316
Collector							
Salaries.....	-	162,956	162,956	162,956	135,040	-	27,916
Expenses.....	-	1,450	1,450	1,450	210	-	1,240
Total.....	-	164,406	164,406	164,406	135,250	-	29,156
Human Resource							
Salaries.....	-	259,948	259,948	259,948	244,317	-	15,631
Expenses.....	13,050	186,615	199,665	199,665	127,243	2,044	70,378
Total.....	13,050	446,563	459,613	459,613	371,560	2,044	86,009
Information Technology							
Salaries.....	-	547,022	547,022	547,022	525,175	-	21,847
Expenses.....	459,303	1,146,250	1,605,553	1,605,553	1,228,296	217,223	160,034
Total.....	459,303	1,693,272	2,152,575	2,152,575	1,753,471	217,223	181,881

(continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts						
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget	Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
Town Clerk							
Salaries.....	-	193,912	193,912	193,912	242,540	-	(48,628)
Expenses.....	-	2,125	2,125	2,125	3,112	-	(987)
Total.....	-	196,037	196,037	196,037	245,652	-	(49,615)
Elections							
Salaries.....	-	28,300	28,300	28,300	18,939	-	9,361
Expenses.....	300	41,000	41,300	41,300	28,175	351	12,774
Total.....	300	69,300	69,600	69,600	47,114	351	22,135
Planning							
Salaries.....	-	292,598	292,598	292,598	306,089	-	(13,491)
Expenses.....	6,729	20,311	27,040	27,040	11,294	-	15,746
Total.....	6,729	312,909	319,638	319,638	317,383	-	2,255
Land Use							
Salaries.....	-	-	-	-	-	-	-
Expenses.....	25,232	-	25,232	25,232	12,000	-	13,232
Total.....	25,232	-	25,232	25,232	12,000	-	13,232
Municipal Properties.....							
Salaries.....	-	509,446	509,446	509,446	469,149	-	40,297
Expenses.....	170,552	1,020,020	1,190,572	1,190,572	837,174	203,279	150,119
Total.....	170,552	1,529,466	1,700,018	1,700,018	1,306,323	203,279	190,416
Total General Government.....	832,674	7,915,373	8,748,047	8,748,046	7,218,998	713,956	815,092
Public safety							
Police							
Salaries.....	-	4,804,485	4,804,485	4,804,485	4,549,228	-	255,257
Expenses.....	33,997	285,439	319,436	319,436	402,824	11,953	(95,341)
Total.....	33,997	5,089,924	5,123,921	5,123,921	4,952,052	11,953	159,916
Fire							
Salaries.....	-	3,331,632	3,331,632	3,331,632	3,525,860	-	(194,228)
Expenses.....	61,194	316,700	377,894	377,894	407,027	73,112	(102,245)
Total.....	61,194	3,648,332	3,709,526	3,709,526	3,932,887	73,112	(296,473)
Dispatch							
Salaries.....	-	654,428	654,428	654,428	753,524	-	(99,096)
Expenses.....	719	6,500	7,219	7,219	4,624	-	2,595
Total.....	719	660,928	661,647	661,647	758,148	-	(96,501)
Building Inspector							
Salaries.....	-	272,501	272,501	272,501	289,734	-	(17,233)
Expenses.....	2,772	9,609	12,381	12,381	9,417	444	2,520
Total.....	2,772	282,110	284,882	284,882	299,151	444	(14,713)
Emergency Management							
Expenses.....	38,131	23,450	61,581	61,581	32,008	4,809	24,764
Dog Officer							
Expenses.....	-	23,000	23,000	23,000	20,560	-	2,440
Total Public Safety.....	136,813	9,727,744	9,864,557	9,864,557	9,994,806	90,318	(220,567)
Education							
Acton Boxborough Reg Assessment.....	-	69,689,255	69,689,255	69,689,255	69,689,255	-	-
Minuteman Tech - Assessment.....	-	2,841,323	2,841,323	2,841,323	2,841,323	-	-
Total Education.....	-	72,530,578	72,530,578	72,530,578	72,530,578	-	-

(continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
Highway and Public works							
Engineering							
Salaries.....	-	150,744	150,744	150,744	146,980	-	3,764
Expenses.....	42,894	37,350	80,244	80,244	36,856	4,000	39,388
Total.....	42,894	188,094	230,988	230,988	183,836	4,000	43,152
Highway							
Salaries.....	-	1,704,884	1,704,884	1,704,884	1,556,265	-	148,619
Expenses.....	429,617	297,774	727,391	727,391	443,923	134,087	149,381
Total.....	429,617	2,002,658	2,432,275	2,432,275	2,000,188	134,087	298,000
Roads							
Expenses.....	1,800	170,450	172,250	172,250	166,352	44,000	(38,102)
Snow and Ice							
Salaries.....	-	158,568	158,568	158,568	212,404	-	(53,836)
Expenses.....	-	413,106	413,106	413,106	547,012	-	(133,906)
Total.....	-	571,674	571,674	571,674	759,416	-	(187,742)
Gas and Diesel							
Expenses.....	-	217,715	217,715	217,715	300,558	-	(82,843)
Machinery							
Expenses.....	20,089	337,800	357,889	357,889	234,993	-	122,896
Special Projects							
Expenses.....	10,848	107,728	118,576	118,576	79,208	199,710	(160,342)
Cemetery							
Salaries.....	-	-	-	395,596	365,066	-	30,530
Expenses.....	-	-	-	43,350	35,955	5,917	1,478
Total.....	-	-	-	438,946	401,021	5,917	32,008
Total Highway and Public Works.....	505,248	3,596,119	4,101,367	4,540,313	4,125,572	387,714	27,027
Health and human services							
Board of Health							
Salaries.....	-	152,345	152,345	152,345	155,581	-	(3,236)
Expenses.....	21,288	67,820	89,108	89,108	67,777	17,564	3,767
Total.....	21,288	220,165	241,453	241,453	223,358	17,564	531
Nursing Service							
Salaries.....	-	534,920	534,920	534,920	436,476	-	98,444
Expenses.....	8,892	181,542	190,434	190,434	146,225	3,262	40,947
Total.....	8,892	716,462	725,354	725,354	582,701	3,262	139,391
Council on Aging							
Salaries.....	-	351,830	351,830	351,830	364,653	-	(12,823)
Expenses.....	469	37,079	37,548	37,548	26,848	644	10,056
Total.....	469	388,909	389,378	389,378	391,501	644	(2,767)
Veterans Services							
Salaries.....	-	100,462	100,462	100,462	78,924	-	21,538
Expenses.....	18,837	99,500	118,337	118,337	84,835	285	33,217
Total.....	18,837	199,962	218,799	218,799	163,759	285	54,755
Commission on Disabilities							
Expenses.....	-	2,000	2,000	2,000	712	50	1,238
Natural Resources							
Salaries.....	-	820,978	820,978	185,289	155,750	-	29,539
Expenses.....	-	71,150	71,150	20,050	28,782	150	(8,882)
Total.....	-	892,128	892,128	205,339	184,532	150	20,657
Total Health and Human Services.....	49,486	2,419,626	2,469,112	1,782,323	1,546,563	21,955	213,805

(continued)

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual	Amounts	Variance
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget	Budgetary Amounts	Carried Forward to Next Year	to Final Budget
Culture and recreation							
Cultural Council							
Expenses.....	400	2,000	2,400	2,400	400	600	1,400
Memorial Library							
Salaries.....	-	1,157,704	1,157,704	1,157,704	1,023,942	-	133,762
Expenses.....	20,032	333,925	353,957	353,957	345,044	30,966	(22,053)
Total.....	20,032	1,491,629	1,511,661	1,511,661	1,368,986	30,966	111,709
Citizens Library							
Salaries.....	-	55,823	55,823	55,823	62,775	-	(6,952)
Expenses.....	3,586	16,445	20,031	20,031	15,490	188	4,353
Total.....	3,586	72,268	75,854	75,854	78,265	188	(2,599)
Historic Commission							
Expenses.....	11	376	387	387	508	-	(121)
Celebrations							
Expenses.....	-	19,900	19,900	19,900	570	200	19,130
Recreation							
Salaries.....	-	-	-	240,094	232,694	-	7,400
Expenses.....	-	-	-	7,750	18,501	8,365	(19,116)
Total.....	-	-	-	247,844	251,195	8,365	(11,716)
Total Culture and Recreation.....	24,029	1,586,173	1,610,202	1,858,046	1,699,924	40,319	117,803
Employee Benefits and Insurances							
Pension Assessment.....	-	5,224,522	5,224,522	5,224,522	5,137,366	-	87,156
Medicare.....	-	225,000	225,000	225,000	245,917	-	(20,917)
Insurances and Other Benefits.....	-	4,372,915	4,372,915	4,372,915	4,207,450	-	165,465
Total Employee Benefits and Insurances.....	-	9,822,437	9,822,437	9,822,437	9,590,733	-	231,704
State and county charges							
State and county charges.....	-	340,421	340,421	340,421	336,421	-	4,000
Debt service:							
Principal.....	-	2,850,790	2,850,790	2,850,790	2,554,335	366,154	(69,699)
Interest.....	-	461,279	461,279	461,279	461,279	-	-
Total Debt Service.....	-	3,312,069	3,312,069	3,312,069	3,015,614	366,154	(69,699)
TOTAL EXPENDITURES.....	1,548,250	111,250,540	112,798,790	112,798,790	110,059,209	1,620,416	1,119,165
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,548,250)	(821,843)	(2,370,093)	(2,370,093)	1,340,797	(1,620,416)	2,090,474
OTHER FINANCING SOURCES (USES):							
Use of prior year reserves.....	1,548,250	-	1,548,250	1,548,250	-	-	(1,548,250)
Use of free cash.....	-	1,252,500	1,252,500	1,252,500	-	-	(1,252,500)
Transfers in.....	-	222,963	222,963	222,963	226,561	-	3,598
Transfers out.....	-	(653,620)	(653,620)	(653,620)	(953,620)	-	(300,000)
TOTAL OTHER FINANCING SOURCES (USES).....	1,548,250	821,843	2,370,093	2,370,093	(727,059)	-	(3,097,152)
NET CHANGE IN FUND BALANCE.....	-	-	-	-	613,738	(1,620,416)	(1,006,678)
BUDGETARY FUND BALANCE, Beginning of year.....	-	10,913,567	10,913,567	10,913,567	10,913,567	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 10,913,567	\$ 10,913,567	\$ 10,913,567	\$ 11,527,305	\$ (1,620,416)	\$ (1,006,678)

(concluded)

See notes to required supplementary information.

Community Preservation Fund Budgetary Comparison Schedule

The Community Preservation Fund is a special revenue fund used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, affordable housing, and recreation. Funding is provided primarily by a property tax surcharge of up to 3%, along with state matching funds. Currently, the Town assesses a 1.5% surcharge.

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

YEAR ENDED JUNE 30, 2023

	Budgeted Amounts				Actual Budgetary Amounts	Amounts Carried Forward to Next Year	Variance to Final Budget
	Amounts Carried Forward From Prior Year	Current Year Initial Budget	Original Budget	Final Budget			
REVENUES:							
Community preservation taxes.....	\$ -	\$ 1,206,487	\$ 1,206,487	\$ 1,206,487	\$ 1,293,513	\$ -	\$ 87,026
Community preservation state match.....	-	467,277	467,277	467,277	467,277	-	-
Tax liens.....	-	-	-	-	1,149	-	1,149
Penalties and interest.....	-	-	-	-	2,796	-	2,796
Investment income.....	-	59,723	59,723	59,723	94,349	-	34,626
TOTAL REVENUES.....	-	1,733,487	1,733,487	1,733,487	1,859,084	-	125,597
EXPENDITURES:							
Community preservation.....	2,859,946	1,601,187	4,461,133	4,461,133	375,189	3,850,776	235,168
Debt service:							
Principal.....	-	100,000	100,000	100,000	100,000	-	-
Interest.....	-	32,300	32,300	32,300	32,300	-	-
TOTAL EXPENDITURES.....	2,859,946	1,733,487	4,593,433	4,593,433	507,489	3,850,776	235,168
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(2,859,946)	-	(2,859,946)	(2,859,946)	1,351,595	(3,850,776)	360,765
OTHER FINANCING SOURCES (USES):							
Use of prior year reserves.....	2,859,946	-	2,859,946	2,859,946	-	-	(2,859,946)
NET CHANGE IN FUND BALANCE.....	-	-	-	-	1,349,896	(3,850,776)	(2,500,880)
BUDGETARY FUND BALANCE, Beginning of year.....	-	5,796,349	5,796,349	5,796,349	5,796,349	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ -	\$ 5,796,349	\$ 5,796,349	\$ 5,796,349	\$ 7,146,245	\$ (3,850,776)	\$ (2,500,880)

See notes to required supplementary information.

Pension Plan Schedules – Town

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

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

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MIDDLESEX COUNTY RETIREMENT SYSTEM**

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2022.....	3.33%	\$ 56,442,883	\$ 15,565,493	362.62%	52.61%
December 31, 2021.....	3.31%	44,317,853	14,922,594	296.98%	61.14%
December 31, 2020.....	3.44%	52,615,628	15,204,987	346.04%	53.42%
December 31, 2019.....	3.44%	54,966,604	14,564,884	377.39%	49.45%
December 31, 2018.....	3.43%	53,545,751	14,701,201	364.23%	46.40%
December 31, 2017.....	3.40%	48,182,609	14,091,030	341.94%	49.27%
December 31, 2016.....	3.22%	45,680,759	13,020,403	350.84%	45.49%
December 31, 2015.....	3.44%	44,369,446	13,048,335	340.04%	46.13%
December 31, 2014.....	3.42%	41,050,336	12,546,476	327.19%	47.65%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MIDDLESEX COUNTY RETIREMENT SYSTEM

Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2023.....	\$ 5,133,300	\$ (5,137,366)	\$ (4,066)	\$ 15,721,148	32.68%
June 30, 2022.....	4,814,701	(4,821,666)	(6,965)	15,071,820	31.99%
June 30, 2021.....	4,615,717	(4,615,717)	-	15,357,037	30.06%
June 30, 2020.....	4,229,480	(4,236,342)	(6,862)	14,710,533	28.80%
June 30, 2019.....	3,685,376	(3,690,854)	(5,478)	14,655,597	25.18%
June 30, 2018.....	3,454,129	(3,454,129)	-	14,393,933	24.00%
June 30, 2017.....	3,462,510	(3,462,510)	-	13,020,403	26.59%
June 30, 2016.....	3,243,883	(3,243,883)	-	13,048,335	24.86%
June 30, 2015.....	2,512,579	(2,512,579)	-	12,546,476	20.03%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Other Postemployment Benefits Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

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

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

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

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

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Total OPEB Liability							
Service Cost.....	\$ 242,070	\$ 250,543	\$ 259,312	\$ 440,281	\$ 446,227	\$ 475,579	\$ 491,772
Interest.....	1,428,369	1,468,290	1,507,086	1,539,252	1,588,747	1,626,884	1,688,745
Differences between expected and actual experience.....	-	-	(719,659)	-	1,213,141	-	(2,149,176)
Changes of assumptions.....	-	-	1,065,245	(167,805)	(737,329)	-	376,348
Benefit payments.....	<u>(1,108,518)</u>	<u>(1,186,114)</u>	<u>(1,213,102)</u>	<u>(1,099,633)</u>	<u>(1,191,179)</u>	<u>(1,234,245)</u>	<u>(1,235,627)</u>
Net change in total OPEB liability.....	561,921	532,719	898,882	712,095	1,319,607	868,218	(827,938)
Total OPEB liability - beginning.....	<u>19,347,082</u>	<u>19,909,003</u>	<u>20,441,722</u>	<u>21,340,604</u>	<u>22,052,699</u>	<u>23,372,306</u>	<u>24,240,524</u>
Total OPEB liability - ending (a).....	<u>\$ 19,909,003</u>	<u>\$ 20,441,722</u>	<u>\$ 21,340,604</u>	<u>\$ 22,052,699</u>	<u>\$ 23,372,306</u>	<u>\$ 24,240,524</u>	<u>\$ 23,412,586</u>
Plan fiduciary net position							
Employer contributions.....	\$ 1,708,518	\$ 1,806,114	\$ 1,846,844	\$ 1,733,375	\$ 1,824,921	\$ 1,867,987	\$ 1,879,369
Net investment income.....	361,110	365,201	271,663	113,664	1,916,828	(348,641)	518,874
Benefit payments.....	<u>(1,108,518)</u>	<u>(1,186,114)</u>	<u>(1,213,102)</u>	<u>(1,099,633)</u>	<u>(1,191,179)</u>	<u>(1,234,245)</u>	<u>(1,235,627)</u>
Net change in plan fiduciary net position.....	961,110	985,201	905,405	747,406	2,550,570	285,101	1,162,616
Plan fiduciary net position - beginning of year.....	<u>2,369,675</u>	<u>3,330,785</u>	<u>4,315,986</u>	<u>5,221,391</u>	<u>5,968,797</u>	<u>8,519,367</u>	<u>8,804,468</u>
Plan fiduciary net position - end of year (b).....	<u>\$ 3,330,785</u>	<u>\$ 4,315,986</u>	<u>\$ 5,221,391</u>	<u>\$ 5,968,797</u>	<u>\$ 8,519,367</u>	<u>\$ 8,804,468</u>	<u>\$ 9,967,084</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 16,578,218</u>	<u>\$ 16,125,736</u>	<u>\$ 16,119,213</u>	<u>\$ 16,083,902</u>	<u>\$ 14,852,939</u>	<u>\$ 15,436,056</u>	<u>\$ 13,445,502</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	16.73%	21.11%	24.47%	27.07%	36.45%	36.32%	42.57%
Covered-employee payroll.....	\$ 15,000,000	\$ 16,000,000	\$ 18,800,000	\$ 18,100,000	\$ 19,100,000	\$ 19,100,000	\$ 16,000,000
Net OPEB liability as a percentage of covered-employee payroll.....	110.52%	100.79%	85.74%	88.86%	77.76%	80.82%	84.03%

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

See notes to required supplementary information.

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2023.....	\$ 1,727,613	\$ 1,879,369	\$ (151,756)	\$ 16,000,000	11.75%
June 30, 2022.....	1,703,440	1,867,987	(164,547)	19,100,000	9.78%
June 30, 2021.....	1,662,594	1,824,921	(162,327)	19,100,000	9.55%
June 30, 2020.....	1,677,625	1,733,375	(55,750)	18,100,000	9.58%
June 30, 2019.....	1,629,077	1,846,844	(217,767)	18,800,000	9.82%
June 30, 2018.....	1,188,837	1,806,114	(617,277)	16,000,000	11.29%
June 30, 2017.....	1,180,006	1,708,518	(528,512)	15,000,000	11.39%

Note: this schedule is intended to present information for 10 years.

Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2023.....	5.56%
June 30, 2022.....	-3.83%
June 30, 2021.....	29.29%
June 30, 2020.....	1.96%
June 30, 2019.....	5.61%
June 30, 2018.....	9.50%
June 30, 2017.....	12.61%

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

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. Budgetary Information

Municipal Law requires the adoption of a balanced budget that is approved by Town Meeting. Budget requests are prepared by individual department heads and submitted to the Select Board and Finance Committee for review during the first three months of each calendar year. The Select Board and Finance Committee have until the Annual Town Meeting in April to review and propose any changes to departmental requests prior to Town Meeting.

The Town authorizes a bottom-line budget to provide inherent flexibility within the budget process. The budget is managed by the Town Manager and the Finance Director. The Town Manager may allow a department to overspend its budget as long as the Town’s total expenditures and encumbrances do not exceed the total approved budget. Since Town Meeting authorizes a bottom-line budget, transfers to fund departmental deficits are not required.

The majority of appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year’s original budget.

Generally, expenditures may not exceed the legal level of spending (salaries, expenses and capital) authorized for an appropriation account. However, the payment of debt service is statutorily required, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by two-thirds majority vote of the Board.

An annual budget is adopted for the general fund in conformity with the guidelines described above. The original 2023 approved budget authorized approximately \$113.5 million in appropriations and other amounts to be raised. There were no supplemental appropriations were authorized in 2023.

2. Budgetary – GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the year ended June 30, 2023, is presented below:

General Fund

Net change in fund balance - budgetary basis.....	\$ 613,738
<u>Perspective differences:</u>	
Activity of the stabilization fund recorded in the general fund for GAAP.....	24,009
<u>Basis of accounting differences:</u>	
Net change in recording tax refunds payable.....	(65,000)
Net change in recording 60 day receipts.....	38,383
Net change in fund balance - GAAP basis.....	<u>\$ 611,130</u>

Community Preservation Fund

Net change in fund balance - budgetary basis.....	\$ 1,349,896
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Basis of accounting differences:

Change in due to component unit.....	(150,000)
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Net change in fund balance - GAAP basis.....	\$ <u>1,199,896</u>
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NOTE B – PENSION PLAN***Pension Plan Schedules***A. Schedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability (asset), the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of the Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

C. Changes of Assumptions

None.

D. Changes in Plan Provisions

None.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS

The Town administers a single employer defined benefit healthcare plan (Plan). The plan provides lifetime healthcare insurance, dental insurance, and life insurance for eligible retirees and their spouses through the Town's group health and life insurance plans, which covers both active and retired members.

The Other Postemployment Benefit Plan**A. The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios**

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

B. Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contributions made in relation to the actuarially determined contribution and the covered employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll. Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.

C. Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

D. Changes of Assumptions

None.

E. Changes in Plan Provisions

None.

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Combining Statements

The combining financial statements provide a more detailed view of the “Basic Financial Statements” presented in the preceding subsection.

Combining statements are presented when there is more than one fund of a given fund type.

Nonmajor Governmental Funds

Fund Description

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources (other than permanent funds or capital project funds) that are restricted by law or administrative action to expenditures for specific purposes. The Town's grouping for nonmajor special revenue funds is as described as follows:

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

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

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

Highway Projects Fund – This fund is used to account for costs incurred with the construction and reconstruction of Town owned roadways. Costs charged to this fund are subject to reimbursement by the Commonwealth of Massachusetts.

Other Special Revenue – This fund is used to account for other small special revenue funds which are not categorized within any of the other funds.

Permanent Funds

Permanent funds are used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs. The Town's grouping for non-major permanent funds is as described as follows:

Cemetery – This fund is used to account for cemetery contributions and bequests in which the earnings may be expended for cemetery purposes.

Library – This fund is used to account for library contributions and bequests in which only the earnings may be expended to benefit the Town's libraries.

Other – This fund accounts for all non-library and cemetery related contributions and bequests in which only the earnings may be expended for purposes specified by the donor in relation to other Town activities.

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NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2023

	Special Revenue Funds					
	Town Gifts	Town Grants	Town Revolving	Highway Projects	Other Special Revenue	Subtotal
ASSETS						
Cash and cash equivalents.....	\$ 1,760,617	\$ 628,145	\$ 2,643,579	\$ -	\$ 3,403,942	\$ 8,436,283
Investments.....	-	-	-	-	-	-
Receivables, net of uncollectibles:						
User charges.....	-	-	376,963	-	2,100	379,063
Departmental and other.....	-	-	60,100	-	21,625	81,725
Intergovernmental - other.....	-	-	-	525,908	-	525,908
Special assessments.....	-	-	-	-	74,903	74,903
TOTAL ASSETS.....	\$ 1,760,617	\$ 628,145	\$ 3,080,642	\$ 525,908	\$ 3,502,570	\$ 9,497,882
Warrants payable.....	\$ 2,958	\$ 46,728	\$ 227,476	\$ 395,842	\$ 5,445	\$ 678,449
Accrued payroll.....	-	4,090	81,508	-	33,886	119,484
Due to other funds.....	-	-	-	130,066	-	130,066
Due to other governments.....	-	-	-	-	241,626	241,626
Liabilities Due Depositors.....	-	-	-	-	23,260	23,260
Unearned revenue.....	-	11,753	-	-	-	11,753
TOTAL LIABILITIES.....	2,958	62,571	308,984	525,908	304,217	1,204,638
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue.....	-	-	437,063	-	98,551	535,614
FUND BALANCES						
Nonspendable.....	-	-	-	-	-	-
Restricted.....	1,757,659	565,574	2,334,595	-	3,099,802	7,757,630
TOTAL FUND BALANCES.....	1,757,659	565,574	2,334,595	-	3,099,802	7,757,630
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 1,760,617	\$ 628,145	\$ 3,080,642	\$ 525,908	\$ 3,502,570	\$ 9,497,882

(continued)

Permanent Funds				Total Nonmajor Governmental Funds
Cemetery	Library	Other	Subtotal	
\$ -	\$ -	\$ 148,670	\$ 148,670	\$ 8,584,953
4,529,599	809,242	353,098	5,691,939	5,691,939
-	-	-	-	379,063
-	-	-	-	81,725
-	-	-	-	525,908
-	-	-	-	74,903
<u>\$ 4,529,599</u>	<u>\$ 809,242</u>	<u>\$ 501,768</u>	<u>\$ 5,840,609</u>	<u>\$ 15,338,491</u>
\$ -	\$ -	\$ -	\$ -	\$ 678,449
-	-	-	-	119,484
-	-	-	-	130,066
-	-	-	-	241,626
-	-	-	-	23,260
-	-	-	-	11,753
-	-	-	-	1,204,638
-	-	-	-	535,614
2,367,465	87,900	94,239	2,549,604	2,549,604
<u>2,162,134</u>	<u>721,342</u>	<u>407,529</u>	<u>3,291,005</u>	<u>11,048,635</u>
<u>4,529,599</u>	<u>809,242</u>	<u>501,768</u>	<u>5,840,609</u>	<u>13,598,239</u>
<u>\$ 4,529,599</u>	<u>\$ 809,242</u>	<u>\$ 501,768</u>	<u>\$ 5,840,609</u>	<u>\$ 15,338,491</u>

(concluded)

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

YEAR ENDED JUNE 30, 2023

	Special Revenue Funds					
	Town Gifts	Town Grants	Town Revolving	Highway Projects	Other Special Revenue	Subtotal
REVENUES:						
Charges for services.....	\$ -	\$ -	\$ 2,043,305	\$ -	\$ 582,424	\$ 2,625,729
Penalties and interest on taxes.....	-	-	-	-	13,461	13,461
Licenses and permits.....	-	-	384,550	-	-	384,550
Fines and forfeitures.....	-	-	-	-	1,807	1,807
Intergovernmental - other.....	-	1,555,101	-	687,487	5,724	2,248,312
Departmental and other.....	-	-	-	-	738,042	738,042
Special assessments.....	-	-	-	-	15,864	15,864
Contributions and donations.....	341,771	70,000	26,717	-	-	438,488
Investment income.....	-	-	8,354	-	17,206	25,560
Miscellaneous.....	-	-	-	-	145,576	145,576
TOTAL REVENUES.....	341,771	1,625,101	2,462,926	687,487	1,520,104	6,637,389
EXPENDITURES:						
Current:						
General government.....	20,512	300,719	-	-	227,932	549,163
Public safety.....	11,666	272,313	1,846,416	-	724,219	2,854,614
Highways and public works.....	282,874	774,846	16,480	687,487	36,296	1,797,983
Health and human services.....	31,121	39,220	133,209	-	578,741	782,291
Culture and recreation.....	151,080	52,004	632,660	-	-	835,744
Employee benefits.....	-	-	40,000	-	-	40,000
Debt service:						
Principal.....	-	-	100,380	-	-	100,380
Interest.....	-	-	11,410	-	-	11,410
TOTAL EXPENDITURES.....	497,253	1,439,102	2,780,555	687,487	1,567,188	6,971,585
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(155,482)	185,999	(317,629)	-	(47,084)	(334,196)
OTHER FINANCING SOURCES (USES):						
Transfers in.....	-	-	390,000	-	189,325	579,325
Transfers out.....	-	(98)	-	-	(120,788)	(120,886)
TOTAL OTHER FINANCING SOURCES (USES).....	-	(98)	390,000	-	68,537	458,439
NET CHANGE IN FUND BALANCES.....	(155,482)	185,901	72,371	-	21,453	124,243
FUND BALANCES AT BEGINNING OF YEAR.....	1,913,141	379,673	2,262,224	-	3,078,349	7,633,387
FUND BALANCES AT END OF YEAR.....	\$ 1,757,659	\$ 565,574	\$ 2,334,595	\$ -	\$ 3,099,802	\$ 7,757,630

(continued)

Permanent Funds				Total Nonmajor Governmental Funds
Cemetery	Library	Other	Subtotal	
\$ 69,650	\$ -	\$ -	\$ 69,650	\$ 2,695,379
-	-	-	-	13,461
-	-	-	-	384,550
-	-	-	-	1,807
-	-	-	-	2,248,312
-	-	-	-	738,042
-	-	-	-	15,864
-	-	-	-	438,488
275,465	49,359	30,599	355,423	380,983
-	-	-	-	145,576
<u>345,115</u>	<u>49,359</u>	<u>30,599</u>	<u>425,073</u>	<u>7,062,462</u>
-	-	2,000	2,000	551,163
-	-	-	-	2,854,614
-	-	-	-	1,797,983
80,223	-	-	80,223	862,514
-	140	-	140	835,884
-	-	-	-	40,000
-	-	-	-	100,380
-	-	-	-	11,410
<u>80,223</u>	<u>140</u>	<u>2,000</u>	<u>82,363</u>	<u>7,053,948</u>
<u>264,892</u>	<u>49,219</u>	<u>28,599</u>	<u>342,710</u>	<u>8,514</u>
-	-	-	-	579,325
-	-	-	-	(120,886)
-	-	-	-	458,439
264,892	49,219	28,599	342,710	466,953
<u>4,264,707</u>	<u>760,023</u>	<u>473,169</u>	<u>5,497,899</u>	<u>13,131,286</u>
\$ <u>4,529,599</u>	\$ <u>809,242</u>	\$ <u>501,768</u>	\$ <u>5,840,609</u>	\$ <u>13,598,239</u>

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Statistical Section



Town Hall – *Photo taken by Christos Tsiaras*

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

Net Position By Component

Last Ten Years

	2014	2015 (1)	2016	2017	2018 (2)	2019	2020 (3)	2021	2022	2023
Governmental activities										
Net investment in capital assets.....	\$ 128,335,782	\$ 109,815,077	\$ 111,660,065	\$ 112,815,540	\$ 114,844,263	\$ 115,720,787	\$ 114,437,140	\$ 117,888,759	\$ 121,956,161	\$ 123,132,643
Restricted.....	14,911,665	13,995,847	14,644,115	15,323,326	15,188,241	15,879,435	15,078,391	17,110,352	14,656,902	16,300,172
Unrestricted.....	(1,182,386)	(42,376,959)	(44,607,074)	(50,353,593)	(52,867,092)	(54,553,794)	(50,942,679)	(51,440,072)	(48,095,228)	(47,153,046)
Total governmental activities net position.....	\$ 142,065,061	\$ 81,433,965	\$ 81,697,106	\$ 77,785,273	\$ 77,165,412	\$ 77,046,428	\$ 78,572,852	\$ 83,559,039	\$ 88,517,835	\$ 92,279,769
Business-type activities										
Net investment in capital assets.....	\$ 1,112,535	\$ 1,211,364	\$ 1,282,177	\$ 1,362,789	\$ 1,504,524	\$ 1,814,037	\$ 1,906,297	\$ 2,252,150	\$ 2,894,352	\$ 4,968,808
Unrestricted.....	21,100,340	19,051,754	17,400,790	16,927,429	16,841,449	16,152,324	15,230,727	14,413,889	13,621,877	12,555,795
Total business-type activities net position.....	\$ 22,212,875	\$ 20,263,118	\$ 18,682,967	\$ 18,290,218	\$ 18,345,973	\$ 17,966,361	\$ 17,137,024	\$ 16,666,039	\$ 16,516,229	\$ 17,524,603
Primary government										
Net investment in capital assets.....	\$ 129,448,317	\$ 111,026,441	\$ 112,942,242	\$ 114,178,329	\$ 116,348,787	\$ 117,534,824	\$ 116,343,437	\$ 120,140,909	\$ 124,850,513	\$ 128,101,451
Restricted.....	14,911,665	13,995,847	14,644,115	15,323,326	15,188,241	15,879,435	15,078,391	17,110,352	14,656,902	16,300,172
Unrestricted.....	19,917,954	(23,325,205)	(27,206,284)	(33,426,164)	(36,025,643)	(38,401,470)	(35,711,952)	(37,026,183)	(34,473,351)	(34,597,251)
Total primary government net position.....	\$ 164,277,936	\$ 101,697,083	\$ 100,380,073	\$ 96,075,491	\$ 95,511,385	\$ 95,012,789	\$ 95,709,876	\$ 100,225,078	\$ 105,034,064	\$ 109,804,372

Data Source: Audited Financial Statements

Notes:

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

(1) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #68.

(2) = Unrestricted net position has been revised to reflect the implementation of GASB Statement #75.

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

Changes in Net Position

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government.....	\$ 6,880,926	\$ 9,709,582	\$ 9,071,147	\$ 9,509,693	\$ 10,260,271	\$ 10,643,968	\$ 11,229,880	\$ 12,034,181	\$ 10,759,862	\$ 12,242,052
Public safety.....	9,720,134	12,989,633	13,770,279	14,108,658	14,526,777	16,284,831	16,413,852	16,196,291	15,488,879	18,221,553
Education.....	67,090,001	53,013,169	54,096,552	56,544,752	58,820,900	61,285,774	62,690,935	67,317,032	69,733,801	72,530,578
Highways and Public works.....	4,605,839	5,644,560	4,894,749	5,918,950	5,055,579	5,051,464	4,494,512	5,401,757	5,142,006	6,901,134
Health and human services.....	2,930,511	3,535,372	4,198,313	4,352,366	4,133,924	4,367,598	4,456,893	3,388,488	3,531,150	4,253,167
Culture and recreation.....	2,285,572	2,500,599	2,592,743	2,628,843	2,908,055	1,949,812	2,631,082	2,138,521	2,413,289	1,987,918
Community preservation.....	2,754,102	846,522	1,055,936	443,658	1,174,456	725,398	456,744	1,750,301	2,621,086	526,888
Interest on Long-term Debt.....	867,672	519,120	462,504	422,135	180,162	133,759	191,261	114,571	326,569	353,639
Total government activities expenses.....	97,134,857	88,758,557	90,142,223	93,929,055	97,060,124	100,442,604	102,565,159	108,341,142	110,016,642	117,016,929
Business-type activities:										
Sanitation.....	647,494	614,092	608,863	550,847	596,104	593,053	564,510	657,420	601,811	609,588
Sewer.....	2,255,755	2,315,422	2,281,636	2,174,449	2,111,346	2,178,772	2,543,092	2,148,098	1,807,049	1,908,602
Nursing.....	519,188	514,637	-	-	-	-	-	-	-	-
Total business-type activities expenses.....	3,422,437	3,444,151	2,890,499	2,725,296	2,707,450	2,771,825	3,107,602	2,805,518	2,408,860	2,518,190
Total primary government expenses.....	\$ 100,557,294	\$ 92,202,708	\$ 93,032,722	\$ 96,654,351	\$ 99,767,574	\$ 103,214,429	\$ 105,672,761	\$ 111,146,660	\$ 112,425,502	\$ 119,535,119
Program Revenues										
Governmental activities:										
Charges for services										
General Government.....	\$ 419,124	\$ 491,725	\$ 537,334	\$ 605,942	\$ 630,638	\$ 577,035	\$ 612,995	\$ 278,487	\$ 380,727	\$ 552,784
Public Safety.....	1,881,840	1,729,649	1,553,846	1,700,612	2,595,622	2,493,418	2,227,514	2,218,590	2,819,351	3,353,939
Education.....	1,029,595	7,491	-	200	4,560	4,850	68,668	43,960	31,898	131,927
Highways and Public Works.....	3,092	15,651	2,229	-	-	-	-	-	-	-
Health and human services.....	493,348	128,292	899,655	1,015,097	977,455	1,041,742	987,772	897,720	920,249	787,329
Culture and recreation.....	389,820	384,469	438,890	483,316	486,564	471,317	392,737	547,958	693,277	679,598
Operating grants and contributions.....	13,129,117	5,265,591	2,312,191	1,804,261	1,326,717	1,723,559	1,824,020	5,563,500	3,141,578	4,309,367
Capital grant and contributions.....	542,488	446,212	152,695	571,149	1,066,379	549,391	881,842	707,447	711,550	603,276
Total government activities program revenues.....	17,888,424	8,469,080	5,896,840	6,180,577	7,087,935	6,861,312	6,995,548	10,257,662	8,698,630	10,418,220
Business-type activities:										
Charges for services										
Sanitation.....	668,705	639,436	540,682	575,290	596,817	592,808	565,258	668,747	667,981	666,578
Sewer.....	892,959	949,261	872,133	838,244	871,044	915,228	972,754	904,297	889,400	1,039,848
Nursing.....	315,630	234,523	-	-	-	-	-	-	-	-
Operating Grants and Contributions.....	904,881	883,849	849,216	828,103	818,969	641,773	432,104	384,868	352,046	353,635
Capital Grants and Contributions.....	-	-	48,317	29,192	476,375	135,731	171,001	294,611	502,916	1,004,647
Total business-type activities program revenues.....	2,782,175	2,707,069	2,310,348	2,270,829	2,763,205	2,285,540	2,141,117	2,252,523	2,412,343	3,064,708
Total primary government program revenues.....	\$ 20,670,599	\$ 11,176,149	\$ 8,207,188	\$ 8,451,406	\$ 9,851,140	\$ 9,146,852	\$ 9,136,665	\$ 12,510,185	\$ 11,110,973	\$ 13,482,928
Net (Expense)/Revenue										
Governmental activities.....	\$ (79,246,433)	\$ (80,289,477)	\$ (84,245,383)	\$ (87,748,478)	\$ (89,972,189)	\$ (93,581,292)	\$ (95,569,611)	\$ (98,083,480)	\$ (101,318,012)	\$ (106,598,709)
Business-type activities.....	(640,262)	(737,082)	(580,151)	(454,467)	55,755	(486,285)	(966,485)	(552,995)	3,483	546,518
Total primary government net expense.....	\$ (79,886,695)	\$ (81,026,559)	\$ (84,825,534)	\$ (88,202,945)	\$ (89,916,434)	\$ (94,067,577)	\$ (96,536,096)	\$ (98,636,475)	\$ (101,314,529)	\$ (106,052,191)
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 72,139,789	\$ 74,200,007	\$ 77,208,031	\$ 80,151,640	\$ 82,677,373	\$ 85,574,352	\$ 88,599,076	\$ 95,247,412	\$ 98,201,011	\$ 102,095,792
Tax and other liens.....	-	-	-	-	-	-	56,465	130,488	52,610	1,149
Motor vehicle and other excise taxes.....	2,919,465	3,239,547	3,444,387	3,259,394	3,446,703	3,882,329	3,824,056	3,537,096	3,816,821	4,084,240
Community preservation tax.....	838,498	874,948	910,368	954,516	991,032	1,032,032	1,392,351	1,307,614	1,122,225	1,391,939
Penalties and interest on taxes.....	210,867	213,593	227,064	340,827	168,505	298,942	187,070	401,872	313,888	342,661
Payments in lieu of taxes.....	15,233	15,316	15,006	42,283	48,451	46,477	42,083	212	32,277	-
Grants and contributions not restricted to specific programs.....	1,302,863	1,356,385	1,592,198	1,784,085	1,840,417	1,577,576	1,623,565	1,574,931	1,745,377	1,801,100
Unrestricted investment income.....	87,867	104,468	74,847	70,314	131,004	304,460	311,576	666,029	233,314	812,925
Other Revenue.....	182,296	175,929	36,623	38,746	48,843	97,476	52,596	248,566	583,581	175,390
Gain (loss) on sale of capital assets.....	(11,500)	-	-	-	-	-	-	-	-	-
Reassignment of Assets.....	-	169,113	-	-	-	-	-	-	-	-
(Reassignment) Assumption of Other Postemployment Benefits (asset) obligation.....	-	-	-	(61,718)	-	-	-	-	-	-
Assumption of long-term liabilities.....	-	(199,927)	-	-	-	-	-	-	-	-
Special Item - loss on disposal of school operations.....	-	(22,473,561)	-	-	-	-	-	-	-	-
Transfers.....	(135,000)	1,243,489	1,000,000	-	-	-	(44,553)	(44,553)	175,704	(344,553)
Total governmental activities.....	77,550,178	58,919,307	84,508,524	86,580,087	89,352,328	92,813,644	96,044,285	103,069,667	106,276,808	110,360,643
Business-type activities:										
Reassignment of Assets.....	-	(169,113)	-	-	-	-	-	-	-	-
(Reassignment) Assumption of Other Postemployment Benefits (asset) obligation.....	-	-	-	61,718	-	-	-	-	-	-
Assumption of long-term liabilities.....	-	199,927	-	-	-	-	-	-	-	-
Investment income.....	-	-	-	-	-	106,673	92,565	37,457	22,411	117,303
Transfers.....	135,000	(1,243,489)	(1,000,000)	-	-	-	44,553	44,553	(175,704)	344,553
Total business-type activities.....	135,000	(1,212,675)	(1,000,000)	61,718	-	106,673	137,118	82,010	(153,293)	461,856
Total primary government.....	\$ 77,685,178	\$ 57,706,632	\$ 83,508,524	\$ 86,641,805	\$ 89,352,328	\$ 92,920,317	\$ 96,181,403	\$ 103,151,677	\$ 106,123,515	\$ 110,822,499
Changes in Net Position										
Governmental activities.....	\$ (1,696,255)	\$ (21,370,170)	\$ 263,141	\$ (1,168,391)	\$ (619,861)	\$ (767,648)	\$ 474,674	\$ 4,986,187	\$ 4,958,796	\$ 3,761,934
Business-type activities.....	(505,262)	(1,949,757)	(1,580,151)	(392,749)	55,755	(379,612)	(829,367)	(470,985)	(149,810)	1,008,374
Total primary government.....	\$ (2,201,517)	\$ (23,319,927)	\$ (1,317,010)	\$ (1,561,140)	\$ (564,106)	\$ (1,147,260)	\$ (354,693)	\$ 4,515,202	\$ 4,808,986	\$ 4,770,308

Data Source: Audited Financial Statements

Notes:

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

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

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

Fund Balances, Governmental Funds

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Committed.....	\$ 2,009,485	\$ 1,750,765	\$ 1,495,255	\$ 2,445,811	\$ 2,307,386	\$ 1,848,218	\$ 1,958,118	\$ 1,827,706	\$ 421,835	\$ 521,691
Assigned.....	1,596,387	2,807,648	3,783,178	3,450,109	3,137,132	2,272,539	2,432,444	1,765,882	2,378,915	2,148,725
Unassigned.....	12,103,520	12,292,571	10,148,999	7,512,855	6,667,927	7,527,200	6,932,724	8,511,739	9,595,498	10,336,962
Total general fund.....	\$ 15,709,392	\$ 16,850,984	\$ 15,427,432	\$ 13,408,775	\$ 12,112,445	\$ 11,647,957	\$ 11,323,286	\$ 12,105,327	\$ 12,396,248	\$ 13,007,378
All Other Governmental Funds										
Nonspendable.....	\$ 1,990,737	\$ 2,054,407	\$ 2,104,167	\$ 2,181,647	\$ 2,236,217	\$ 2,289,867	\$ 2,345,657	\$ 2,345,657	\$ 2,433,544	\$ 2,549,604
Restricted.....	13,104,552	11,081,010	10,962,758	11,516,332	11,767,413	12,809,026	14,637,497	23,694,658	17,477,435	17,869,880
Unassigned.....	-	(1,032,124)	(1,049,976)	(529,710)	(417,725)	(3,036,302)	(3,725,747)	-	-	(131,252)
Total all other governmental funds.....	\$ 15,095,289	\$ 12,103,293	\$ 12,016,949	\$ 13,168,269	\$ 13,585,905	\$ 12,062,591	\$ 13,257,407	\$ 26,040,315	\$ 19,910,979	\$ 20,288,232

Data Source: Audited Financial Statements

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

Changes in Fund Balances, Governmental Funds

	Last Ten Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Real estate and personal property taxes,										
net of tax refunds.....	\$ 71,851,785	\$ 73,773,353	\$ 76,982,722	\$ 79,845,950	\$ 82,600,622	\$ 85,429,891	\$ 88,267,197	\$ 95,625,282	\$ 97,841,783	\$ 102,060,554
Tax liens.....	203,679	208,954	414,436	281,044	168,307	183,120	101,220	81,846	147,888	116,492
Motor vehicle and other excise taxes.....	2,918,815	3,253,222	3,319,183	3,366,434	3,419,007	3,832,537	3,624,411	3,572,604	3,755,408	4,017,759
Charges for services.....	2,779,428	1,785,919	1,875,482	2,204,973	3,102,548	3,168,914	2,611,422	2,551,800	3,002,354	2,898,578
Penalties and interest on taxes.....	210,867	213,593	227,064	340,827	168,506	298,942	191,666	340,318	299,930	370,192
Payments in lieu of taxes.....	15,233	15,316	15,006	42,283	48,451	46,476	42,083	212	32,277	-
Licenses and permits.....	215,238	306,958	631,213	933,312	1,308,583	1,188,926	1,235,050	1,251,432	1,668,749	1,498,298
Fines and forfeitures.....	90,672	135,009	125,975	105,022	113,816	95,275	92,717	33,496	38,775	35,248
Intergovernmental - School Building Authority.....	1,009,310	922,673	922,673	922,673	922,673	922,673	922,673	922,673	922,672	922,672
Intergovernmental - Teachers Retirement.....	4,538,838	-	-	-	-	-	-	-	-	-
Intergovernmental - other.....	9,707,713	5,736,760	2,776,354	3,507,674	4,815,834	3,322,726	3,502,737	6,779,643	4,905,117	5,914,771
Departmental and other.....	1,042,001	764,232	770,465	545,752	145,430	171,527	253,904	85,422	122,404	1,104,153
Community preservation taxes.....	838,496	874,948	190,368	954,516	991,032	1,032,032	1,081,402	1,162,118	1,207,342	1,293,513
Community preservation state match.....	424,035	263,941	259,489	187,873	164,531	188,586	247,192	309,966	508,998	467,277
Special assessments.....	-	-	-	-	-	-	-	-	-	15,864
Contributions and donations.....	975,828	244,925	210,475	151,216	409,270	295,223	427,846	921,235	333,714	438,488
Investment income.....	376,760	210,015	245,075	254,153	113,819	728,704	311,576	666,029	233,314	812,925
Miscellaneous.....	50,000	186,717	30,623	36,446	44,943	103,961	52,596	248,566	581,481	175,390
Total revenues.....	97,248,698	88,896,535	89,716,603	93,680,148	98,537,372	101,009,513	102,965,692	114,552,642	115,602,206	122,142,174
Expenditures:										
General government.....	6,034,539	7,588,859	6,859,522	7,259,545	7,443,361	7,975,247	8,169,901	9,686,965	8,437,903	9,284,869
Public safety.....	7,720,958	8,289,794	8,951,572	9,230,425	9,070,985	10,412,817	9,847,521	10,780,691	10,897,893	12,592,279
Education.....	61,865,952	53,013,169	54,096,552	56,544,752	58,820,900	61,285,774	62,872,713	67,317,032	69,733,801	72,530,578
Highway and Public works.....	3,095,661	3,564,970	2,890,774	3,876,016	2,947,695	2,794,556	1,824,667	2,860,245	3,758,189	5,493,033
Health and human services.....	2,541,094	2,603,085	3,270,359	3,366,914	3,048,012	3,222,100	3,195,197	3,055,111	2,533,285	2,409,077
Culture and recreation.....	1,860,384	1,732,385	1,772,951	1,812,712	2,028,265	1,046,376	1,756,864	552,056	1,003,144	948,386
Community preservation.....	2,754,102	846,522	1,055,936	443,658	1,174,456	725,398	456,744	1,750,301	2,621,084	526,888
Pension benefits.....	2,787,273	2,512,579	3,243,883	3,462,510	3,454,129	3,690,854	4,236,342	4,615,717	4,821,666	5,137,366
Employee benefits.....	3,098,285	4,790,195	4,137,523	4,217,830	4,431,608	4,131,762	3,760,093	3,962,542	4,299,536	4,493,367
State and county charges.....	336,501	239,728	238,057	249,699	274,919	312,130	322,515	330,123	337,883	336,421
Capital outlay.....	2,827,531	3,393,824	3,403,003	3,551,077	4,400,206	5,123,873	3,081,012	9,611,138	12,048,882	3,596,949
Debt service:										
Principal payments on right to use leases.....	-	-	-	-	-	-	-	-	233,457	100,245
Interest payments on right to use leases.....	-	-	-	-	-	-	-	-	1,912	95,576
Principal.....	2,129,617	2,104,038	2,065,990	2,059,771	2,080,030	1,903,464	2,103,844	2,138,844	2,833,845	2,758,844
Interest.....	702,826	604,430	553,739	491,006	426,761	372,964	423,582	285,129	595,571	505,360
Total expenditures.....	97,754,723	91,283,578	92,539,861	96,565,915	99,601,327	102,997,315	102,050,995	116,945,894	124,158,051	120,809,238
Excess (deficiency) of revenues										
over (under) expenditures.....	(506,025)	(2,387,043)	(2,823,258)	(2,885,767)	(1,063,955)	(1,987,802)	914,697	(2,393,252)	(8,555,845)	1,332,936
Other Financing Sources (Uses):										
Issuance of bonds.....	-	-	-	1,854,040	-	-	-	14,085,000	-	-
Issuance of refunding bonds.....	12,220,000	-	-	-	-	-	-	-	-	-
Premium from issuance of bonds and notes.....	-	-	-	164,390	-	-	-	866,004	-	-
Premium from issuance of refunding bonds.....	768,190	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent.....	(12,860,669)	-	-	-	-	-	-	-	-	-
Capital lease financing.....	-	-	313,362	-	185,261	-	-	-	2,541,726	-
Loss on Disposal of School Operations.....	-	(706,850)	-	-	-	-	-	-	-	-
Transfers in.....	1,127,738	2,226,401	1,591,916	505,549	511,671	680,841	864,729	1,440,028	1,990,154	864,953
Transfers out.....	(1,751,398)	(982,912)	(591,916)	(505,549)	(511,671)	(680,841)	(909,282)	(1,484,581)	(1,814,450)	(1,209,506)
Total other financing sources (uses).....	(496,139)	536,639	1,313,362	2,018,430	185,261	-	(44,553)	14,906,451	2,717,430	(344,553)
Net change in fund balance.....	\$ (1,002,164)	\$ (1,850,404)	\$ (1,509,896)	\$ (867,337)	\$ (878,694)	\$ (1,987,802)	\$ 870,144	\$ 12,513,199	\$ (5,838,415)	\$ 988,383
Debt service as a percentage of noncapital expenditures.....	2.98%	3.08%	2.94%	2.74%	2.63%	2.33%	2.55%	2.26%	3.06%	2.95%

Notes:

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

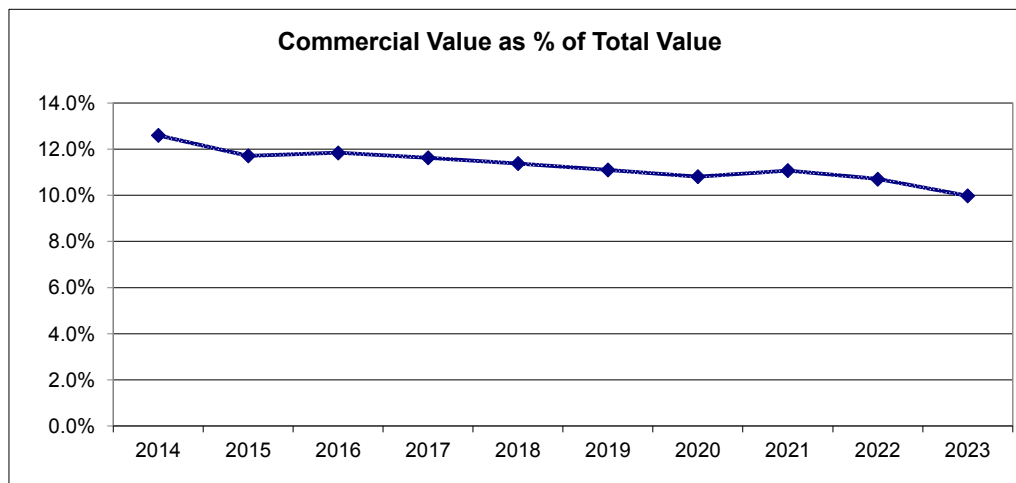
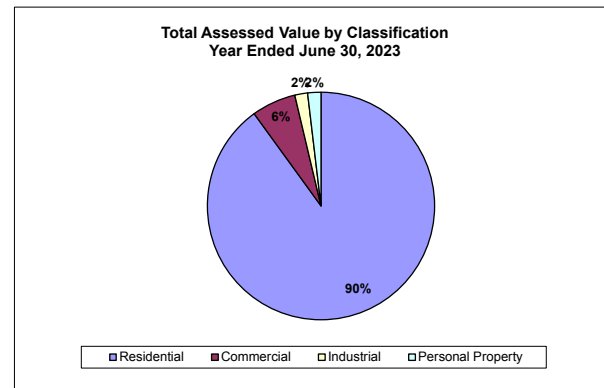
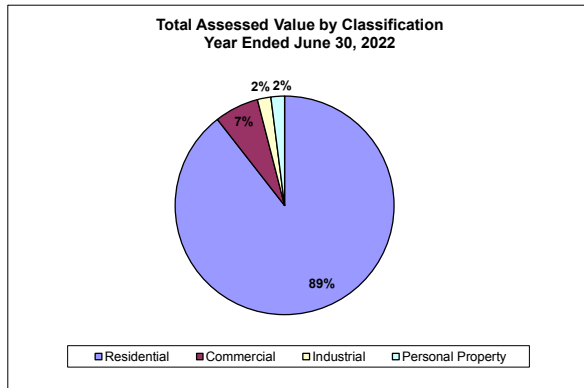
Beginning in fiscal year 2016, the Town was no longer in a special funding situation with the Massachusetts Teachers' Retirement System (MTRS). The special funding situation from fiscal year 2016 forward is between the MTRS and the Acton-Boxborough Regional School District. Therefore, the Town did not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

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

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

Last Ten Years

Year	Assessed and Actual Values and Tax Rates								
	Residential/ Open Space Value	Residential/ Open Space Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	Total Town Value
2014	\$ 3,247,953,628	\$ 19.45	\$ 305,863,245	\$ 92,840,385	\$ 69,608,967	\$ 468,312,597	\$ 19.45	\$ 19.45	\$ 3,716,266,225
2015	\$ 3,448,511,074	\$ 19.05	\$ 303,720,173	\$ 91,365,090	\$ 62,157,821	\$ 457,243,084	\$ 19.05	\$ 19.05	\$ 3,905,754,158
2016	\$ 3,556,433,998	\$ 19.23	\$ 316,225,705	\$ 91,392,100	\$ 70,131,545	\$ 477,749,350	\$ 19.23	\$ 19.23	\$ 4,034,183,348
2017	\$ 3,738,480,702	\$ 19.06	\$ 321,116,548	\$ 91,159,455	\$ 79,697,808	\$ 491,973,811	\$ 19.06	\$ 19.06	\$ 4,230,454,513
2018	\$ 3,817,851,405	\$ 19.38	\$ 315,596,342	\$ 90,811,000	\$ 83,929,260	\$ 490,336,602	\$ 19.38	\$ 19.38	\$ 4,308,188,007
2019	\$ 3,957,544,127	\$ 19.37	\$ 325,522,106	\$ 91,685,100	\$ 76,750,242	\$ 493,957,448	\$ 19.37	\$ 19.37	\$ 4,451,501,575
2020	\$ 4,152,078,981	\$ 19.24	\$ 331,517,374	\$ 92,761,200	\$ 78,744,248	\$ 503,022,822	\$ 19.24	\$ 19.24	\$ 4,655,101,803
2021	\$ 4,218,224,783	\$ 20.23	\$ 333,413,657	\$ 95,025,300	\$ 96,920,232	\$ 525,359,189	\$ 20.23	\$ 20.23	\$ 4,743,583,972
2022	\$ 4,556,815,241	\$ 19.45	\$ 342,153,211	\$ 102,130,400	\$ 102,043,425	\$ 546,327,036	\$ 19.45	\$ 19.45	\$ 5,103,142,277
2023	\$ 5,278,116,616	\$ 17.56	\$ 367,887,292	\$ 107,279,600	\$ 110,059,954	\$ 585,226,846	\$ 17.56	\$ 17.56	\$ 5,863,343,462



Source: Assessor's Department, Town of Acton

All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

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

Principal Taxpayers
Current Year and Nine Years Ago

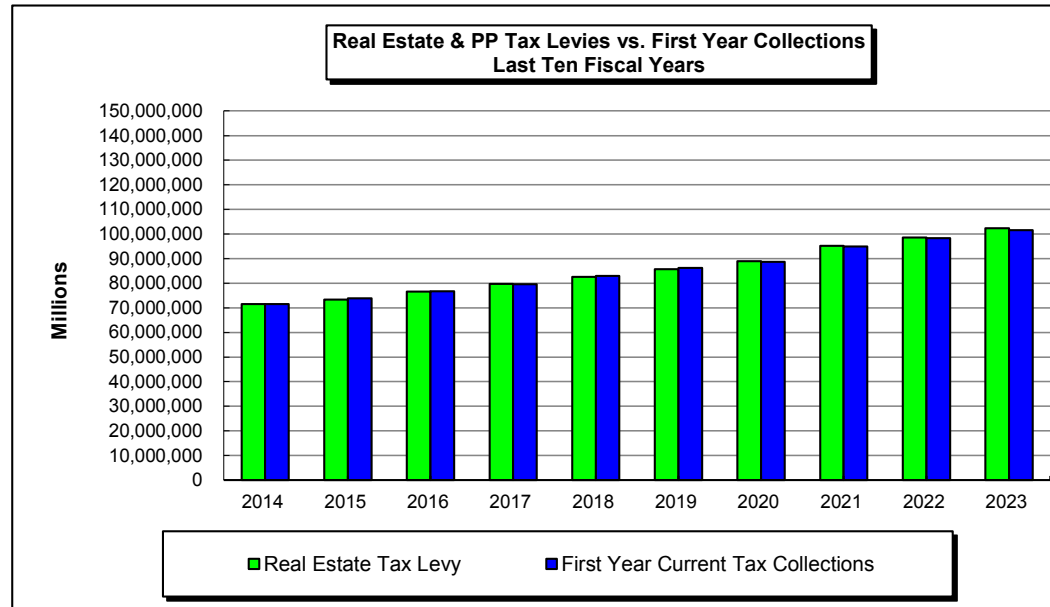
Name	Property Type	2023			2014		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Avalon Acton Inc	Rental Housing	\$ 51,058,900	1	0.87%	\$ 36,300,600	1	0.98%
NSTAR Electric Company	Utility	\$ 38,795,188	2	0.66%	\$ 21,130,241	2	0.57%
Aria at Laurel Hill LLC	Rental Housing	\$ 21,621,800	3	0.37%	\$ -	N/A	-
National Grid	Utility	\$ 21,532,564	4	0.37%	\$ 8,404,166	8	0.23%
Haartz Auto Fabric	Manufacturer	\$ 18,172,200	5	0.31%	\$ 16,481,800	4	0.44%
E&A Northeast Ltd. Prtn.	Retail	\$ 15,212,300	6	0.26%	\$ 8,961,900	7	0.24%
Powder Mill LLC	Retail	\$ 14,529,700	7	0.25%	\$ -	N/A	-
Insulet Realty Holdings LLC	Manufacturer	\$ 12,784,400	8	0.22%	\$ -	N/A	-
Acton Ground LLC	Retail	\$ 13,017,800	9	0.22%	\$ -	N/A	-
145 Great Road LLC		\$ 12,187,700	10	0.21%	\$ -	N/A	-
Verizon New England, Inc	Telecommunications	\$ -	N/A	-	\$ 17,261,500	3	0.46%
TIAA Reality Inc.	Retail	\$ -	N/A	-	\$ 12,184,800	6	0.33%
Atlantic Acton Realty Trust	Retail	\$ -	N/A	-	\$ 10,373,500	5	0.28%
A-B Properties LLC	Real Estate	\$ -	N/A	-	\$ 7,311,000	9	0.20%
AEW/SHI ACTON LLC		\$ -	N/A	-	\$ 7,206,600	10	0.19%
Totals		\$218,912,552		3.73%	\$145,616,107		3.92%

Source: Official Statement for Sale of Bonds

Property Tax Levies and Collections

Last Ten Years

Year	(2) Total Tax Levy	Less Abatements & Exemptions	(2) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	(3) Percent of Total Tax Collections to Net Tax Levy
2014	\$ 72,281,378	\$ (745,041)	\$ 71,536,337	\$ 71,589,738	100.07%	\$ 342,926	\$ 73,996,938	100.55%
2015	\$ 74,404,617	\$ (1,084,723)	\$ 73,319,894	\$ 73,813,295	100.67%	\$ 183,643	\$ 77,021,436	100.92%
2016	\$ 77,577,346	\$ (942,864)	\$ 76,634,482	\$ 76,771,612	100.18%	\$ 249,824	\$ 77,021,436	100.50%
2017	\$ 80,632,463	\$ (865,816)	\$ 79,766,647	\$ 79,598,879	99.79%	\$ 242,038	\$ 79,840,917	100.09%
2018	\$ 83,492,684	\$ (879,708)	\$ 82,612,976	\$ 82,984,950	100.45%	\$ 52,724	\$ 82,984,950	100.45%
2019	\$ 86,225,586	\$ (500,673)	\$ 85,724,913	\$ 85,724,913	99.22%	\$ 492,844	\$ 86,217,757	99.22%
2020	\$ 89,564,159	\$ (557,945)	\$ 89,006,214	\$ 88,283,998	99.19%	\$ 436,089	\$ 88,720,087	99.68%
2021 (1)	\$ 95,962,704	\$ (698,011)	\$ 95,264,693	\$ 94,845,561	99.56%	\$ 50,783	\$ 94,896,344	99.61%
2022	\$ 99,256,117	\$ (658,105)	\$ 98,598,012	\$ 97,982,048	99.38%	\$ 319,443	\$ 98,301,491	99.70%
2023	\$ 102,960,311	\$ (629,250)	\$ 102,331,061	\$ 101,607,096	99.29%	\$ -	\$ 101,607,096	99.29%



(1) Revaluation year.

(2) Includes tax liens.

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

Source: Assessor's Department, Town of Acton

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	U. S. Census Population	Personal Income	Assessed Value	Governmental Activities				
				General Obligation Bonds	Capital Leases	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2014	21,256	\$ 1,301,969,962	\$ 3,716,266,225	\$ 19,471,474	\$ -	\$ 916	1.50%	0.52%
2015	21,366	\$ 1,182,757,662	\$ 3,905,754,158	\$ 17,249,750	\$ 87,685	\$ 811	1.47%	0.44%
2016	22,031	\$ 1,219,570,067	\$ 4,034,183,348	\$ 15,063,024	\$ 263,706	\$ 696	1.26%	0.38%
2017	21,445	\$ 1,326,351,805	\$ 4,230,454,513	\$ 14,898,290	\$ 166,974	\$ 703	1.14%	0.36%
2018	21,581	\$ 1,286,529,734	\$ 4,308,188,007	\$ 12,551,086	\$ 212,962	\$ 592	0.99%	0.30%
2019	21,463	\$ 1,266,574,556	\$ 4,451,501,575	\$ 10,380,450	\$ 145,204	\$ 490	0.83%	0.24%
2020	22,162	\$ 1,377,366,562	\$ 4,655,101,803	\$ 8,106,452	\$ 75,271	\$ 369	0.59%	0.18%
2021	23,738	\$ 1,569,766,000	\$ 4,743,583,972	\$ 20,648,120	\$ 37,636	\$ 871	1.32%	0.44%
2022	21,108	\$ 1,320,474,264	\$ 5,103,142,277	\$ 17,667,964	\$ 2,345,905	\$ 948	1.52%	0.39%
2023	23,829	\$ 1,366,393,536	\$ 5,863,343,462	\$ 14,803,194	\$ 2,245,660	\$ 715	1.25%	0.29%

Year	Business-type Activities Debt		Total Primary Government				
	Sanitation Fund	Sewer Fund	Sewer Fund Leases	Total Debt Outstanding	Per Capita	Percentage of Personal Income	Percentage of Assessed Value
2014	\$ -	\$ 16,804,000	\$ -	\$ 36,275,474	\$ 1,707	2.79%	0.98%
2015	\$ -	\$ 16,000,200	\$ 72,141	\$ 33,409,776	\$ 1,564	2.82%	0.86%
2016	\$ -	\$ 15,164,400	\$ 48,738	\$ 30,539,868	\$ 1,386	2.50%	0.76%
2017	\$ -	\$ 14,301,600	\$ 24,586	\$ 29,391,450	\$ 1,371	2.22%	0.69%
2018	\$ -	\$ 13,411,800	\$ -	\$ 26,175,848	\$ 1,213	2.03%	0.61%
2019	\$ -	\$ 12,490,000	\$ -	\$ 23,016,654	\$ 1,072	1.82%	0.52%
2020	\$ -	\$ 11,615,000	\$ -	\$ 19,796,723	\$ 893	0.43%	0.43%
2021	\$ -	\$ 10,710,000	\$ -	\$ 31,395,756	\$ 1,323	0.66%	0.66%
2022	\$ -	\$ 9,770,000	\$ -	\$ 29,783,869	\$ 1,411	0.58%	0.58%
2023	\$ 130,172	\$ 8,800,000	\$ -	\$ 25,979,026	\$ 1,090	0.44%	0.44%

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

Direct and Overlapping Governmental Activities Debt

As of June 30, 2023

<u>Town of Acton, Massachusetts</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping Debt:			
Acton Boxborough Regional School District.....	\$ 74,005,000	83.7%	\$ 61,949,586
Minuteman Regional Vocational Technical High School.....	98,476,732	10.5%	<u>10,320,362</u>
Subtotal, overlapping debt.....			<u>72,269,947</u>
Town direct debt.....			<u>17,048,854</u>
Total direct and overlapping debt.....			<u>\$ 89,318,801</u>

Source: Official Statement for Sale of Bonds

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

Computation of Legal Debt Margin

Last Ten Years
(Amounts in Thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Equalized Valuation.....	<u>\$ 3,865,006</u>	<u>\$ 3,865,006</u>	<u>\$ 4,306,413</u>	<u>\$ 4,306,413</u>	<u>\$ 4,597,929</u>	<u>\$ 4,597,929</u>	<u>\$ 4,597,929</u>	<u>\$ 4,940,912</u>	<u>\$ 4,940,912</u>	<u>\$ 5,255,138</u>
Debt Limit - 5% of Equalized Valuation..	\$ 193,250	\$ 193,250	\$ 215,321	\$ 215,321	\$ 229,896	\$ 229,896	\$ 229,896	\$ 247,046	\$ 247,046	\$ 262,757
Less:										
Outstanding debt applicable to limit....	(24,152)	(22,382)	(20,615)	(20,700)	(18,800)	(17,049)	(15,370)	(18,181)	(19,435)	\$ (22,855)
Authorized and unissued debt.....	<u>(1,345)</u>	<u>(1,345)</u>	<u>(1,345)</u>	<u>(1,547)</u>	<u>(3,499)</u>	<u>(4,930)</u>	<u>(212)</u>	<u>(212)</u>	<u>(212)</u>	<u>(1,506)</u>
Legal debt margin.....	<u>\$ 167,753</u>	<u>\$ 169,523</u>	<u>\$ 193,361</u>	<u>\$ 193,074</u>	<u>\$ 207,597</u>	<u>\$ 207,917</u>	<u>\$ 214,314</u>	<u>\$ 228,653</u>	<u>\$ 227,399</u>	<u>\$ 238,396</u>
Total debt applicable to the limit as a percentage of debt limit.....	13.19%	12.28%	10.20%	10.33%	9.70%	9.56%	6.78%	7.45%	7.95%	9.27%

Source: Official Statement for Sale of Bonds

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2014	21,256	\$ 1,301,969,962	\$ 61,252	40.8	3.9%
2015	21,366	\$ 1,182,757,662	\$ 55,357	40.8	3.2%
2016	22,031	\$ 1,219,570,067	\$ 55,357	41.9	2.8%
2017	21,445	\$ 1,326,351,805	\$ 61,849	43.1	2.9%
2018	21,581	\$ 1,286,529,734	\$ 59,614	43.4	3.0%
2019	21,463	\$ 1,266,574,556	\$ 59,012	43.6	2.4%
2020	22,162	\$ 1,377,366,562	\$ 62,150	43.6	5.0%
2021	23,738	\$ 1,569,766,000	\$ 66,129	43.6	5.0%
2022	21,108	\$ 1,320,474,264	\$ 62,558	43.7	2.3%
2023	23,829	\$ 1,366,393,536	\$ 65,952	43.0	2.5%

Source: U. S. Census, Division of Local Services, Executive Office of Labor and Workforce Development Median age is based on most recent census data.

Principal Employers
Current Year and Nine Years Ago

Employer	Nature of Business	2023			2014		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Acton Boxborough Regional School District	Municipal School District	940	1	8.0%	604	1	6.5%
Insulet Corporation	Manufacturing (Medical)	835	2	7.1%	-	-	0.0%
Haartz Inc	Manufacturing	390	3	3.3%	282	2	3.0%
Town of Acton	Municipality	220	4	1.9%	196	4	2.1%
Acton Medical	Health Care Services	215	5	1.8%	190	5	2.0%
Lifecare Center of Acton	Nursing and Rehabilitation Services	176	6	1.5%	160	6	1.7%
Roche Bros Inc	Retail Trade	158	7	1.3%	260	3	2.8%
Idylwilde Farm	Agriculture/Retail	155	8	1.3%	110	7	1.2%
Stop & Shop	Grocery	81	9	0.7%	81	8	0.9%
Donelan's Market	Grocery	80	10	0.7%	109	9	1.2%
Honeywell/Data Instruments	Manufacturing	-	-	0.0%	67	10	0.7%

Source: Massachusetts Department of Workforce Development

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

Full-Time Equivalent Town Employees

Last Ten Years

	2014	(1) 2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>Full-Time Equivalents</u>										
Town.....	40	28	28	43	48	49	50	44	43	48
Public Safety.....	97	97	97	101	101	101	101	102	102	101
School.....	333	-	-	-	-	-	-	-	-	-
Public works.....	21	32	33	23	22	21	21	27	24	26
Human Services.....	24	17	17	21	21	21	21	21	22	21
Culture and Recreation.....	19	30	30	19	19	19	19	19	19	19
Nursing.....	6	6	6	6	6	6	6	6	6	6
Sewer.....	1	1	1	1	1	1	1	2	2	1
Total	<u>542</u>	<u>211</u>	<u>212</u>	<u>215</u>	<u>217</u>	<u>219</u>	<u>220</u>	<u>221</u>	<u>218</u>	<u>222</u>

Source: Finance Committee Report

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

Operating Indicators by Function/Program

Last Ten Calendar Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Finance										
Registered Voters	13,926	13,297	15,490	14,984	15,387	15,577	15,955	15,965	15,929	15,618
Taxable Property Parcels Assessed.....	8,834	9,067	9,136	9,131	9,174	9,257	9,270	9,286	9,271	9,266
Public Safety										
Police										
Arrests.....	160	162	186	173	157	104	111	100	41	84
Traffic Violations.....	1,466	2,294	2,290	2,495	5,791	5,191	3,545	2,467	1,384	1,950
Fire										
Emergency Responses.....	4,068	4,564	4,948	4,818	3,062	3,156	3,063	3,266	4,055	3,350
Fires Extinguished.....	35	39	51	38	26	49	49	62	36	58
Number of Inspections Conducted.....	772	755	960	826	940	901	690	754	850	555
Emergency Medical Responses.....	1,279	1,402	1,552	1,560	1,904	1,819	1,906	1,746	1,711	2,112
Building Inspection										
Building Permits.....	1,194	1,447	1,368	1,155	1,200	1,357	1,329	1,474	1,489	1,561
Estimated Construction Value.....	51,262	36,730	35,706	34,003	92,051	62,652	33,164	139,475	75,584	64,920
(in Thousands)										
Highway and Public Works										
Public Works										
Street Resurfacing (miles).....	3	7	5	6	4	9	4	3	3	3
Salt Used (tons).....	4,724	3,441	2,609	3,640	4,600	3,612	2,441	3,946	4,449	4,750
Sanitation										
Refuse Collected (tons).....	3,535	3,408	2,411	2,163	2,232	2,236	2,107	2,246	1,992	1,821
Recycling (tons).....	3,267	1,562	2,390	3,101	3,881	3,740	5,407	8,258	13,043	8,782
Sewage System										
Average Daily Sewage Treatment.....	145,208	132,060	125,115	132,775	137,287	140,610	133,631	130,889	144,293	150,502
(Thousands of Gallons)										
Human Services										
Senior Center										
Number of 60+ Residents										
per Town Census.....	4,344	4,489	4,815	4,870	5,046	5,150	5,338	5,304	5,570	5,640
Numbers of Elders Served.....	1,175	1,191	1,237	1,262	1,377	1,520	2,000	1,635	1,576	2,165
Number of Non-Seniors Served.....	21	29	49	51	46	52	210	44	51	107
Nursing Services										
Home Visits:										
Registered Nurse.....	1,207	1,258	1,887	1,582	1,012	1,031	870	724	584	366
Home Health Aide.....	1,586	1,547	1,621	806	1,306	1,215	1,011	762	659	636
Physical Therapy.....	534	481	581	537	497	755	783	872	845	756
Occupational Therapy.....	28	131	207	134	51	70	42	80	69	158
Speech Therapy.....	N/A	N/A	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical Social Work.....	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Home Visits.....	3,355	3,417	4,301	3,059	2,866	3,071	2,706	2,668	2,157	1,916
Health Promotion Activities:										
TB Testing.....	N/A	15	8	8	15	10	9	10	8	9
Blood Pressure Checks.....	798	718	355	781	404	620	271	56	208	408
Podiatry Clinic.....	289	182	180	188	216	325	183	235	252	286
Influenza Vaccinations.....	1,006	618	1,200	1,405	956	1,099	1,073	326	355	317
Other Vaccinations.....	17	24	35	66	10	52	33	797	2,274	-
Culture and Recreation										
Public Library										
Volumes in Collections.....	191,500	200,573	244,952	263,927	280,170	243,200	248,220	274,163	279,987	295,453
Total Volumes Borrowed.....	580,323	562,385	559,544	539,528	497,760	535,186	368,661	258,398	500,940	533,472

Source: Various Town Departments

Capital Asset Statistics by Function/Program

Last Ten Years

<u>Function/Program</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Government										
Number of Buildings.....	15	15	17	17	17	17	21	23	28	28
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Patrol Units.....	5	5	5	6	6	13	13	13	13	13
Animal Control Facilities.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	3	3	3	3	3	3	3	3	4	4
Number of Fire Trucks.....	12	12	12	12	12	7	7	7	7	7
Number of Ambulances.....	2	2	2	2	2	2	2	2	3	3
Education										
Number of elementary schools.....	4	-	-	-	-	-	-	-	-	-
Highway and Public Works										
Miles of Streets.....	108	108	108	108	108	115	115	115	115	116
Miles of Highways.....	10	10	10	10	10	11	11	11	11	11
Number of Cemeteries.....	2	2	2	2	2	3	3	3	3	3
Number of Snow Plows.....	13	13	13	13	13	39	39	34	34	34
Human Services										
Council of Aging- Senior Center.....	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Recreation Land (Acreage).....	32	32	32	32	32	32	32	32	32	32
Number of Playgrounds.....	6	6	6	7	7	7	7	7	7	7
Number of Ball Fields.....	12	12	12	12	12	11	11	11	11	11
Number of Tennis Courts.....	2	2	2	2	2	2	2	2	2	2
Number of Public Beahes/Pools.....	1	1	1	1	1	1	1	1	1	1
Number of Libraries.....	2	2	2	2	2	2	2	2	2	2
Sanitation										
Landfill (Acreage).....	18	18	18	18	18	18	18	18	18	18
Sewer										
Miles of Sanitary Sewers.....	10	10	10	10	10	10	10	10	10	10
Number of Treatment Plants.....	1	1	1	1	1	1	1	1	1	1

Source: Various Town Departments

Computation of Levy Capacity and Unused Levy Capacity

Last Ten Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Levy Limit.....	\$ 69,827,344	\$ 72,521,489	\$ 75,741,772	\$ 78,807,775	\$ 81,664,435	\$ 84,340,154	\$ 87,238,384	\$ 90,212,126	\$ 93,507,823	\$ 96,888,443
Previous Levy.....	67,239,740	69,827,344	72,521,489	75,741,772	78,807,775	81,664,435	84,340,654	87,238,384	90,212,126	93,507,823
Legal Increase.....	1,680,994	1,745,684	1,813,037	1,893,544	1,970,194	2,041,611	2,108,504	2,180,960	2,255,303	2,337,696
New Growth.....	906,610	948,461	1,407,246	1,172,459	866,466	654,608	789,726	792,783	1,040,394	1,042,924
Debt Exclusion.....	<u>2,895,443</u>	<u>2,868,196</u>	<u>2,834,766</u>	<u>2,814,641</u>	<u>2,760,078</u>	<u>2,521,702</u>	<u>2,506,230</u>	<u>5,792,504</u>	<u>6,177,941</u>	<u>6,208,205</u>
Maximum Taxing Capacity...	<u>\$ 72,722,787</u>	<u>\$ 75,389,685</u>	<u>\$ 78,576,538</u>	<u>\$ 81,622,416</u>	<u>\$ 84,404,513</u>	<u>\$ 86,882,356</u>	<u>\$ 89,745,114</u>	<u>\$ 96,004,631</u>	<u>\$ 99,685,764</u>	<u>\$ 103,096,648</u>
Actual Levy.....	\$ 72,281,378	\$ 74,404,617	\$ 77,577,346	\$ 80,632,463	\$ 83,492,684	\$ 86,225,586	\$ 89,564,159	\$ 95,962,704	\$ 99,256,117	\$ 102,960,311.00
Unused Levy Capacity.....	441,409	985,068	999,192	989,953	911,829	656,770	180,955	41,927	429,647	136,337

Source: Assessor's Department, Town of Acton