

TOWN OF CONCORD, MASSACHUSETTS

Comprehensive Annual Financial Report



For the Year Ended June 30, 2020

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Comprehensive Annual Financial Report

**For the Year Ended
June 30, 2020**



**Prepared by:
The Concord Finance Department**

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INTRODUCTORY SECTION

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TOWN OF CONCORD
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Stephen Crane, Town Manager

January 27, 2021

To the Honorable Select Board and Citizens of the Town of Concord, Massachusetts:

I am pleased to transmit to you the Town of Concord's (the Town) Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2020. The report has been prepared by the Town's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in compliance with GAAP. Because the cost of internal control should not exceed anticipated 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 Melanson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2020, 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 on the Town's financial statements for the fiscal year ended June 30, 2020, and, further, that they 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.

The independent audit of the financial statements of the Town 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. These reports are available in the Town's separately issued Single Audit Report.

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

Profile of the Town

The Town, founded in 1635, is located in Middlesex County approximately 17 miles northwest of Boston. It is approximately 26 square miles in area and is bordered by the Towns of Sudbury, Lincoln, Acton, Maynard, Carlisle, and Bedford. The Town has received national and international recognition as the birthplace of the American Revolution and home of such noted authors as Louisa May Alcott, Ralph Waldo Emerson, Nathaniel Hawthorne, and Henry David Thoreau. It has been estimated that approximately one million tourists visit the Town each year.

For its residents, businesses, and visitors, the Town provides the following general governmental services: police and fire protection; water and sewer services; electricity distribution services provided through the Concord Municipal Light Plant; trash collection; public works operations; park maintenance; recreation programs that are augmented with a swim and exercise facility; senior services that are located at a senior center; and library services provided by staff at two libraries. The public school system, which includes a new regional high school and three relatively new elementary schools, has an excellent reputation. In addition, the Massachusetts Bay Transportation Authority provides passenger rail service from two Concord train stations to Boston.

Local legislative decisions are made by a Town Meeting open to all voters registered in Concord. Subject to Town Meeting decisions, and pursuant to the town charter adopted in 1956, the Town Manager is responsible for the daily operations of the Town and of the Municipal Light Plant. Executive decisions are made by the Town's five-person Select Board, whose members are elected at-large and serve for a three-year term on a staggered basis.

Property taxes are assessed by a five-person Board of Assessors whose members are appointed for staggered three-year terms by the Town Manager with approval of the Select Board.

Policies for the Concord Municipal Light Plant are established by a five-person board appointed by the Town Manager and those for the Water & Sewer Division are set by the five-person Public Works Commission also appointed by the Town Manager.

For the schools, oversight of kindergarten through eighth grade is provided by a five-person Concord Public School (CPS) Committee, whose members are elected for a staggered three-year term on an at-large basis. The high school, grades nine through twelve, is comprised of students from the Towns of Concord and Carlisle and is organized as its own regional district distinct from the Town of Concord. The Concord-Carlisle Regional School Committee includes the five CPS Committee members and two Carlisle members.

Factors Affecting Financial Condition

The Town has long recognized the importance of balanced community development. In 1928, the Town adopted one of the first zoning bylaws in the United States, which included districts for residential, business, and industrial uses (following the pattern of existing development). In 1948, the Town adopted a comprehensive planning report that stated, “the present diversified land use pattern of farming, light industry, business and residences should be preserved since it lays the basis for varied local employment and stimulates a more eventful community life than can exist in an exclusively residential suburb.”

Concord’s proximity to Boston, Hanscom Air Field, Route 128, Route 2, and Route 495, have attracted companies to locate in the Town. The West Concord industrial areas, which have provided start-up space for many small businesses in the past, are the focus of redevelopment, renovation, and restoration. There is a diversity of services and products provided by the companies within the Town.

Nevertheless, Concord remains primarily a residential community. Property taxes account for eighty-four percent of general fund revenues and approximately ninety-two percent of these taxes are derived from residential properties. By offering attractive neighborhoods and high-quality schools in a historic town situated close to Boston, Concord is able to maintain its standing as a desirable place for individuals and families to live.

Relevant Financial Policies

Concord has traditionally taken a conservative approach to budgeting. Town expenditures are by law limited to the appropriation amount but tend to be less than budgeted. Revenues often exceed the budget amount. For local receipts, the actual amount received is generally higher than the amount projected. In addition, estimates for the additional property tax to be received from new construction are based only on known development activity for which there is high likelihood of completion in the upcoming fiscal year.

Maintaining the Town’s infrastructure and other physical assets is a priority. Concord dedicates seven to eight percent of annual general fund resources (minus the allocation for the regional school districts and excluded debt) for capital improvements. A five-year capital improvement plan schedule is carefully followed. Most capital items that are over \$100,000 are funded through the issuance of debt, and the Town has a policy to retire sixty percent of this debt within five years and ninety percent within ten years.

Fund balance as determined by the Free Cash amount certified by the State is maintained at a level of approximately 10% of the subsequent year's general fund budget, with amounts over that level commonly allocated to augment specific stabilization accounts or fund special Town Meeting warrant articles.

On March 10, 2020, Massachusetts Governor Charlie Baker declared a state of emergency to support the State's response to the coronavirus pandemic. Nevertheless, for fiscal year 2020, while General Fund revenues declined by 0.7% from the budgeted amount, General Fund expenditures were 0.9% less than that which was budgeted.

As a result of establishing these financial policies as well as following sound fiscal management, the Town has maintained a credit rating of Aaa with Moody's Investors Service since 1987. The most recent credit report was issued on May 7, 2020.

Acknowledgements

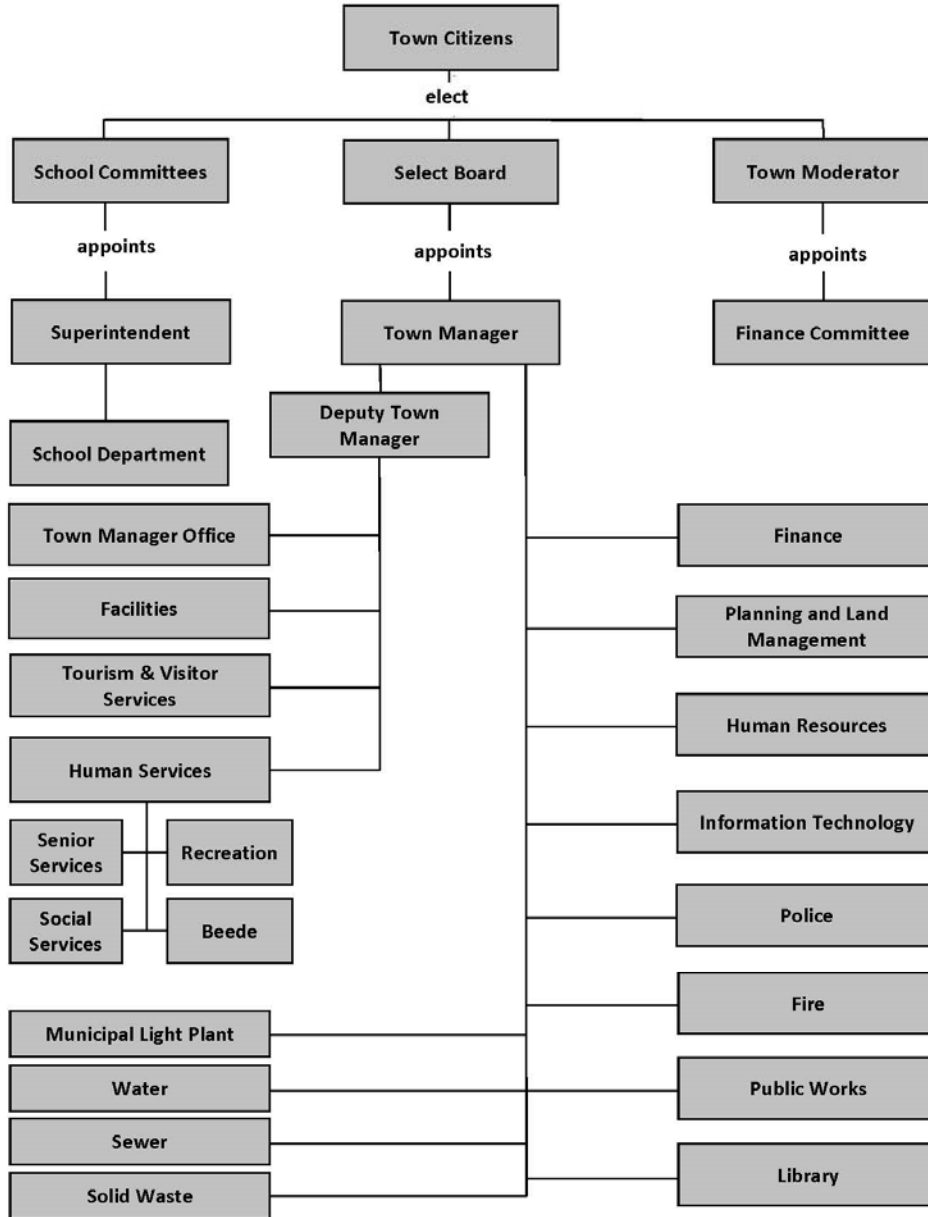
This report represents the sixth year in which the Town has compiled the necessary information for a Comprehensive Annual Financial Report. Our fiscal year 2019 Comprehensive Annual Financial Report was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is valid for a period of one year only. It is a further step that the Town is taking to make relevant and accurate financial information available to the public. For the work throughout the year and specifically for preparing the CAFR, I would like to especially thank the Town's Finance Department as well as the audit firm, Melanson, for their efforts to strive to attain the highest standards in financial and reporting practices.

Respectfully submitted,



Stephen Crane
Town Manager

Organization Chart for the Town of Concord, Massachusetts

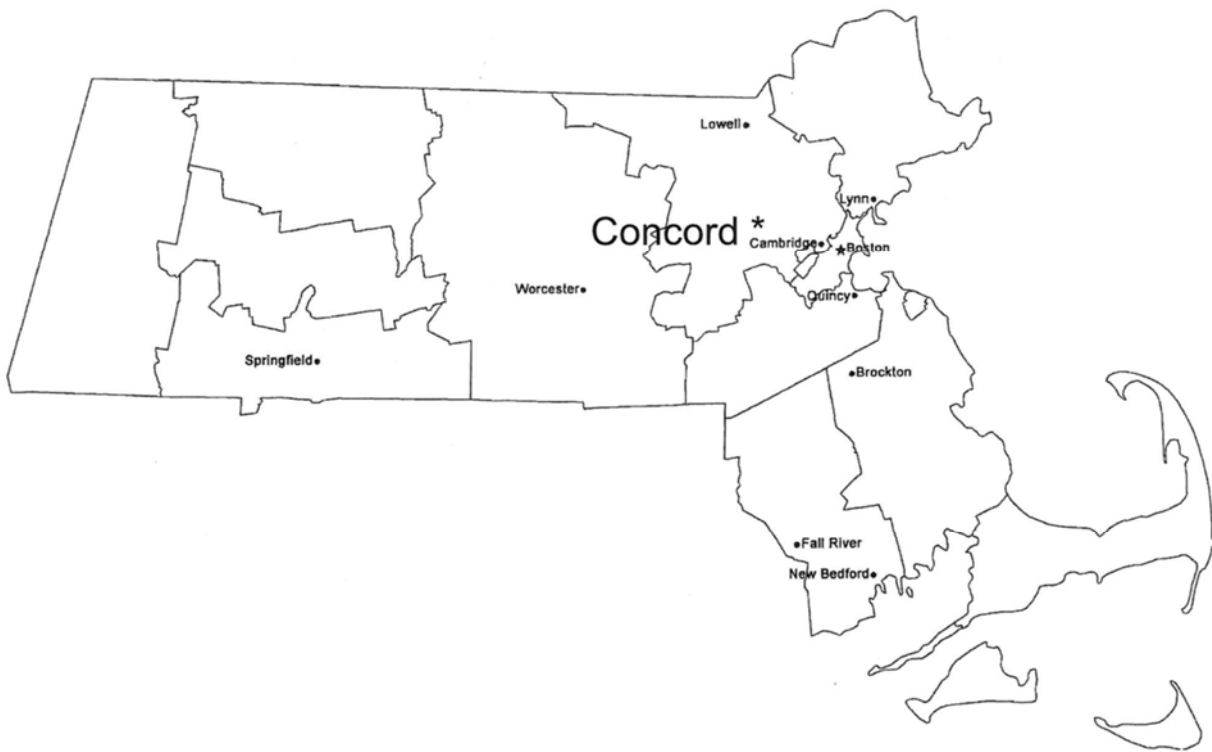


Principal Town Officials

Office	Name	Term and Manner of Selection	Term Expires
Select Board	Linda Escobedo, Chair	Elected for staggered 3- year terms	2021
	Terry Ackerman		2022
	Susan Bates		2022
	Jane Hotchkiss		2021
	Matthew Johnson		2023
Town Manager and Manager of Municipal Light Plant	Stephen Crane	Appointed by Select Board for 3-year term	2022
Clerk	Kaari Tari	Appointed annually by Town Manager with approval of Select Board	2021
Finance Director, Treasurer and Collector	Kerry Lafleur	Appointed annually by Town Manager with approval of Select Board	2021
Accountant	Mary Barrett	Appointed by Select Board	2023

Town of Concord, Massachusetts

Geographic Location





Government Finance Officers Association

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

Presented to

**Town of Concord
Massachusetts**

For its Comprehensive Annual
Financial Report

For the Fiscal Year Ended June

30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Select Board
Town of Concord, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Concord, Massachusetts, as of and for the year ended June 30, 2020, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2019) and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the



financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit, 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, and the aggregate remaining fund information of the Town of Concord, Massachusetts, as of June 30, 2020, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2019) and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund



financial statements and schedules appearing on pages 104 through 114 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2021 on our consideration of the Town's 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's 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's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Melanson".

Andover, Massachusetts
January 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Town of Concord, Massachusetts (the Town), we offer readers this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020. This section should be read in conjunction with the Letter of Transmittal.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to financial statements. This report also contains required/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 our finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference being 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 Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise 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 fiscal 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, public works, health and human services, culture and recreation, and interest on long-term debt. The business-type activities include water, sewer, electric, and swim & fitness services.

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

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

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

The Town maintains twenty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the other twenty-two governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. The proprietary fund category includes enterprise funds.

Enterprise funds are used to report activity for which a fee is charged to external users, and must be used when one of the following criteria are met: (1) activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges, (2) laws or regulations require the activity's costs of providing services be recovered with fees and charges, and (3) the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs such as depreciation or debt service. The primary focus on these criteria is on fees charged to external users. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. Specifically, enterprise funds are used to account for water, sewer, electric, and swim & fitness services, which are considered to be major funds.

Fiduciary Funds

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

Notes to 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.

Required/Other Supplementary Information (Other than MD&A)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information which is required to be disclosed by accounting principles generally accepted in the United States of America.

Financial Highlights

- As of the close of the current fiscal year, net position in governmental activities was \$138,050,342, a change of \$5,369,187, and net position in business-type activities was \$109,136,147, a change of \$1,335,666.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$57,897,572, a change of \$589,962 in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,901,111, a change of \$(3,898,690) in comparison to the prior year.

Government-Wide Financial Analysis

The following is a summary of condensed government-wide statement of net position financial data for the current and prior fiscal years:

	NET POSITION					
	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 66,578,684	\$ 66,802,760	\$ 51,522,187	\$ 52,419,699	\$ 118,100,871	\$ 119,222,459
Capital assets	<u>169,307,275</u>	<u>163,562,257</u>	<u>87,644,444</u>	<u>87,147,135</u>	<u>256,951,719</u>	<u>250,709,392</u>
Total assets	235,885,959	230,365,017	139,166,631	139,566,834	375,052,590	369,931,851
Deferred outflows of resources	8,728,491	13,213,983	3,926,913	1,783,368	12,655,404	14,997,351
Long-term liabilities	94,493,381	100,761,527	21,385,888	20,554,731	115,879,269	121,316,258
Other liabilities	<u>6,135,741</u>	<u>7,399,128</u>	<u>8,148,115</u>	<u>8,524,800</u>	<u>14,283,856</u>	<u>15,923,928</u>
Total liabilities	100,629,122	108,160,655	29,534,003	29,079,531	130,163,125	137,240,186
Deferred inflows of resources	5,934,986	2,737,190	4,423,394	4,470,190	10,358,380	7,207,380
Net investment in capital assets	137,831,176	129,955,137	76,386,313	74,530,903	214,217,489	204,486,040
Restricted	27,415,762	34,014,122	9,403,127	10,141,125	36,818,889	44,155,247
Unrestricted	<u>(27,196,596)</u>	<u>(31,288,104)</u>	<u>23,346,707</u>	<u>23,128,453</u>	<u>(3,849,889)</u>	<u>(8,159,651)</u>
Total net position	<u>\$ 138,050,342</u>	<u>\$ 132,681,155</u>	<u>\$ 109,136,147</u>	<u>\$ 107,800,481</u>	<u>\$ 247,186,489</u>	<u>\$ 240,481,636</u>

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. At the close of the most recent fiscal year, total net position was \$247,186,489, a change of \$6,704,853 in comparison to the prior year.

The largest portion of net position, \$214,217,489, reflects our investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of 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, \$36,818,889, represents resources that are subject to external restrictions on how they may be used. Components include:

- Restricted grants and other statutory restrictions, \$30,058,880.
- Nonexpendable and expendable permanent funds \$6,760,009.

The remaining balance of unrestricted net position results in a deficit of \$(3,849,889) primarily resulting from pension and OPEB liabilities which are 88.35% and 35.54% funded, respectively.

The following is a summary of condensed government-wide statement of changes in net position financial data for the current and prior fiscal years:

	CHANGE IN NET POSITION					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	\$ 6,883,668	\$ 8,256,771	\$ 39,419,486	\$ 40,557,875	\$ 46,303,154	\$ 48,814,646
Operating grants and contributions	17,070,719	15,170,811	-	-	17,070,719	15,170,811
Capital grants and contributions	5,879,245	339,623	294,624	84,660	6,173,869	424,283
General revenues:						
Property taxes	96,143,142	92,186,587	-	-	96,143,142	92,186,587
Excises	4,198,030	4,741,682	-	-	4,198,030	4,741,682
Penalties, interest, and other taxes	374,557	654,478	-	-	374,557	654,478
Grants and contributions not restricted to specific programs	1,950,177	1,882,390	-	-	1,950,177	1,882,390
Investment income	152,866	1,659,746	642,922	633,205	795,788	2,292,951
Other income	237,690	244,071	81,629	46,142	319,319	290,213
Total Revenues	132,890,094	125,136,159	40,438,661	41,321,882	173,328,755	166,458,041
Expenses						
General government	11,223,043	12,674,811	-	-	11,223,043	12,674,811
Public safety	13,534,162	13,171,655	-	-	13,534,162	13,171,655
Education	88,897,377	87,386,000	-	-	88,897,377	87,386,000
Public works	8,305,162	7,198,400	-	-	8,305,162	7,198,400
Health and human services	1,134,270	1,177,405	-	-	1,134,270	1,177,405
Culture and recreation	4,572,347	5,509,842	-	-	4,572,347	5,509,842
Interest on long-term debt	1,220,931	1,060,841	-	-	1,220,931	1,060,841
Water services	-	-	4,317,326	4,137,746	4,317,326	4,137,746
Sewer services	-	-	2,584,124	3,175,035	2,584,124	3,175,035
Electric services	-	-	29,505,206	29,303,857	29,505,206	29,303,857
Swim services	-	-	2,082,519	2,271,822	2,082,519	2,271,822
Total Expenses	128,887,292	128,178,954	38,489,175	38,888,460	167,376,467	167,067,414
Change in net position before transfers	4,002,802	(3,042,795)	1,949,486	2,433,422	5,952,288	(609,373)
Transfers in (out)	1,366,385	920,405	(613,820)	(551,633)	752,565	368,772
Change in net position	5,369,187	(2,122,390)	1,335,666	1,881,789	6,704,853	(240,601)
Net position - beginning of year	132,681,155	134,803,545	107,800,481	105,918,692	240,481,636	240,722,237
Net position - end of year	\$ <u>138,050,342</u>	\$ <u>132,681,155</u>	\$ <u>109,136,147</u>	\$ <u>107,800,481</u>	\$ <u>247,186,489</u>	\$ <u>240,481,636</u>

Governmental Activities

Governmental activities for the year resulted in a change in net position of \$5,369,187 which is largely attributable to the acquisition of capital assets using current resources softened by increases to pension and OPEB liabilities.

Business-Type Activities

Business-type activities for the year resulted in a change in net position of \$1,335,666. This positive change can be attributed to the enterprise funds having program revenues greater than expenses, combined with the Town's informal policy of partially funding capital expenditures through operations in an effort to manage the Town's debt burden.

Financial Analysis of the Town's Funds

As noted earlier, fund accounting is used 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 fiscal year.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,901,111, while total fund balance was \$34,834,120. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to general fund expenditures:

<u>Fund Balance Components</u>	<u>6/30/20</u>	<u>6/30/19</u>	<u>Change</u>
Restricted fund balance	\$ 9,560,385	\$ 10,433,176	\$ (872,791)
Committed fund balance	7,547,167	5,398,582	2,148,585
Assigned fund balance	7,825,457	7,475,897	349,560
Unassigned fund balance	<u>9,901,111</u>	<u>13,799,801</u>	<u>(3,898,690)</u>
Total fund balance	<u>\$ 34,834,120</u>	<u>\$ 37,107,456</u>	<u>\$ (2,273,336)</u>
Unassigned fund balance as a percentage of total general fund expenditures ¹	8.95%	12.30%	-3.35%
Total fund balance as a percentage of total general fund expenditures ¹	31.48%	34.40%	-2.92%

¹ Expenditure amounts used to calculate the above percentages have been adjusted to exclude on-behalf payments from the Commonwealth to the Massachusetts Teachers Retirement System of \$4,487,659.

Unassigned fund balance in the general fund changed by \$(3,898,690) driven primarily from positive budgetary results of \$317,043 coupled with the use of \$3,765,000 in free cash for fiscal year 2021 as follows:

- \$2,000,000 to establish a middle school building stabilization fund
- \$1,715,000 to reduce the tax levy
- \$50,000 to supplement the purchase of two electric school buses

Proprietary funds

Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year amounted to \$23,346,707 and total net position of the enterprise funds at the end of the year amounted to \$109,136,147, a change of \$1,335,666 in comparison to the prior year. Other factors concerning the finances of proprietary funds have already been addressed in the entity-wide discussion of business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final budget reflect a decrease in appropriations of \$918,400 with an offsetting decrease in transfers from available funds.

Capital Asset and Debt Administration

Capital Assets

Total investment in capital assets for governmental and business-type activities at year-end amounted to \$256,951,719 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery, equipment and furnishings, construction in progress, infrastructure, and intangible assets.

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

Governmental activities

- \$ 7,063,133 Cambridge turnpike rehabilitation
- \$ 657,874 Middle school feasibility study
- \$ 565,231 CPS building improvements

Business-type activities

- \$ 1,241,005 Water related infrastructure
- \$ 385,667 Sewer related infrastructure
- \$ 1,124,975 Electric related infrastructure
- \$ 98,499 Swim & Fitness facility building improvements

Additional information on capital assets can be found in the Notes to the Financial Statements.

Long-Term Debt

As of June 30, 2020, total bonded debt outstanding was \$51,730,760 and capital lease obligations was \$395,173, all of which was backed by the full faith and credit of the Town.

Credit Rating

During the fiscal year, the Town's Aaa credit rating remained unchanged by Moody's.

Additional information on long-term debt can be found in the Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The September 2020 Annual Town Meeting adopted a fiscal year 2021 general fund budget of \$115,770,429, a \$1,753,008 increase or 1.5% over the prior year. This increase includes the following:

- An increase of \$188,161 (or 0.7%) in the operating budget of the Town Government;
- An increase of \$1,387,040 (or 3.5%) in the operating budget of the Concord Public Schools (K-8);
- An increase of \$402,981 (or 1.7%) for Concord's assessed share of the Concord – Carlisle Regional School District budget;
- An increase of \$147,032 (or 13.8%) for Concord's assessed share of the Minuteman Regional Technical School District budget;
- A decrease of \$235,450 (or -1.1%) in the Town's miscellaneous accounts (e.g., group insurance, retirement, debt, etc.).

It is anticipated that 85% of the resources to fund the general fund budget will be generated by property taxes. Additional funding includes state aid (5%), local receipts (6%), and other available funds (4%).

The property tax levy for fiscal year 2021 (\$98,128,300) represents a 3.3% increase over the prior year. This rise reflects an increase of 3.3% in the property tax rate from \$14.23 per thousand to \$14.72 per thousand and a decrease of -0.1% in taxable assessed value from \$6.685 billion to \$6.670 billion. The assessment date for valuing the Town's fiscal year 2020 real estate and personal property is January 1, 2020. The table below presents a comparison between fiscal year 2020 and fiscal year 2021:

	<u>FY20</u>	<u>FY21</u>	<u>% Change</u>
Taxable Assessed Value	\$6,685,251,125	\$6,670,507,650	(0.1%)
Tax Rate (per \$1,000)	\$14.23	14.72	3.4%
Property Tax Levy	\$95,040,945	\$98,128,300	3.3%

Increases in the property tax levy for municipalities in Massachusetts are governed by statutory regulations referred to as Proposition 2 ½. The total property tax levy is constrained by a ceiling which cannot be more than 2 ½ percent of the previous year's levy limit plus any new growth resulting from property added to the tax rolls or property which has had an increase, other than as part of a general revaluation, in its assessed valuation over the prior year's valuation. The Town has made an effort to remain well under this ceiling or levy limit. Excess levy capacity, the

difference between the property tax levy and the levy limit, totaled \$4,108,469 in fiscal year 2020 and \$4,452,413 projected in fiscal year 2021.

The statute further provides that the voters may exclude from the taxes subject to the tax limits and from the calculation of the maximum tax levy the amount required to pay debt service on any specific bonds and note issued pursuant to a majority vote of the voters. The fiscal year 2021 tax levy includes \$7,034,743 levied for such authorized purpose.

PENSION FUNDING STATUS

The Concord Retirement Board's most recent actuarial valuation is as of January 1, 2020. The following is a table of the actuarial data from 2012 to 2014 prior to the implementation of Government Accounting Standards Board (GASB) Statements No. 67 and 68.

	<u>1/1/12</u>	<u>1/1/14</u>
Actuarial Accrued Liability (AAL)	\$123,798,875	\$142,405,644
Actuarial Value of Assets (AVA)	<u>\$ 94,996,144</u>	<u>\$115,340,593</u>
Unfunded Accrued Liability (UAAL)	<u>\$ 28,802,731</u>	<u>\$ 27,065,051</u>
Funding Ratio (AVA / AAL)	76.73%	80.99%
Assumed Discount Rate	7.50%	7.50%
Funding Schedule Term	2030	2030
Remaining Amortization Period	18 Years	16 Years

The following is a table of the actuarial data from 2016 to 2020 with the implementation of Government Accounting Standards Board (GASB) Statements No. 67 and 68.

	<u>1/1/2016</u>	<u>1/1/2018</u>	<u>1/1/2020</u>
Total Pension Liability (TPL)	\$165,699,237	\$183,717,899	\$209,124,598
Plan Fiduciary Net Position (FNP)	<u>\$133,766,764</u>	<u>\$166,415,841</u>	<u>\$184,762,608</u>
Net Pension Liability (NPL)	<u>\$ 31,932,473</u>	<u>\$ 17,302,058</u>	<u>\$ 24,361,990</u>
Funding Ratio (FNP / TPL)	80.7%	90.6%	88.4%
Assumed Discount Rate	7.00%	7.00%	6.75%
Funding Schedule Term	2030	2030	2030
	14 Years	12 Years	10 Years

The Concord Retirement Board's current funding policy is to maintain the funding schedule limit at no further than 2030, with charges made to the participation employers based on the actuarially determined contribution.

The Town's current policy in meeting its share of the actuarially determined contribution payment is: (1) increasing the general fund appropriation by \$98,873 for the fiscal year 2021 appropriation; (2) utilizing the Town's pension reserve fund for supplemental funding of the required general fund share of the annual employer cost as necessary; and (3) allocating and fully funding the Town's enterprise portion (currently approximately 8% of the total Town's share).

OPEB FUNDING STATUS

The Town's most recent actuarial valuation of its non-pension, post-employment benefit liability is as of June 30, 2019. The following is a table of the actuarial data from 2012 to 2016 prior to the implementation of Government Accounting Standards Board (GASB) Statements No. 74 and 75 (all funds):

	<u>1/1/2012</u>	<u>6/30/2014</u>	<u>6/30/2016</u>
Actuarial Accrued Liability (AAL)	\$29,985,597	\$33,452,285	\$39,185,555
Actuarial Value of Assets (AVA)	<u>\$ 1,885,241</u>	<u>\$ 6,577,046</u>	<u>\$ 8,395,780</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$28,100,356</u>	<u>\$26,875,239</u>	<u>\$30,789,775</u>
Funded Ratio (AVA / AAL)	6.28%	19.66%	21.42%
Assumed Discount Rate:			
General Fund	6.50%	7.50%	7.25%
Enterprise Funds	7.50%	7.50%	7.25%
Funded Schedule Term	2039	2039	2039
Remaining Amortization Period	27 Years	25 Years	23 Years

The following is a table of the actuarial data from 2018 to 2020 with the implementation of Government Accounting Standards Board (GASB) Statements No. 74 and 75. The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2019:

	<u>6/30/2018</u>	<u>6/30/2020</u>
Total OPEB Liability (TOL)	\$50,712,859	\$59,897,740
Plan Fiduciary Net Position (FNP)	<u>\$16,199,612</u>	<u>\$21,288,438</u>
Net OPEB Liability (NOL)	<u>\$34,593,247</u>	<u>\$38,609,301</u>
Funded Ratio (FNP / TOL)	31.94%	35.5%
Assumed Discount Rate:		
General Fund	7.25%	6.50%
Enterprise Funds	7.25%	6.50%
Funded Schedule Term	2039	2039
	21 Years	19 Years

The Town as of fiscal year 2010 commenced to fully fund the actuarially determined contribution of its business-type activities (Light, Water, Sewer, and Swim & Fitness Center) and since fiscal

year 2014 has funded the actuarially determined contribution for general fund activities. In addition to premium and implicit subsidy payments, total fiscal year 2021 cash contribution to the OPEB trust was \$1.5 million. The funding schedule is based on a 30-year closed term commencing in fiscal year 2009.

BUSINESS-TYPE ACTIVITIES

The Town's business-type activities include the Water, Sewer, Light, and Swim & Fitness enterprise funds.

- The light fund for calendar year 2020 and water and sewer funds for fiscal year 2021 are budgeted to report positive net income.
- The swim & fitness fund is budgeted to break even in terms of the fiscal year 2021 net income and the fund is projected to have a \$3.30 million fund balance in fiscal 2021.

Requests for Information

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

Finance Director
Town of Concord, Massachusetts
22 Monument Square
Concord, Massachusetts 01742

TOWN OF CONCORD, MASSACHUSETTS

Statement of Net Position

June 30, 2020

(Except for the Electric Enterprise Fund, which is as of December 31, 2019)

	Governmental <u>Activities</u>	Business-Type <u>Activities</u>	<u>Total</u>
Assets			
Current:			
Cash and short-term investments	\$ 27,439,413	\$ 32,160,339	\$ 59,599,752
Investments	34,163,999	-	34,163,999
Receivables, net of allowance for uncollectibles:			
Property taxes	1,238,907	-	1,238,907
Excises	206,578	-	206,578
User fees	-	5,769,178	5,769,178
Betterments	-	42,000	42,000
Departmental and other	240,396	-	240,396
Intergovernmental	2,663,237	-	2,663,237
Inventory	-	1,359,655	1,359,655
Prepaid expenses	-	1,974,732	1,974,732
Other assets	<u>47,191</u>	<u>6,107</u>	<u>53,298</u>
Total Current Assets	65,999,721	41,312,011	107,311,732
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	578,963	-	578,963
Betterments	-	295,754	295,754
Restricted cash	-	9,560,656	9,560,656
Investment in associated companies	-	353,766	353,766
Capital assets being depreciated, net	101,166,149	79,724,729	180,890,878
Capital assets not being depreciated	<u>68,141,126</u>	<u>7,919,715</u>	<u>76,060,841</u>
Total Noncurrent Assets	<u>169,886,238</u>	<u>97,854,620</u>	<u>267,740,858</u>
Total Assets	235,885,959	139,166,631	375,052,590
Deferred Outflows of Resources			
Related to pensions	5,322,491	3,579,138	8,901,629
Related to OPEB	3,154,282	347,775	3,502,057
Other	<u>251,718</u>	<u>-</u>	<u>251,718</u>
Total Deferred Outflows of Resources	8,728,491	3,926,913	12,655,404

(continued)

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Statement of Net Position

June 30, 2020

(Except for the Electric Enterprise Fund, which is as of December 31, 2019)

(continued)

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Liabilities			
Current:			
Warrants payable	1,123,304	4,020,239	5,143,543
Accrued liabilities	616,864	275,168	892,032
Accrued payroll	3,574,573	57,549	3,632,122
Unearned revenue	281,021	50,450	331,471
Customer deposits	-	647,374	647,374
Customer advances for construction	-	91,872	91,872
Notes payable	60,000	3,000,000	3,060,000
Other current liabilities	479,979	5,463	485,442
Current portion of long-term liabilities:			
Bonds payable	6,252,123	2,232,930	8,485,053
Capital lease obligations	122,965	-	122,965
Accrued employee benefits	283,715	25,677	309,392
Estimated landfill closure and postclosure care costs	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Current Liabilities	<u>12,804,544</u>	<u>10,406,722</u>	<u>23,211,266</u>
Noncurrent:			
Bonds payable, net of current portion	32,299,592	10,946,115	43,245,707
Capital lease obligations, net of current portion	272,208	-	272,208
Net pension liability	16,914,353	4,714,050	21,628,403
Net OPEB liability	35,674,994	3,153,915	38,828,909
Accrued employee benefits, net of current portion	2,553,431	313,201	2,866,632
Estimated landfill closure and postclosure care costs, net of current portion	<u>110,000</u>	<u>-</u>	<u>110,000</u>
Total Noncurrent Liabilities	<u>87,824,578</u>	<u>19,127,281</u>	<u>106,951,859</u>
Total Liabilities	<u>100,629,122</u>	<u>29,534,003</u>	<u>130,163,125</u>
Deferred Inflows of Resources			
Related to pensions	5,934,986	961,595	6,896,581
Related to OPEB	-	294,995	294,995
Other	<u>-</u>	<u>3,166,804</u>	<u>3,166,804</u>
Total Deferred Inflows of Resources	5,934,986	4,423,394	10,358,380
Net Position			
Net investment in capital assets	137,831,176	76,386,313	214,217,489
Restricted for:			
Grants and other statutory restrictions	20,655,753	9,403,127	30,058,880
Permanent funds:			
Nonexpendable	3,489,243	-	3,489,243
Expendable	3,270,766	-	3,270,766
Unrestricted	<u>(27,196,596)</u>	<u>23,346,707</u>	<u>(3,849,889)</u>
Total Net Position	<u>\$ 138,050,342</u>	<u>\$ 109,136,147</u>	<u>\$ 247,186,489</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Statement of Activities
For the Year Ended June 30, 2020
(Except for the Electric Enterprise Fund, which is as of December 31, 2019)

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities					
General government	\$ 11,223,043	\$ 1,040,018	\$ 1,548,040	\$ -	\$ (8,634,985)
Public safety	13,534,162	2,130,251	111,836	-	(11,292,075)
Education	88,897,377	446,120	15,232,510	-	(73,218,747)
Public works	8,305,162	1,729,168	44,600	5,879,245	(652,149)
Health and human services	1,134,270	52,677	105,871	-	(975,722)
Culture and recreation	4,572,347	1,485,434	27,862	-	(3,059,051)
Interest on long term debt	1,220,931	-	-	-	(1,220,931)
Total Governmental Activities	<u>128,887,292</u>	<u>6,883,668</u>	<u>17,070,719</u>	<u>5,879,245</u>	<u>(99,053,660)</u>
Business-Type Activities					
Water services	4,317,326	5,653,326	-	-	1,336,000
Sewer services	2,584,124	2,659,874	-	294,624	370,374
Electric services	29,505,206	29,279,315	-	-	(225,891)
Swim & fitness services	2,082,519	1,826,971	-	-	(255,548)
Total Business-Type Activities	<u>38,489,175</u>	<u>39,419,486</u>	<u>-</u>	<u>294,624</u>	<u>1,224,935</u>
Total	<u>\$ 167,376,467</u>	<u>\$ 46,303,154</u>	<u>\$ 17,070,719</u>	<u>\$ 6,173,869</u>	<u>\$ (97,828,725)</u>

(continued)

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Statement of Activities

For the Year Ended June 30, 2020

(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2019)

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Changes in Net Position			
Net (Expenses) Revenues from previous page	\$ (99,053,660)	\$ 1,224,935	\$ (97,828,725)
General Revenues:			
Property taxes	96,143,142	-	96,143,142
Excises	4,198,030	-	4,198,030
Penalties, interest, and other taxes	374,557	-	374,557
Grants and contributions not restricted to specific programs	1,950,177	-	1,950,177
Investment income	152,866	642,922	795,788
Other income	237,690	81,629	319,319
Transfers, net	<u>1,366,385</u>	<u>(613,820)</u>	<u>752,565</u>
Total General Revenues and Transfers	<u>104,422,847</u>	<u>110,731</u>	<u>104,533,578</u>
Change in Net Position	5,369,187	1,335,666	6,704,853
Net Position			
Beginning of year	<u>132,681,155</u>	<u>107,800,481</u>	<u>240,481,636</u>
End of year	<u>\$ 138,050,342</u>	<u>\$ 109,136,147</u>	<u>\$ 247,186,489</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Governmental Funds
Balance Sheet
June 30, 2020

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash and short-term investments	\$ 10,264,096	\$ 17,175,317	\$ 27,439,413
Investments	27,403,990	6,760,009	34,163,999
Receivables:			
Property taxes	2,285,500	23,628	2,309,128
Excises	279,229	-	279,229
Departmental	-	240,396	240,396
Intergovernmental	407,950	2,255,287	2,663,237
Due from other funds	2,475,868	-	2,475,868
Other assets	47,191	-	47,191
	<u>43,163,824</u>	<u>26,454,637</u>	<u>69,618,461</u>
Total Assets	\$ 43,163,824	\$ 26,454,637	\$ 69,618,461
Liabilities			
Warrants payable	\$ 979,254	\$ 144,050	\$ 1,123,304
Accrued liabilities	1,085,547	103,347	1,188,894
Accrued payroll	3,511,697	62,876	3,574,573
Unearned revenue	-	281,021	281,021
Due to other funds	-	2,475,868	2,475,868
Notes payable	-	60,000	60,000
Other liabilities	479,979	-	479,979
	<u>6,056,477</u>	<u>3,127,162</u>	<u>9,183,639</u>
Total Liabilities	6,056,477	3,127,162	9,183,639
Deferred Inflows of Resources			
Unavailable revenues	2,273,227	264,023	2,537,250
Fund Balances			
Nonspendable	-	3,489,243	3,489,243
Restricted	9,560,385	20,874,725	30,435,110
Committed	7,547,167	24,146	7,571,313
Assigned	7,825,457	-	7,825,457
Unassigned	9,901,111	(1,324,662)	8,576,449
	<u>34,834,120</u>	<u>23,063,452</u>	<u>57,897,572</u>
Total Fund Balances	34,834,120	23,063,452	57,897,572
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 43,163,824	\$ 26,454,637	\$ 69,618,461

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Reconciliation of Total Governmental Fund Balances
to Net Position of Governmental Activities
in the Statement of Net Position
June 30, 2020

Total governmental fund balances	\$ 57,897,572
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	169,307,275
Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,973,341
Deferred outflows of resources to be recognized as an increase to pension, OPEB and debt expenses in future periods:	
Related to pensions	5,322,491
Related to OPEB	3,154,282
Related to loss on refunding bonds	251,718
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(38,551,715)
Capital lease obligations	(395,173)
Net pension liability	(16,914,353)
Net OPEB liability	(35,674,994)
Accrued employee benefits	(1,818,042)
Landfill closure and postclosure care	(120,000)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(447,074)
Deferred inflows of resources to be recognized as a decrease to pension expense in future periods.	(5,934,986)
Net position of governmental activities	<u>\$ 138,050,342</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Governmental Funds
Statement Of Revenues, Expenditures, and Changes In Fund Balances
For the Year Ended June 30, 2020

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues			
Property taxes	\$ 94,505,475	\$ 1,286,092	\$ 95,791,567
Excises	4,095,496	-	4,095,496
Penalties, interest, and other taxes	380,828	-	380,828
Departmental	1,262,671	4,696,606	5,959,277
Licenses and permits	1,162,079	-	1,162,079
Fines and forfeitures	78,974	-	78,974
Intergovernmental	10,062,487	9,032,013	19,094,500
Investment income (loss)	(60,889)	253,252	192,363
Contributions	-	628,558	628,558
Other	59,951	17,212	77,163
	<u>111,547,072</u>	<u>15,913,733</u>	<u>127,460,805</u>
Expenditures			
Current:			
General government	7,063,132	2,915,162	9,978,294
Public safety	10,741,090	719,343	11,460,433
Education	68,823,127	3,774,363	72,597,490
Public works	3,313,679	10,332,744	13,646,423
Snow and ice	538,434	-	538,434
Health and human services	714,655	137,182	851,837
Culture and recreation	2,288,721	1,888,308	4,177,029
Employee benefits	13,986,857	-	13,986,857
Debt service	7,129,207	92,796	7,222,003
Intergovernmental	529,768	-	529,768
	<u>115,128,670</u>	<u>19,859,898</u>	<u>134,988,568</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,581,598)	(3,946,165)	(7,527,763)
Other Financing Sources (Uses)			
Issuance of bonds	-	5,590,490	5,590,490
Issuance of refunding bonds	5,170,000	-	5,170,000
Payment to refunded bond escrow agent	(6,207,988)	-	(6,207,988)
Premium on issuance of bonds	-	802,399	802,399
Premium on issuance of refunding bonds	924,167	61,227	985,394
Issuance of capital lease	-	411,045	411,045
Transfers in	1,693,392	-	1,693,392
Transfers out	(271,309)	(55,698)	(327,007)
	<u>1,308,262</u>	<u>6,809,463</u>	<u>8,117,725</u>
Change in Fund Balance	(2,273,336)	2,863,298	589,962
Fund Balance, at Beginning of Year	<u>37,107,456</u>	<u>20,200,154</u>	<u>57,307,610</u>
Fund Balance, at End of Year	<u>\$ 34,834,120</u>	<u>\$ 23,063,452</u>	<u>\$ 57,897,572</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Net changes in fund balances - total governmental funds \$ 589,962

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	12,509,458
Loss on disposal	(19,963)
Depreciation	(6,744,477)

Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures, and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in unavailable revenue. 409,523

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, however, has any effect on net position:

Repayments of general obligation and refunding bonds	12,067,796
Issuance of general obligation bonds	(5,590,490)
Issuance of refunding bonds	(5,170,000)
Premium on issuance of general obligation bonds	(802,399)
Premium on refunded bonds	(985,394)
Issuance of capital lease obligations	(411,045)
Repayments of capital lease obligations	126,400

In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. This amount reflects the change in accrued interest. (143,827)

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:

Amortization loss on refunding bonds	(27,969)
Amortization bond premiums	313,060
Change in net pension liability, net of related deferrals	(660,558)
Change in net OPEB liability, net of related deferrals	(607,993)
Change in unfunded accrued employee benefits	507,103
Change in landfill liability	10,000

Change in net position of governmental activities \$ 5,369,187

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

General Fund
Statement of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual
For the Year Ended June 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Property taxes	\$ 94,441,008	\$ 94,441,008	\$ 94,505,475	\$ 64,467
Excise taxes	4,871,800	4,871,800	4,095,496	(776,304)
Penalties, interest and other taxes	170,000	170,000	380,828	210,828
Departmental	1,235,250	1,235,250	1,262,671	27,421
Licenses and permits	1,240,000	1,240,000	1,162,079	(77,921)
Fines and forfeitures	110,000	110,000	78,974	(31,026)
Intergovernmental	5,438,123	5,438,123	5,574,828	136,705
Investment income	700,000	700,000	563,904	(136,096)
Other	235,000	235,000	59,951	(175,049)
	108,441,181	108,441,181	107,684,206	(756,975)
Expenditures				
General government	4,446,473	4,691,662	4,546,540	145,122
Finance and administration	3,577,897	3,441,733	3,258,809	182,924
Public safety	10,452,958	10,682,763	10,530,670	152,093
Education	39,390,163	39,390,163	39,390,163	-
Regional school assessments	24,418,355	24,418,355	24,418,355	-
Public works and facilities	4,659,323	4,527,151	4,370,661	156,490
Snow and ice	625,000	586,000	540,005	45,995
Human services	3,441,007	3,125,447	2,968,216	157,231
Unclassified	1,503,988	689,947	456,966	232,981
Employee benefits	12,928,530	12,967,530	12,966,348	1,182
Debt service	7,417,328	7,417,328	7,417,328	-
Intergovernmental	525,225	529,768	529,768	-
	113,386,247	112,467,847	111,393,829	1,074,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,945,066)	(4,026,666)	(3,709,623)	317,043
Other Financing Sources (Uses)				
Transfers in	3,945,066	3,026,666	2,935,636	(91,030)
Transfers out	(500,000)	(500,000)	(500,000)	-
Use of free cash:				
For redevelopment plan	500,000	500,000	-	(500,000)
To reduce the tax levy	1,000,000	1,000,000	-	(1,000,000)
	-	-	(1,273,987)	(1,273,987)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ (1,273,987)	\$ (1,273,987)

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
Statement of Net Position
June 30, 2020

(Except for the Electric Enterprise Fund, which is as of December 31, 2019)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Assets					
Current:					
Cash and short-term investments	\$ 12,129,476	\$ 11,915,084	\$ 4,362,542	\$ 3,753,237	\$ 32,160,339
User fees, net of allowance for uncollectibles	1,404,374	489,766	3,875,038	-	5,769,178
Betterment receivables	-	42,000	-	-	42,000
Inventory	89,300	-	1,270,355	-	1,359,655
Prepaid expenses	-	-	1,974,732	-	1,974,732
Other assets	-	-	6,107	-	6,107
Total Current Assets	13,623,150	12,446,850	11,488,774	3,753,237	41,312,011
Noncurrent:					
Betterment receivables, net of current portion	-	295,754	-	-	295,754
Restricted cash	-	-	9,560,656	-	9,560,656
Investment in associated companies	-	-	353,766	-	353,766
Capital assets being depreciated, net	20,122,165	14,075,671	37,823,861	7,703,032	79,724,729
Capital assets not being depreciated	4,099,028	850,000	2,970,687	-	7,919,715
Total Noncurrent Assets	24,221,193	15,221,425	50,708,970	7,703,032	97,854,620
Total Assets	37,844,343	27,668,275	62,197,744	11,456,269	139,166,631
Deferred Outflows of Resources					
Related to pensions	351,918	87,981	3,026,887	112,352	3,579,138
Related to OPEB	182,332	27,906	121,916	15,621	347,775
Total Deferred Outflow of Resources	534,250	115,887	3,148,803	127,973	3,926,913
Liabilities					
Current:					
Warrants payable	248,903	236,240	3,455,989	79,107	4,020,239
Accrued liabilities	17,448	54,368	201,645	1,707	275,168
Accrued payroll	31,621	10,889	-	15,039	57,549
Unearned revenue	-	-	-	50,450	50,450
Customer deposits	-	-	647,374	-	647,374
Customer advances for construction	-	-	91,872	-	91,872
Notes payable	3,000,000	-	-	-	3,000,000
Other current liabilities	-	-	-	5,463	5,463
Current portion of long-term liabilities:					
Bonds payable	500,242	922,688	810,000	-	2,232,930
Accrued employee benefits	10,768	2,692	8,209	4,008	25,677
Total Current Liabilities	3,808,982	1,226,877	5,215,089	155,774	10,406,722
Noncurrent:					
Bonds payable, net of current portion	1,511,698	5,172,756	4,261,661	-	10,946,115
Net pension liability	603,948	150,988	3,687,216	271,898	4,714,050
Net OPEB liability	467,173	96,523	2,385,590	204,629	3,153,915
Accrued employee benefits, net of current portion	96,916	24,229	155,980	36,076	313,201
Total Noncurrent Liabilities	2,679,735	5,444,496	10,490,447	512,603	19,127,281
Total Liabilities	6,488,717	6,671,373	15,705,536	668,377	29,534,003
Deferred Inflows of Resources					
Related to pensions	190,441	47,611	564,080	159,463	961,595
Related to OPEB	-	-	19,330	275,665	294,995
Other	-	-	3,166,804	-	3,166,804
Total Deferred Inflows of Resources	190,441	47,611	3,750,214	435,128	4,423,394
Net Position					
Net investment in capital assets	23,179,780	9,493,954	36,009,547	7,703,032	76,386,313
Restricted for debt service	-	878,846	-	-	878,846
Restricted for capital improvements	-	4,914,831	3,609,450	-	8,524,281
Unrestricted	8,519,655	5,777,547	6,271,800	2,777,705	23,346,707
Total Net Position	\$ 31,699,435	\$ 21,065,178	\$ 45,890,797	\$ 10,480,737	\$ 109,136,147

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2020
 (Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2019)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Operating Revenues					
Charges for services	\$ 5,653,326	\$ 2,659,874	\$ 29,279,315	\$ 1,826,971	\$ 39,419,486
Total Operating Revenues	5,653,326	2,659,874	29,279,315	1,826,971	39,419,486
Operating Expenses					
Salaries and benefits	2,013,677	637,930	3,552,333	749,219	6,953,159
Other operating expenses	1,136,265	1,019,473	1,654,310	961,924	4,771,972
Depreciation	1,046,939	797,793	1,873,750	371,376	4,089,858
Electric operations	-	-	21,921,195	-	21,921,195
Total Operating Expenses	4,196,881	2,455,196	29,001,588	2,082,519	37,736,184
Operating Income (Loss)	1,456,445	204,678	277,727	(255,548)	1,683,302
Nonoperating Revenues (Expenses)					
Investment income	195,435	151,642	241,882	53,963	642,922
Interest expense	(120,445)	(128,928)	(184,970)	-	(434,343)
Loss on disposal of capital assets	-	-	(318,648)	-	(318,648)
Other	-	-	81,629	-	81,629
Total Nonoperating Revenues (Expenses), Net	74,990	22,714	(180,107)	53,963	(28,440)
Income (Loss) Before Transfers and Capital Contributions	1,531,435	227,392	97,620	(201,585)	1,654,862
Capital contributions	-	294,624	-	-	294,624
Transfers in	-	87,632	-	-	87,632
Transfers out	(146,719)	(36,680)	(452,000)	(66,053)	(701,452)
Change in Net Position	1,384,716	572,968	(354,380)	(267,638)	1,335,666
Net Position at Beginning of Year	30,314,719	20,492,210	46,245,177	10,748,375	107,800,481
Net Position at End of Year	\$ 31,699,435	\$ 21,065,178	\$ 45,890,797	\$ 10,480,737	\$ 109,136,147

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2020
(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2019)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 5,480,071	\$ 2,788,335	\$ 29,050,882	\$ 1,713,989	\$ 39,033,277
Payments to employees for salaries and benefits	(1,931,602)	(620,899)	(27,005,259)	(800,661)	(30,358,421)
Payments to suppliers and service providers	(1,595,782)	(983,288)	-	(906,932)	(3,486,002)
Net Cash Provided By (Used for) Operating Activities	1,952,687	1,184,148	2,045,623	6,396	5,188,854
Cash Flows From Noncapital Financing Activities					
Transfers out	(146,719)	(36,680)	(452,000)	(66,053)	(701,452)
Net Cash (Used for) Noncapital Financing Activities	(146,719)	(36,680)	(452,000)	(66,053)	(701,452)
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets	(1,353,078)	(409,435)	(2,702,735)	(148,495)	(4,613,743)
Capital contributions	-	359,254	-	-	359,254
Proceeds from issuance of bonds and notes	3,000,000	-	510,000	-	3,510,000
Principal payments on bonds	(485,000)	(906,694)	(750,000)	-	(2,141,694)
Principal payments on notes	(3,000,000)	-	(400,000)	-	(3,400,000)
Interest expense	(135,688)	(128,928)	(69,225)	-	(333,841)
Transfers in	-	87,632	-	-	87,632
Net Cash (Used For) Capital and Related Financing Activities	(1,973,766)	(998,171)	(3,411,960)	(148,495)	(6,532,392)
Cash Flows From Investing Activities					
Investment income	195,435	151,642	241,882	53,963	642,922
Net Cash Provided By Investing Activities	195,435	151,642	241,882	53,963	642,922
Net Change in Cash and Short-Term Investments	27,637	300,939	(1,576,455)	(154,189)	(1,402,068)
Cash and Short-Term Investments, Beginning of Year	12,101,839	11,614,145	15,499,653	3,907,426	43,123,063
Cash and Short-Term Investments, End of Year	\$ 12,129,476	\$ 11,915,084	\$ 13,923,198	\$ 3,753,237	\$ 41,720,995
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities					
Operating income (loss)	\$ 1,456,445	\$ 204,678	\$ 277,727	\$ (255,548)	\$ 1,683,302
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,046,939	797,793	1,873,750	371,376	4,089,858
Changes in assets, liabilities, and deferred outflows/inflows:					
User fees receivables	(173,255)	128,461	(241,160)	-	(285,954)
Inventory	4,081	-	(70,184)	-	(66,103)
Prepaid and other assets	-	-	(211,022)	-	(211,022)
Deferred outflows:					
Related to pensions	(23,357)	(5,839)	(2,067,429)	42,769	(2,053,856)
Related to OPEB	(170,552)	(25,466)	117,645	(11,316)	(89,689)
Net pension liability	(28,566)	(7,141)	2,589,649	(74,919)	2,479,023
Net OPEB liability	207,323	31,263	40,183	(309,463)	(30,694)
Accounts payable and accrued liabilities	(206,616)	81,062	167,200	66,734	108,380
Accrued expenses	(256,982)	(44,877)	46,643	(11,742)	(266,958)
Unearned revenue	-	-	-	(112,982)	(112,982)
Deferred Inflows:					
Related to pensions	121,822	30,455	(444,350)	22,398	(269,675)
Related to OPEB	(908)	(319)	(13,100)	269,257	254,930
Other	-	-	(32,051)	-	(32,051)
Other liabilities	(23,687)	(5,922)	12,122	9,832	(7,655)
Net Cash Provided By (Used For) Operating Activities	\$ 1,952,687	\$ 1,184,148	\$ 2,045,623	\$ 6,396	\$ 5,188,854
Schedule of non-cash capital and related financing activities:					
Disposal of capital assets	\$ -	\$ -	\$ (486,972)	\$ (26,576)	\$ (513,548)

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2020

	Pension and OPEB <u>Trust Funds</u>	Private Purpose <u>Trust Funds</u>	Agency <u>Fund</u>
Assets			
Cash and short-term investments	\$ 2,719,298	\$ -	\$ 264,451
Investments:			
Collective investment trust fund	21,288,439	-	-
Corporate equities	-	1,581,307	-
Pooled investments	114,522,415	-	-
External investment pool (PRIT)	67,712,186	-	-
Accounts receivable	<u>751</u>	<u>-</u>	<u>206,321</u>
Total Assets	206,243,089	1,581,307	470,772
Liabilities			
Warrants and accounts payable	192,041	-	1,229
Accrued payroll	-	-	26,554
Other liabilities	<u>-</u>	<u>-</u>	<u>442,989</u>
Total Liabilities	<u>192,041</u>	<u>-</u>	<u>\$ 470,772</u>
Net Position			
Restricted for:			
Pension purposes	184,762,609	-	
OPEB purposes	21,288,439	-	
Other purposes	<u>-</u>	<u>1,581,307</u>	
Total Net Position	<u>\$ 206,051,048</u>	<u>\$ 1,581,307</u>	

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions:		
Employers	\$ 9,902,758	\$ -
Plan members	<u>3,529,088</u>	<u>-</u>
Total Contributions	13,431,846	-
Investment Income (Loss):		
Appreciation (depreciation) in fair value of investments	27,109,993	(11,209)
Less: management fees	<u>(922,155)</u>	<u>-</u>
Net investment gain (loss)	<u>26,187,838</u>	<u>(11,209)</u>
Total Additions (loss)	39,619,684	(11,209)
Deductions		
Benefit payments to plan members and beneficiaries	11,432,309	35,820
Administrative expenses	<u>272,597</u>	<u>-</u>
Total Deductions	<u>11,704,906</u>	<u>35,820</u>
Net Increase (Decrease)	27,914,778	(47,029)
Net Position Restricted for Pensions, OPEB, and Other Purposes		
Beginning of year	<u>178,136,270</u>	<u>1,628,336</u>
End of year	<u>\$ 206,051,048</u>	<u>\$ 1,581,307</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Town of Concord, Massachusetts (the Town), conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Please note that the fiscal year end dates differ between the Concord Municipal Light Plant (the Light Plant) and the remainder of the Town as the Light Plant is presented as of December 31, 2019. The following is a summary of the more significant policies:

Reporting Entity

The Town is a municipal corporation governed by an elected Select Board. As required by generally accepted accounting principles, these financial statements present the Town and applicable component units for which the Town is considered to be financially accountable.

Fiduciary Component Units

The Concord Contributory Retirement System (the System) was established to provide retirement benefits primarily to employees and their beneficiaries. The System is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements. Additional financial information of the System can be obtained by contacting the System located at 55 Church Street, West Concord, Massachusetts 01742.

The OPEB Trust Fund (the Fund) was established to accumulate other post-employment benefits to qualified employees to fund future OPEB costs. The Fund is presented using the accrual basis of accounting and is reported as an OPEB trust fund in the fiduciary fund financial statements.

Joint Ventures

The Town has entered into joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods or services to venture participants directly, or for the benefit of the general public or specified service recipients. The following is a list of the Town's joint ventures, their purpose, the address where the joint

venture financial statements are available, and the annual assessment paid by the Town in fiscal year 2020:

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2020 Assessment</u>
Concord-Carlisle Regional School District 120 Meriam Road Concord, MA 01742	To provide education services	\$ 23,344,987
Minuteman Regional Vocational Technical School District 758 Marrett Road Lexington, MA 02421	To provide education services	1,073,368

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

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

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*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of

related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and excises.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenue from grants, entitlements, and donations is recognized when all eligibility requirements have been satisfied and they are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures such as debt service, compensated absences, claims and judgments, OPEB and pension are recorded only when payment is due.

The Town reports the following major governmental funds:

- The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this method, revenues are recognized when earned and expenses are recorded when 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 a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town reports the following major proprietary funds:

- The *Water Fund* accounts for user charges collected to finance costs associated with water operations and maintenance within the Town.
- The *Sewer Fund* accounts for user charges collected to finance costs associated with sewer operations and maintenance within the Town.
- The *Electric Fund* accounts for the operation of the Town's Municipal Light Plant which purchases electricity then distributes the electricity to consumers within the Town of Concord.
- The *Swim & Fitness Fund* accounts for the operation of the Beede Swim and Fitness Center which includes four pools and a fitness center. The fund is funded by memberships and program fees.

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

The Town reports the following fiduciary funds:

- The *Pension and OPEB Trust Funds* accounts for the activities of the Employees Contributory Retirement System and OPEB plan, which includes individuals employed by the Town, Concord-Carlisle Regional School District, and the Concord Housing Authority. The fund accumulates resources for pension benefit payments to qualified employees along with reserves set aside by the Town to fund future OPEB costs.
- The *Private-Purpose Trust Funds* is used to account for trust arrangements, other than those properly reported in the pension trust fund or permanent fund, under which principal and investment income exclusively benefit individuals, private organizations, or other governments.
- The *Agency Fund* accounts for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others. This fund primarily is used for student activity funds, developer escrow funds, and employee details. Agency funds report only assets and liabilities, and thus have no measurement focus.

Municipal Light Plant Business Activity

The Light Plant operates under the provisions of Chapter 164 of the Massachusetts General Laws, with a Municipal Light Board appointed by the Town Manager. The Town Manager appoints the Light Plant Director who has full charge of the day-to-day operations and management of the Light Plant, under the general direction of the Town Manager.

Municipal Light Plant Regulation

Under Massachusetts General Laws, the Light Plant's electric rates are set by the Municipal Light Board. Electric rates, excluding the fuel charge, cannot be changed more often than once every three months. Rate schedules are filed with the Massachusetts Department of Public Utilities (DPU). While the DPU exercises general authority over the Light Plant, the Light Plant's rates are not subject to DPU approval. The Light Plant's policy is to prepare its financial statements in conformity with generally accepted accounting principles.

Municipal Light Plant Concentrations

The Light Plant operates within the electric utility industry which has undergone significant restructuring and deregulation. Legislation enacted by the Commonwealth of Massachusetts in 1998 introduced competition and provided consumers with additional power supply choices while assuring continued reliable service. However, municipal electric utilities are not currently subject to this legislation.

Municipal Light Plant Revenues

Light Plant revenues are based on rates established by the Light Plant and filed with the DPU. Revenues from sales of electricity are recorded on the basis of bills rendered from monthly meter readings taken on a cycle basis. Recognition is given to the amount of sales to customers which are unbilled at the end of the fiscal period.

A key component of Light Plant operating revenues is the Purchased Power & Fuel Cost Adjustment (PP&FCA). This adjustment allows the Light Plant to recover fluctuating power supply and fuel costs from customers by increasing or decreasing their energy charges per kilowatt hour by the amount that actual power supply and fuel costs exceed their standard base rate.

Cash and Investments

Cash balances from all funds, except those required to be segregated by law, are combined to form a consolidation of cash. Cash balances are invested to the extent available, and interest earnings are recognized in the General Fund. Certain special revenue, proprietary, and fiduciary funds segregate cash, and investment earnings become a part of those funds.

Deposits with financial institutions consist primarily of demand deposits and savings accounts. A cash and investment pool is maintained that is available for use by all funds. Each fund's portion of this pool is reflected on the combined financial statements under the caption "cash and short-term investments."

For purpose of the statement of cash flows, the proprietary funds consider investments with original maturities of three months or less to be cash equivalents.

Investments, generally, are presented at fair value. Where applicable, fair values are based on quotations from national securities exchanges, except for certain investments that are required to be presented using the net asset value (NAV). The NAV per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period investments measured at the NAV for fair value are not subject to level classification.

The Town's investments in the Massachusetts Municipal Depository Trust (MMDT) Cash Portfolio, an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts. This cash portfolio meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and investments are valued at amortized cost.

State and local statutes place certain limitations on the nature of deposits and investments available. Deposits in any financial institution may not exceed certain levels within the financial institution. Non-fiduciary fund investments can be made in securities issued by or unconditionally guaranteed by the U.S. Government or agencies that have a maturity of one year or less from the date of purchase and repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase.

Investments are carried at fair value, except certificates of deposit which are reported at cost.

Property Tax Limitations

Legislation known as "Proposition 2½" limits the amount of revenue that can be derived from property taxes. The prior fiscal year's tax levy limit is used as a base and cannot increase by more than 2.5% (excluding new growth), unless an override or debt exemption is voted. The actual fiscal year 2020 tax levy reflected an excess capacity of \$4,108,469. Certain provisions of Proposition 2 ½ can be overridden by a referendum.

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. No significant inventory balances were on hand in governmental funds.

Water fund inventory consists of water meters, chemicals, pipes, hydrants, and valves on hand.

Light Plant inventory consists of parts and accessories purchased for use in the utility business for construction, operation, and maintenance purposes and are stated at average cost. Meters and transformers are capitalized when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Massachusetts General Laws require utility plants in service to be depreciated at an annual rate of 3%. Temporary increases in annual depreciation rates may be made for financial factors relating to cash flow for plant expansion and are subject to DPU notification and review.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 50
Machinery, equipment and furnishings	3 - 15
Infrastructure	20 - 50

Compensated Absences

It is the Town’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vested sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The general fund and applicable enterprise funds typically repay these obligations.

Fund Equity

Fund equity at the governmental fund financial reporting level is classified as “fund balance”. Fund equity for all other reporting is classified as “net position”.

Fund Balance

Generally, fund balance represents the difference between the current assets/deferred outflows of resources and current liabilities/deferred inflows of resources. The Town reserves those portions of fund balance that are legally segregated for a specific future use or which do not represent available, spendable resources and therefore, are not available for appropriation or expenditure. Unassigned fund balance indicates that portion of fund balance that is available for appropriation in future periods.

When an expenditure is incurred that would qualify for payment from multiple fund balance types, the Town uses the following order to liquidate liabilities: restricted, committed, assigned and unassigned.

Net Position

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining net position is reported as unrestricted.

Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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 fiscal year. Actual results could vary from estimates that were used.

Municipal Light Plant Rate of Return

The Light Plant's rates must be set such that earnings attributable to electric operations do not exceed 8% of the net cost of the plant. In 2019, the Light Plant's earnings did not exceed this threshold.

2. Stewardship, Compliance, and Accountability

Budgetary Information

At the annual Town Meeting, the Select Board and School Committee present an operating and capital budget for the proposed expenditures of the fiscal year commencing the following July 1. The budget, as enacted by Town Meeting, establishes the legal level of control and specifies that certain appropriations are to be funded by particular revenues. The original budget is amended during the fiscal year at special town meetings as required by changing conditions. In cases of extraordinary or unforeseen expenses, the Finance

Committee is empowered to transfer funds from the reserve fund (a contingency appropriation) to a departmental appropriation. “Extraordinary” includes expenses which are not in the usual line, or are great or exceptional. “Unforeseen” includes expenses which are not foreseen as of the time of the annual meeting when appropriations are voted.

Departments are limited to the appropriation as voted. Line items within each department may exceed the line item budget without being in violation of Massachusetts General Laws. Certain departments may exceed their appropriation if it is for an emergency and for the safety of the general public. These items are limited by the Massachusetts General Laws and must be raised in the next year’s tax rate.

Formal budgetary integration is employed as a management control device during the year for the general fund and proprietary funds.

At year-end, appropriation balances lapse, except for certain unexpended capital items and encumbrances which will be honored during the subsequent year.

Budgetary Basis

The general fund final appropriation appearing on the “Budget and Actual” page of the fund financial statements represents the final amended budget after all reserve fund transfers and supplemental appropriations.

Budget/GAAP Reconciliation

The budgetary data for the general fund is based upon accounting principles that differ from generally accepted accounting principles (GAAP). Therefore, in addition to the GAAP basis financial statements, the results of operations of the general fund are presented in accordance with budgetary accounting principles to provide a meaningful comparison to budgetary data.

The following is a summary of adjustments made to the actual revenues and other sources, and expenditures and other uses, to conform to the budgetary basis of accounting:

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>	Other Financing <u>Sources</u>	Other Financing <u>Uses</u>
GAAP Basis	\$ 111,547,072	\$ 115,128,670	\$ 7,787,559	\$ (6,479,297)
To reverse unbudgeted refunding activity	-	113,821	(6,094,167)	6,207,988
Reverse beginning of year appropriation carryforwards from expenditures	-	(3,121,931)	-	-
Add end-of-year appropriation carryforwards to expenditures	-	2,827,238	-	-
Reverse the effect of non-budgeted State contributions for teachers retirement	(4,487,659)	(4,487,659)	-	-
Reverse sewer debt service subsidy	-	87,632	-	87,632
Reclass indirect costs reimbursements to respective enterprise fund	-	2,171,570	2,171,570	-
Reclass transfers budgeted with expenditures	-	(38,872)	(38,872)	-
To reflect non-budgeted activity (primarily stabilization)	624,793	(1,286,640)	(890,454)	(316,323)
Budgetary Basis	\$ <u>107,684,206</u>	<u>111,393,829</u>	<u>2,935,636</u>	\$ <u>(500,000)</u>

Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2020.

It is anticipated that the deficits in these funds will be eliminated through future departmental or intergovernmental revenues, bond proceeds, and transfers from other funds.

3. Deposits and Investments

Town (Excluding the Pension and OPEB Trust Funds)

State statutes (MGL Chapter 44, Section 55) place certain limitation on the nature of deposits and investments available to the Town. Deposits, including demand deposits, money markets, certificates of deposits in any one financial institution, may not exceed 60% of the capital and surplus of such institution unless collateralized by the institution involved. Investments may be made in unconditionally guaranteed U.S. government obligations have maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no greater than 90 days in which the underlying securities consists of such obligations. Other allowable investments include certificates of deposits having a maturity date of up to 3 years from the date of purchase, national banks and Massachusetts Municipal Depository Trust (MMDT). MMDT, which is an external investment pool overseen by the Treasurer of the Commonwealth of Massachusetts, meets the criteria established by GASB 79, *Certain External Investment Pools and Pool Participants*, to report its investments at amortized cost, which

approximates the net asset value of \$1.00 per share. MMDT has a maturity of less than 1 year and is unrated by any Nationally recognized statistical rating organization (NRSRO).

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Town’s deposits may not be returned. The Town does not have formal deposit policies for custodial credit risk.

As of June 30, 2020, of the Town’s bank balances of \$68,373,683, \$2,226,896 were exposed to custodial credit risk as uninsured and uncollateralized, \$13,671,835 were uninsured and collateralized with securities held by the financial institution, and \$12,677,115 were uninsured and collateralized with securities held by the financial institutions trust department or agent.

Investment Summary

The following is a summary of the Town’s investments as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>
Certificates of deposits	\$ 5,047,191
Corporate equities	9,159,755
Equity mutual funds	3,735,675
Fixed income mutual funds	3,105,495
Market-linked certificates of deposit	2,162,234
Real estate investment trusts	375,230
U.S. Treasury notes	<u>12,159,726</u>
Total Investments	<u>\$ 35,745,306</u>

Custodial Credit Risk – Investments

Custodial credit risk is the risk that in the event of bank failure, the Town’s deposits may not be returned. The Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2020, \$8,281,136 was subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and held by the Town’s brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty's Trust or Agent</u>
Corporate equities	\$ 7,905,906	\$ 7,905,906
Real estate investment trusts	<u>375,230</u>	<u>375,230</u>
Total	<u>\$ 8,281,136</u>	<u>\$ 8,281,136</u>

Credit Risk – Investments of Debt Securities

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law, Chapter 44, Section 55, limits the Town’s investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs). The Town does not have formal investment policies related to credit risk.

As of June 30, 2020, the credit quality ratings, as rated by S&P Global Ratings, of the Town’s debt securities are as follows (All U.S. Treasury notes have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Amount</u>	<u>Rating as of Year End</u>			
		<u>AAA</u>	<u>A</u>	<u>B</u>	<u>Unrated</u>
Fixed income mutual funds	\$ 3,105,495	\$ 524,643	\$ 2,352,229	\$ 228,623	\$ -
Market-linked certificates of deposit	<u>2,162,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,162,234</u>
Total	<u>\$ 5,267,729</u>	<u>\$ 524,643</u>	<u>\$ 2,352,229</u>	<u>\$ 228,623</u>	<u>\$ 2,162,234</u>

Concentration of Credit Risk - Investments

Concentration of credit risk is the risk of loss attributable to the magnitude of the Town’s investment in a single issuer. The Town places no limit on the amount invested in any one issuer. The Town was not invested in any one issuer (other than U.S. treasuries and certificates of deposit) that represent 5% or more of total investments at the end of fiscal year 2020. The Town does not have formal investment policies related to concentration of credit risk exposure.

Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

As of June 30, 2020, the Town does not have investments in any one issuer that exceeded 5% of total investments.

Interest Rate Risk – Investments of Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town’s investment policy is to follow state statutes, which limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Investment Maturities (in Years)</u>	
		<u>1-5</u>	<u>6-10</u>
Fixed income mutual funds	\$ 3,105,495	\$ 1,672,544	\$ 1,432,951
Market-linked certificates of deposit	2,162,234	2,162,234	-
U.S. Treasury notes	12,159,726	12,159,726	-
Total	\$ <u>17,427,455</u>	\$ <u>15,994,504</u>	\$ <u>1,432,951</u>

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The policy of the Town is to not invest in foreign currencies.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows:

- Level 1 – inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the fund has the ability to access at the measurement date.
- Level 2 – inputs other than quoted prices that are observable for an asset or liability either directly or indirectly, including inputs in markets that are not considered to be active. Because they must often be priced on the basis of transactions involving similar but not identical securities or do not trade with sufficient frequency, certain directly held securities are categorized as level 2.
- Level 3 – unobservable inputs based on the best information available, using assumptions in determining the fair value of investments and derivative instruments.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

The Town has the following fair value measurements as of June 30, 2020:

<u>Investment Type</u>	<u>Amount</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Investments by fair value level:				
Corporate equities	\$ 9,159,755	\$ 9,159,755	\$ -	\$ -
Equity mutual funds	3,735,675	3,735,675	-	-
Fixed income mutual funds	3,105,495	-	3,105,495	-
Market-linked certificates of deposit	2,162,234	-	2,162,234	-
Real estate investment trusts	375,230	375,230	-	-
U.S. Treasury notes	12,159,726	12,159,726	-	-
Total	<u>\$ 30,698,115</u>			

Securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quote prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

4. Investments - OPEB Trust Fund

Generally, the Town's OPEB investment policies mirror that of the Town as discussed in the previous note.

As of June 30, 2020, all the Town's OPEB Trust Fund investments of \$21,288,439 were in collective investment trust funds.

Custodial Credit Risk

As of June 30, 2020, the Town did not have investments subject to custodial credit risk exposure as all assets were held in an external investment pool.

Credit Risk - Investments of Debt Securities

The OPEB Trust Fund does not have formal investment policies related to credit risk.

As of June 30, 2020, all the OPEB Trust Fund's investments of \$21,288,439 in collective investment trust funds were unrated.

Concentration of Credit Risk

The OPEB Trust Fund places no limit on the amount the OPEB Trust Fund may invest in any one issuer. The OPEB Trust Fund does not have formal investment policies related to concentration of credit risk exposure.

Investments in other pooled investments are excluded from concentration of credit disclosure, which comprise the OPEB trust fund portfolio.

Interest Rate Risk

The OPEB Trust Fund does not have formal investment policies limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2020, all the OPEB Trust Fund’s investments of \$21,288,439 in collective investment trust funds had maturities of less than one year.

Fair Value

As of June 30, 2020, the OPEB Trust Fund’s investments’ fair values were measured using level 2 significant observable inputs.

5. Investments - Pension Trust Fund (The System)

The following is a summary of the System’s investments as of December 31, 2019:

<u>Investment Type</u>	<u>Amount</u>
Pooled investments	\$ 114,522,415
External investment pool (PRIT)*	<u>67,712,186</u>
Total investments	<u>\$ 182,234,601</u>

**Fair value is the same as the value of the pool share. The Pension Reserves Investment Trust was created under Massachusetts general law, chapter 32, section 22, in December 1983. The Pension Reserves Investment Trust is operated under contract with a private investment advisor, approved by the Pension Reserves Investment Management Board. The Pension Reserves Investment Management Board shall choose an investment advisor by requesting proposals from advisors and reviewing such proposals based on criteria adopted under Massachusetts general law, chapter 30B.*

Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The System’s investment policy does not explicitly address custodial credit risk.

As of December 31, 2019, the System did not have any investments exposed to custodial credit risk disclosure as investments in external investment pools are not exposed to

custodial credit risk because their existence is not evidence by securities that exist in physical or book entry form.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. Massachusetts General Law, Chapter 32, Section 23, limits the investment of System funds, to the extent not required for current disbursements, in the PRIT Fund or in securities, other than mortgages or collateral loans, which are legal for the investment of funds in savings banks under the laws of the Commonwealth, provided that no more than the established percentage of assets, is invested in any one security. While the System's investment policy outlines responsibilities for safekeeping and custody of assets, rebalancing, and securities guidelines, the policy does not explicitly address credit risk.

As of December 31, 2019, all of the System's investments of \$182,234,601 were invested in PRIT or other pooled investments which are unrated by national credit rating organizations.

Concentration of Credit Risk - Investments

Massachusetts General Law Chapter 32, Section 23 limits the amount the System may invest in any one issuer or security type, with the exception of the PRIT Fund. The System's investment policy does not explicitly address concentration of credit risk.

Investments in PRIT and other pooled investments are excluded from concentration of credit disclosure, which comprise the System's portfolio.

Interest Rate Risk – Investments of Debt Securities

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The System's investment policy does not explicitly address limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of December 31, 2019, all of the System's investments totaling \$182,234,601, were invested in PRIT or Pooled investments with maturities less than one year.

Foreign Currency Risk

Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The System's investment policy does not explicitly address foreign currency risk.

Fair Value

The System categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application* (GASB 72).

The System has the following fair value measurements as of December 31, 2019:

<u>Investment Type</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Investments measured at the net asset value (NAV):				
Pooled investments	\$ 114,522,415	\$ -	Monthly	30 Days
External investment pool (PRIT)	67,712,186	-	Monthly	30 Days

The net asset value (NAV) per share is the amount of net assets attributable to each share of capital stock outstanding at the close of the period. Investments measured at the NAV for fair value are not subject to level classification.

6. Property Taxes and Excises Receivable

Real and personal property taxes are based on market values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the accrual and modified accrual basis of accounting on the government-wide and fund basis statements accordingly.

The Town bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the Town's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid generally occurs annually. The Town ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2 ½" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2 ½ limits the total levy to an amount not greater than 2 ½% of the total assessed value of all taxable property within the Town. Secondly, the tax levy cannot increase by more than 2 ½% of the prior year's levy plus the taxes on property newly added to the tax rolls.

Motor vehicle excise taxes are assessed annually for every motor vehicle and trailer registered in the Commonwealth. The Registry of Motor Vehicles annually calculates the value of all registered motor vehicles for the purpose of excise assessment. The amount of motor vehicle excise tax due is calculated using a fixed rate of \$25 per \$1,000 of value.

Property taxes and excise receivables at June 30, 2020 consist of the following:

	Gross Amount (fund basis)	Allowance for Doubtful Accounts	Current Portion	Long- Term Portion
Real estate taxes	\$ 1,355,960	\$ (376,783)	\$ 979,177	\$ -
Personal property taxes	50,422	(20,748)	29,674	-
Community preservation act	23,628	-	23,628	-
Tax liens	649,754	(70,791)	-	578,963
Deferred taxes	229,364	(22,936)	206,428	-
Total property taxes	<u>\$ 2,309,128</u>	<u>\$ (491,258)</u>	<u>\$ 1,238,907</u>	<u>\$ 578,963</u>
Motor vehicle excise	\$ 278,403	\$ (71,825)	\$ 206,578	
Other excise	826	(826)	-	
Total excises	<u>\$ 279,229</u>	<u>\$ (72,651)</u>	<u>\$ 206,578</u>	

7. User Fee and Betterment Receivables

The Town provides water and sewer services for its residents. Bills are issued based on usage and are sent out either bi-monthly or monthly.

Sewer betterments are assessed to properties for the cost of “bettering” by expanding the sewer capacity. The property owner may pay the betterments within 30 days after the assessments are committed to the collector without interest. Alternatively, the property owner can pay some or none of the assessment and request an apportionment of the unpaid amount into a maximum of 20 equal portions.

Receivables for water user charges, sewer user charges, and betterments at June 30, 2020 consist of the following, net of an estimated allowance for doubtful accounts:

	Gross Amount	Allowance for Doubtful Accounts	Net Amount
Water user charges	\$ 1,560,416	\$ (156,042)	\$ 1,404,374
Sewer user charges	544,185	(54,419)	489,766
Sewer betterments - current	42,000	-	42,000
Sewer betterments - noncurrent	295,754	-	295,754
Total	<u>\$ 2,442,355</u>	<u>\$ (210,461)</u>	<u>\$ 2,231,894</u>

8. Light Plant Receivables

Light Plant receivables consist of the following at December 31, 2019:

Customer Accounts:		
Billed	\$ 2,240,212	
Less allowances:		
Uncollectible accounts	<u>(18,047)</u>	
Total billed		2,222,165
Unbilled, net		<u>1,386,296</u>
Total customer accounts		3,608,461
Other Accounts:		
Merchandise sales	116,715	
Liens and other	<u>149,862</u>	
Total other accounts		<u>266,577</u>
Total net receivables		<u>\$ 3,875,038</u>

9. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2020.

10. Light Plant Inventory

Light Plant inventory is comprised of supplies and materials at December 31, 2019 and is valued using the average cost method.

11. Light Plant Prepaid Expenses

Prepaid expenses of the Light Plant primarily consist of advance payments for purchased power.

Purchased power	\$ 1,594,944
NYP&A prepayment fund	85,884
Fuel inventory	179,870
Insurance and other	<u>114,034</u>
Total	<u>\$ 1,974,732</u>

12. Interfund Fund Accounts

Receivables/Payables

Although self-balancing funds are maintained, most transactions flow through the general fund. In order to obtain accountability for each fund, interfund receivable and payable accounts must be utilized. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The following is an analysis of the June 30, 2020 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,475,868	\$ -
Special Revenue Funds:		
Federal grants	-	921,343
State grants	-	1,328,065
Highway grants	-	226,460
Total	<u>\$ 2,475,868</u>	<u>\$ 2,475,868</u>

Transfers

The Town reports interfund transfers between many of its funds. The sum of all transfers presented in the table agrees with the sum of interfund transfers in the fund financial statements. Although the total of interfund transfers balance throughout the year, the Electric Fund (light plant) is presented at December 31, 2019, not June 30, 2020. Therefore, a timing difference of \$752,565 exists in the accompanying Statement of Activities and Statement of Revenues, Expenses, and Changes in Fund Net Position.

The following is an analysis of interfund transfers made in fiscal year 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>						
General Fund	\$ 1,693,392	\$ 271,309	(1)	(2)	(3)	(4)	(5)	(6)
Nonmajor Governmental Funds:								
Receipts reserved for appropriation	-	15,500						(4)
Gifts	-	25,198						(6)
State grants	-	15,000						(2)
Major Enterprise Funds:								
Water	-	146,719						(3)
Sewer - debt service	87,632	-						(5)
Sewer - operations	-	36,680						(3)
Electric	-	452,000						(1)
Swim & Fitness	-	66,053						(3)
Total	<u>\$ 1,781,024</u>	<u>\$ 1,028,459</u>						

- (1) Light Plant payment-in-lieu of taxes (PILOT) to general fund
- (2) Transfer to general fund of Non-resident circuit breaker expenses
- (3) Transfer to pension reserve fund
- (4) Receipts reserved for appropriation to general fund for purchase of books
- (5) Debt service subsidy to the sewer fund
- (6) Transfer from funds that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them

13. Light Plant Restricted Cash

Restricted cash of the Light Plant consists of the following at December 31, 2019:

Bond fund 2011-2026	\$	200,000
Bond fund 2014-2027		175,000
Bond fund 2015-2021		16,667
Bond fund 2019-2024		20,416
Bond interest fund		99,538
Broadband bond fund 2016-2021		29,167
Broadband bond fund 2019-2029		14,583
Customer advances for construction fund		91,872
Customer deposits fund		647,374
Depreciation fund		3,609,450
Emergency repairs fund		1,130,000
Rate stabilization fund		347,953
Renewable energy certificate purchase fund		803,623
Underground fund		2,172,212
Worker's compensation insurance fund		<u>202,801</u>
Total restricted cash	\$	<u><u>9,560,656</u></u>

The Light Plant maintains the following restricted cash and investment accounts:

Bond Funds

These funds consist of current bond principal and interest payable being set aside monthly for interest and bond payments due within twelve months per the Massachusetts Department of Public Utilities.

Bond Interest Fund

This fund consists of current bond interest payable being set aside monthly for bond interest payments due within twelve months per the Massachusetts Department of Public Utilities.

Customer Advances for Construction Fund

This represents customer deposits held for special construction projects.

Customer Deposits Fund

This represents residential and commercial customer service deposits that are held in escrow.

Depreciation Fund

The Light Plant reserves 3.00% of depreciable utility plant assets each year to fund current and future capital improvements.

Emergency Repairs Fund

This fund was established to be used in the event of a major equipment failure.

Rate Stabilization Fund

This account is used to stabilize customer rates and reflects the accumulated difference between estimated and actual purchase power costs.

Renewable Energy Certificate Purchase Fund

This account was established to purchase renewable energy certificates on the open market.

Underground Fund

This fund was established in 1987 for the purpose of placing existing overhead lines underground. Currently a 1.50% charge on all electric bills is used to replenish this fund.

Worker's Compensation Insurance Fund

The Light Plant maintains a self-insurance fund for payment of workers compensation claims and for injury and damage claims.

14. Investment in Associated Companies

Under agreements with the New England Hydro-Transmission Electric Company, Inc. (NEH) and the New England Hydro-Transmission Corporation (NHH), the Plant has made advances to fund its equity requirements for the Hydro-Quebec Phase II interconnection. The plant is carrying its investment at cost, reduced by shares repurchased. As of December 31, 2019, the market value of these investments cannot be readily determined.

The Plant also purchased a 5% interest in Energy New England, LLC for \$150,000 in 2007. Energy New England is an energy and energy services cooperative established to assist publicly owned entities to ensure their continued viability in the deregulated wholesale electric utility market and to strengthen their competitive position in the retail energy market for the benefit of the municipal entities. Energy New England functions as an autonomous, entrepreneurial business that is free from many of the constraints imposed on traditional municipal utility operations. The balance, reflected at cost, was \$314,920 as of December 31, 2019.

Other investment in associated companies, at December 31, 2019 consists of a \$38,846 investment in Hydro-Quebec.

15. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 118,987,977	\$ 1,021,644	\$ -	\$ 120,009,621
Machinery, equipment, and furnishings	25,082,129	1,367,333	(101,181)	26,348,281
Infrastructure	44,433,780	510,567	-	44,944,347
Total capital assets, being depreciated	188,503,886	2,899,544	(101,181)	191,302,249
Less accumulated depreciation for:				
Buildings and improvements	(42,259,744)	(3,560,470)	-	(45,820,214)
Machinery, equipment, and furnishings	(18,966,045)	(1,569,693)	81,218	(20,454,520)
Infrastructure	(22,247,052)	(1,614,314)	-	(23,861,366)
Total accumulated depreciation	(83,472,841)	(6,744,477)	81,218	(90,136,100)
Total capital assets, being depreciated, net	105,031,045	(3,844,933)	(19,963)	101,166,149
Capital assets, not being depreciated:				
Land	55,143,226	333,881	-	55,477,107
Construction in progress	3,387,986	9,768,723	(492,690)	12,664,019
Total capital assets, not being depreciated	58,531,212	10,102,604	(492,690)	68,141,126
Governmental activities capital assets, net	\$ 163,562,257	\$ 6,257,671	\$ (512,653)	\$ 169,307,275
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	\$ 20,108,584	\$ 688,620	\$ (188,664)	\$ 20,608,540
Machinery, equipment, and furnishings	19,760,610	941,790	(1,171,283)	19,531,117
Infrastructure	103,147,975	2,751,647	(309,413)	105,590,209
Intangible	2,086,402	-	-	2,086,402
Total capital assets, being depreciated	145,103,571	4,382,057	(1,669,360)	147,816,268
Less accumulated depreciation for:				
Buildings and improvements	(7,810,486)	(609,163)	52,674	(8,366,975)
Machinery, equipment, and furnishings	(10,336,025)	(596,129)	908,675	(10,023,479)
Infrastructure	(46,133,959)	(2,764,598)	137,087	(48,761,470)
Intangible	(877,023)	(119,968)	57,376	(939,615)
Total accumulated depreciation	(65,157,493)	(4,089,858)	1,155,812	(68,091,539)
Total capital assets, being depreciated, net	79,946,078	292,199	(513,548)	79,724,729
Capital assets, not being depreciated:				
Land	6,522,776	-	-	6,522,776
Construction in progress	678,281	769,137	(50,479)	1,396,939
Total capital assets, not being depreciated	7,201,057	769,137	(50,479)	7,919,715
Business-type activities capital assets, net	\$ 87,147,135	\$ 1,061,336	\$ (564,027)	\$ 87,644,444

The following tables represent capital asset activity for the year ended June 30, 2020 (except the Electric fund which is for the year ended December 31, 2019) for each individual enterprise fund:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Water				
Capital assets, being depreciated:				
Machinery, equipment, and furnishings	\$ 3,311,792	\$ 83,512	\$ -	\$ 3,395,304
Infrastructure	<u>30,304,025</u>	<u>1,241,005</u>	<u>-</u>	<u>31,545,030</u>
Total capital assets, being depreciated	33,615,817	1,324,517	-	34,940,334
Less accumulated depreciation for:				
Machinery, equipment, and furnishings	(2,781,790)	(116,465)	-	(2,898,255)
Infrastructure	<u>(10,989,440)</u>	<u>(930,474)</u>	<u>-</u>	<u>(11,919,914)</u>
Total accumulated depreciation	<u>(13,771,230)</u>	<u>(1,046,939)</u>	<u>-</u>	<u>(14,818,169)</u>
Total capital assets, being depreciated, net	19,844,587	277,578	-	20,122,165
Capital assets, not being depreciated:				
Land	4,070,467	-	-	4,070,467
Construction in progress	<u>-</u>	<u>28,561</u>	<u>-</u>	<u>28,561</u>
Total capital assets, not being depreciated	<u>4,070,467</u>	<u>28,561</u>	<u>-</u>	<u>4,099,028</u>
Business-type activities capital assets, net	<u>\$ 23,915,054</u>	<u>\$ 306,139</u>	<u>\$ -</u>	<u>\$ 24,221,193</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Sewer				
Capital assets, being depreciated:				
Buildings and improvements	\$ 59,892	\$ -	\$ -	\$ 59,892
Machinery, equipment, and furnishings	1,790,485	23,768	-	1,814,253
Infrastructure	<u>31,674,735</u>	<u>385,667</u>	<u>-</u>	<u>32,060,402</u>
Total capital assets, being depreciated	33,525,112	409,435	-	33,934,547
Less accumulated depreciation for:				
Buildings and improvements	(41,154)	(6,815)	-	(47,969)
Machinery, equipment, and furnishings	(1,518,225)	(64,204)	-	(1,582,429)
Infrastructure	<u>(17,501,704)</u>	<u>(726,774)</u>	<u>-</u>	<u>(18,228,478)</u>
Total accumulated depreciation	<u>(19,061,083)</u>	<u>(797,793)</u>	<u>-</u>	<u>(19,858,876)</u>
Total capital assets, being depreciated, net	14,464,029	(388,358)	-	14,075,671
Capital assets, not being depreciated:				
Land	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
Total capital assets, not being depreciated	<u>850,000</u>	<u>-</u>	<u>-</u>	<u>850,000</u>
Business-type activities capital assets, net	<u>\$ 15,314,029</u>	<u>\$ (388,358)</u>	<u>\$ -</u>	<u>\$ 14,925,671</u>

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Electric				
Capital assets, being depreciated:				
Buildings and improvements	\$ 8,783,259	\$ 590,121	\$ (188,664)	\$ 9,184,716
Machinery, equipment, and furnishings	13,989,944	784,514	(1,117,230)	13,657,228
Infrastructure	41,151,715	1,124,975	(309,413)	41,967,277
Intangible	<u>2,086,402</u>	<u>-</u>	<u>-</u>	<u>2,086,402</u>
Total capital assets, being depreciated	66,011,320	2,499,610	(1,615,307)	66,895,623
Less accumulated depreciation for:				
Buildings and improvements	(4,364,111)	(251,590)	52,674	(4,563,027)
Machinery, equipment, and furnishings	(5,442,471)	(395,717)	881,198	(4,956,990)
Infrastructure	(17,642,742)	(1,106,475)	137,087	(18,612,130)
Intangible	<u>(877,023)</u>	<u>(119,968)</u>	<u>57,376</u>	<u>(939,615)</u>
Total accumulated depreciation	<u>(28,326,347)</u>	<u>(1,873,750)</u>	<u>1,128,335</u>	<u>(29,071,762)</u>
Total capital assets, being depreciated, net	37,684,973	625,860	(486,972)	37,823,861
Capital assets, not being depreciated:				
Land	1,602,309	-	-	1,602,309
Construction in progress	<u>678,281</u>	<u>740,576</u>	<u>(50,479)</u>	<u>1,368,378</u>
Total capital assets, not being depreciated	<u>2,280,590</u>	<u>740,576</u>	<u>(50,479)</u>	<u>2,970,687</u>
Business-type activities capital assets, net	<u>\$ 39,965,563</u>	<u>\$ 1,366,436</u>	<u>\$ (537,451)</u>	<u>\$ 40,794,548</u>
	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Business-Type Activities - Swim & Fitness				
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,265,433	\$ 98,499	\$ -	\$ 11,363,932
Machinery, equipment, and furnishings	668,389	49,996	(54,053)	664,332
Infrastructure	<u>17,500</u>	<u>-</u>	<u>-</u>	<u>17,500</u>
Total capital assets, being depreciated	11,951,322	148,495	(54,053)	12,045,764
Less accumulated depreciation for:				
Buildings and improvements	(3,405,221)	(350,758)	-	(3,755,979)
Machinery, equipment, and furnishings	(593,539)	(19,743)	27,477	(585,805)
Infrastructure	<u>(73)</u>	<u>(875)</u>	<u>-</u>	<u>(948)</u>
Total accumulated depreciation	<u>(3,998,833)</u>	<u>(371,376)</u>	<u>27,477</u>	<u>(4,342,732)</u>
Business-type activities capital assets, net	<u>\$ 7,952,489</u>	<u>\$ (222,881)</u>	<u>\$ (26,576)</u>	<u>\$ 7,703,032</u>

Depreciation expense was charged to functions of the Town as follows:

Governmental Activities	
General government	\$ 917,385
Public safety	851,061
Education	2,474,806
Public works	2,052,039
Health and human services	108,609
Culture and recreation	<u>340,577</u>
Total governmental activities	<u>\$ 6,744,477</u>

Business-Type Activities	
Water	\$ 1,046,939
Sewer	797,793
Electric	1,873,750
Swim & Fitness	<u>371,376</u>
Total business-type activities	\$ <u><u>4,089,858</u></u>

16. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the Town that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources related to pensions and OPEB, in accordance with *GASB Statements No. 68 and 75*, are more fully discussed in the corresponding pension and OPEB notes.

Other deferred outflows of resources consist of \$251,718, as of June 30, 2020, related to the loss on previously refunded debt.

17. Warrants Payable

Warrants payable represent fiscal year 2020 expenditures paid by July 15, 2020. Accounts payable represent additional fiscal year 2020 expenditures paid after July 15, 2020.

18. Accrued Payroll

Accrued payroll represents payroll related to fiscal year 2020 due to employees at year end. Of the aggregate balance, \$2,919,577 is attributable to amounts payable to teachers per contractual obligations.

19. Unearned Revenue

This balance represents revenue collected in advance for solid waste and swim & fitness activities. These amounts will be recognized as revenue in future reporting periods.

20. Customer Deposits

This balance represents deposits received from residential and commercial customers that are held in escrow. Earned interest is applied to customer accounts at year-end or when the deposit is applied to their closed accounts.

21. Notes Payable

The following summarizes the Town's activity in notes payable during fiscal year 2020 along with the notes outstanding at June 30, 2020:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
<u>Governmental</u>							
MWPAT interim note	0.00%	04/09/15	10/24/2019	\$ 575,489	\$ 90,000	\$ (665,489)	\$ -
MWPAT interim note	0.00%	03/31/20	Ongoing	-	60,000	-	60,000
Total				<u>\$ 575,489</u>	<u>\$ 150,000</u>	<u>\$ (665,489)</u>	<u>\$ 60,000</u>
<u>Business Type</u>							
Broadband expansion	2.00%	06/22/18	06/21/19 *	\$ 400,000	\$ -	\$ (400,000)	\$ -
Water treatment plant	2.05%	06/21/19	06/19/20	3,000,000	-	(3,000,000)	-
Water treatment plant	2.00%	06/19/20	06/18/21	-	3,000,000	-	3,000,000
Total				<u>\$ 3,400,000</u>	<u>\$ 3,000,000</u>	<u>\$ (3,400,000)</u>	<u>\$ 3,000,000</u>

* = Electric Fund is as of December 31, 2019

22. Long-Term Liabilities

Long-Term Debt Supporting Activities

The Town primarily issues general obligation bonds and direct borrowings to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds and direct borrowings currently outstanding are as follows:

	Original	Serial	Interest	Amount
	Issue	Maturities	Rate(s) %	Outstanding
<u>Governmental Activities</u>		<u>Through</u>		as of
				<u>6/30/20</u>
Public offerings:				
Road Improvements	\$ 950,000	2021	2.00	\$ 85,000
Land Acquisition	500,000	2021	3.00 - 4.00	50,000
Keys Road Building Improvements	200,000	2021	4.00	15,000
Parking Management Plan	150,000	2021	4.00	30,000
Road Improvements	1,300,000	2022	3.00	200,000
Knox Trail Land Acquisition	630,000	2022	3.00	180,000
Alcott School Refunding	737,400	2022	4.00	290,000
West Concord Infrastructure Improvements	94,500	2022	2.00 - 4.00	34,500
Rideout & Emerson Playground Improvement	565,000	2022	2.00 - 4.00	220,000
Parking Management Plan Implementation	94,500	2022	2.00 - 4.00	34,500
Town House Interior Improvements	329,500	2022	2.00 - 4.00	129,500
CPS Building Renovations	536,700	2022	2.00 - 4.00	206,700
Land Acquisition (Ball's Hill)	753,000	2022	2.00 - 4.00	298,000
Cemetery Improvements	47,500	2022	2.00 - 4.00	17,500
Rail Trail Design & Engineering	236,000	2022	2.00 - 4.00	86,000
School Building Renovations	675,000	2023	3.00 - 4.00	225,000
Roads	900,000	2023	3.00 - 4.00	300,000
Public School Renovations	795,000	2023	3.00 - 4.00	255,000
Municipal Building Renovations	141,000	2023	3.00 - 5.00	80,000
Municipal Needs Study	235,000	2023	3.00 - 5.00	135,000
Public Safety Communication Equipment	211,200	2023	3.00 - 5.00	120,000
Keys Road Facility	140,875	2023	3.00 - 5.00	80,000
Fire Engine	341,000	2023	5.00	341,000
Building Renovation and Site Work	200,000	2024	4.00	100,000
Fire Engine Replacement	550,000	2024	4.00	200,000
Fire Engine Rehabilitation	138,000	2024	5.00	108,000
Town-wide Building Maintenance	467,100	2024	5.00	372,000
Alcott School Refunding	2,781,500	2025	3.00	1,345,000
Alcott School Refunding	577,000	2025	3.00	275,500
Thoreau School Refunding	1,201,500	2025	3.00	524,500
Town House Interior Improvements	350,000	2025	2.00 - 4.00	175,000
Cemetery Roads and Infrastructure	94,100	2025	3.00 - 5.00	50,000
Open Space Land Acquisition	91,000	2025	5.00	91,000
School Capital	810,500	2025	5.00	810,500
Middle School Feasibility Study	1,347,000	2025	5.00	1,347,000
School Building Renovations	650,000	2026	2.00 - 4.00	325,000
Thoreau School Refunding	2,804,400	2026	2.00 - 4.00	2,063,000
Road Maintenance	1,245,000	2026	5.00	1,065,000
Road Improvements	1,236,300	2027	2.00 - 4.00	906,300
Road Improvements	1,200,000	2028	2.00 - 4.00	685,000
School Bus Depot	950,000	2028	2.00 - 4.00	570,000
Willard School Refunding	5,389,000	2028	2.00 - 4.00	4,759,000
Bus Depot	268,200	2028	3.00 - 5.00	208,000
Municipal Building Renovations	312,600	2028	3.00 - 5.00	242,500
Fire Engine Replacement	512,700	2028	3.00 - 5.00	402,500
Ambulance Replacement	232,700	2028	3.00 - 5.00	180,000
CPS Renovations	757,030	2028	3.00 - 5.00	597,030
2017 Roads Program	1,259,970	2028	3.00 - 5.00	999,970
CPS Bus Depot	1,735,625	2028	3.00 - 5.00	1,380,000
School Improvements	770,000	2029	5.00	690,000
Land Acquisition (Gerow Land Purchase)	2,135,900	2029	5.00	1,920,000
Willard School Remodeling Refunding	5,170,000	2029	5.00	5,170,000
Park Improvements (Gerow)	499,500	2030	5.00	499,500
Park Improvements (White Pond)	499,500	2030	5.00	499,500
Park Improvements (Rideout)	169,500	2030	5.00	169,500
2019 Roads Program	667,000	2030	5.00	667,000
2019 Roads (Cambridge Turnpike)	500,000	2030	5.00	500,000
Total public offerings				33,310,000
Direct borrowings:				
Title V Loans	\$ 195,089	2021	5.00	\$ 11,050
Title V Loans	296,830	2022	0.00	89,517
Title V Loans	324,715	2023	0.00	97,413
Title V Loans	197,457	2025	0.00	98,728
Title V Loans	665,490	2040	0.00	665,490
Total direct borrowings				962,198
Total Governmental Activities				\$ 34,272,198

<u>Business-Type Activities</u>	<u>Original Issue</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/20</u>
Water:				
Public offerings:				
Water	\$ 400,000	2021	2.00	\$ 50,000
Land Acquisition (Ball's Hill) (Water)	753,000	2022	2.00 - 4.00	298,000
Water	1,500,000	2026	3.00 - 4.00	420,000
Water Refunding	1,638,200	2027	2.00 - 4.00	<u>1,122,000</u>
Total Water				1,890,000
Sewer:				
Public offerings:				
Sewer Land Acquisition	400,000	2022	3.00	100,000
Land Acquisition (WR Grace Eminent Domain)	172,000	2024	5.00	137,000
Land Acquisition (WR Grace Eminent Domain)	138,000	2024	5.00	<u>108,000</u>
Total public offerings				345,000
Direct borrowings:				
Sewer MWPAT	4,190,000	2026	2.00	1,443,097
Sewer MWPAT	9,967,780	2027	2.00	<u>4,307,347</u>
Total direct borrowings				<u>5,750,444</u>
Total Sewer				6,095,444
Electric:				
Public offerings:				
Land Acquisition (WR Grace)	400,000	2022	3.00	100,000
Telecom	500,000	2022	4.00	175,000
Land Acquisition (WR Grace)	172,000	2024	5.00	172,000
Smart Grid	4,000,000	2026	2.00 - 4.00	1,600,000
Light Plant Expansion	3,900,000	2027	2.07	2,400,000
Telecom	338,000	2029	5.00	<u>338,000</u>
Total Electric				<u>4,785,000</u>
Total Business-Type				<u>\$ 12,770,444</u>

Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2020 (except for the Light Plant which is as of December 31, 2019) are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>					
	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
2021	\$ 5,622,999	\$ 1,471,686	\$ 126,336	\$ 552	\$ 5,749,335	\$ 1,472,238
2022	5,281,999	1,160,058	115,331	-	5,397,330	1,160,058
2023	4,410,000	920,099	115,376	-	4,525,376	920,099
2024	3,865,000	725,782	53,021	-	3,918,021	725,782
2025	3,655,001	556,738	53,019	-	3,708,020	556,738
2026	3,044,999	411,830	33,275	-	3,078,274	411,830
2027	2,465,000	268,779	33,275	-	2,498,275	268,779
2028	2,305,000	148,850	33,275	-	2,338,275	148,850
2029	1,110,000	67,750	33,275	-	1,143,275	67,750
2030	1,550,002	10,250	33,275	-	1,583,277	10,250
Thereafter	-	-	332,740	-	332,740	-
Total	<u>\$ 33,310,000</u>	<u>\$ 5,741,822</u>	<u>\$ 962,198</u>	<u>\$ 552</u>	<u>\$ 34,272,198</u>	<u>\$ 5,742,374</u>

Business-Type Activities

<u>Water</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
<u>Year Ending June 30,</u>						
2021	\$ 485,000	\$ 61,535	\$ -	\$ -	\$ 485,000	\$ 61,535
2022	373,000	44,335	-	-	373,000	44,335
2023	225,000	30,015	-	-	225,000	30,015
2024	220,000	23,315	-	-	220,000	23,315
2025	217,000	14,995	-	-	217,000	14,995
2026	215,000	8,300	-	-	215,000	8,300
2027	155,000	1,550	-	-	155,000	1,550
Total	\$ <u>1,890,000</u>	\$ <u>184,045</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,890,000</u>	\$ <u>184,045</u>

<u>Sewer</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
<u>Year Ending June 30,</u>						
2021	\$ 115,000	\$ 14,500	\$ 807,688	\$ 106,932	\$ 922,688	\$ 121,432
2022	115,000	9,750	824,005	90,615	939,005	100,365
2023	60,000	5,750	840,652	73,968	900,652	79,718
2024	55,000	2,750	857,635	56,985	912,635	59,735
2025	-	-	874,962	39,660	874,962	39,660
2026	-	-	892,637	21,984	892,637	21,984
2027	-	-	652,865	6,529	652,865	6,529
Total	\$ <u>345,000</u>	\$ <u>32,750</u>	\$ <u>5,750,444</u>	\$ <u>396,673</u>	\$ <u>6,095,444</u>	\$ <u>429,423</u>

<u>Electric</u>	<u>Bonds - Public Offerings</u>		<u>Loans - Direct Borrowings</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
<u>Year Ending December 31,</u>						
2020	\$ 810,000	\$ 149,125	\$ -	\$ -	\$ 810,000	\$ 149,125
2021	790,000	119,480	-	-	790,000	119,480
2022	565,000	92,250	-	-	565,000	92,250
2023	565,000	72,500	-	-	565,000	72,500
2024	565,000	54,000	-	-	565,000	54,000
2025	535,000	37,000	-	-	535,000	37,000
2026	535,000	21,438	-	-	535,000	21,438
2027	340,000	8,750	-	-	340,000	8,750
2028	40,000	3,000	-	-	40,000	3,000
2029	40,000	1,000	-	-	40,000	1,000
Total	\$ <u>4,785,000</u>	\$ <u>558,543</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,785,000</u>	\$ <u>558,543</u>

The Town has issued direct borrowings from the Massachusetts Pollution Abatement Trust (MWPAT), a state revolving loan fund (SRF) of the Massachusetts Clean Water Trust (MCWT), a component unit of the Commonwealth of Massachusetts. MCWT issues special obligation bonds under its SRF programs to provide low cost financing to Cities, Towns, and other eligible borrowers primarily for the construction and improvement of drinking water and wastewater infrastructure. The Town is currently drawing down on a line of credit. The amount drawn down as of June 30, 2020 is noted in Note 21 above. There were no assets pledged as collateral for debt. The Town certified that rates and charges in the General Fund and Sewer Enterprise Fund have been set at a sufficient level to cover estimated operating expenses and debt service related to direct borrowings. In addition, the Town as an “obligated person” with respect to Rule 15c2-12(b)(5) adopted by the

Securities and Exchange Commission under the Securities Exchange Act of 1934, agrees with MCWT to provide an annual report, not later than 270 days after the close of each fiscal year, that incorporates the most recently available audited financial statements to meet continuing disclosure requirements.

Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2020 are as follows:

<u>Purpose</u>	<u>Amount</u>
Water System Improvements	\$ 16,500,000
Water Main Replacement	4,000,000
Smart Grid Improvements	3,000,000
Telecommunications Services	1,000,000
Library Energy Efficient Systems	700,000
Septic System Betterment	512,338
Municipal Building Renovations	500,000
Keyes Road Building Improvements	400,000
Parking Lot Improvements	100,000
Trail Improvements	<u>75,000</u>
Total	<u>\$ 26,787,338</u>

Overlapping Debt

The Town is a member community of other governmental agencies which are authorized to issue debt. The Town is not directly responsible for the payment or guarantee of these debts; however, annual debt service costs are included in the operating budgets of these agencies, and are funded through user charges and/or assessments to the Town. The following summarizes the debt of these other agencies and the Town's related participation percentages as of June 30, 2020:

<u>Related Entity</u>	<u>Total Principal</u>	<u>Town's Percent</u>	<u>Town's Share</u>
Concord-Carlisle Regional School District	\$ 49,688,577	75.25%	\$ 37,390,654
Minuteman Regional Vocational School District	96,358,696	6.65%	<u>6,407,853</u>
Total			<u>\$ 43,798,507</u>

This liability is appropriately not reported in the accompanying financial statements.

Changes in General Long-Term Liabilities

During the year ended June 30, 2020, with the exception of the Light Plant which is as of December 31, 2019, the following changes occurred in long-term liabilities:

	Total Balance 7/1/19	Additions	Reductions	Total Balance 6/30/20	Less: Current Portion	Equals Long-Term Portion 6/30/20
Governmental Activities						
Bonds payable:						
Public offerings	\$ 35,190,000	\$ 10,095,000	\$ (11,975,000)	\$ 33,310,000	\$ (5,622,999)	\$ 27,687,001
Loans (direct borrowings)	389,504	665,490	(92,796)	962,198	(126,336)	835,862
Unamortized bond premium	2,804,784	1,787,793	(313,060)	4,279,517	(502,788)	3,776,729
Subtotal bonds payable	38,384,288	12,548,283	(12,380,856)	38,551,715	(6,252,123)	32,299,592
Capital lease obligations	110,528	411,045	(126,400)	395,173	(122,965)	272,208
Total long-term debt	38,494,816	12,959,328	(12,507,256)	38,946,888	(6,375,088)	32,571,800
Net pension liability	26,575,880	-	(9,661,527)	16,914,353	-	16,914,353
Net OPEB liability	32,400,235	3,274,759	-	35,674,994	-	35,674,994
Accrued employee benefits	3,160,596	545,682	(869,132)	2,837,146	(283,715)	2,553,431
Landfill closure	130,000	-	(10,000)	120,000	(10,000)	110,000
Total long-term liabilities	\$ 100,761,527	\$ 16,779,769	\$ (23,047,915)	\$ 94,493,381	\$ (6,668,803)	\$ 87,824,578
Business-Type Activities						
Water						
Bonds payable:						
Public offerings	\$ 2,375,000	\$ -	\$ (485,000)	\$ 1,890,000	\$ (485,000)	\$ 1,405,000
Unamortized bond premium	137,183	-	(15,243)	121,940	(15,242)	106,698
Total long-term debt	2,512,183	-	(500,243)	2,011,940	(500,242)	1,511,698
Net pension liability	632,514	-	(28,566)	603,948	-	603,948
Net OPEB liability	259,850	207,323	-	467,173	-	467,173
Accrued employee benefits	131,371	35,864	(59,551)	107,684	(10,768)	96,916
Total Water long-term liabilities	3,535,918	243,187	(588,360)	3,190,745	(511,010)	2,679,735
Sewer						
Bonds payable:						
Public offerings	460,000	-	(115,000)	345,000	(115,000)	230,000
Loans (direct borrowings)	6,542,138	-	(791,694)	5,750,444	(807,688)	4,942,756
Total long-term debt	7,002,138	-	(906,694)	6,095,444	(922,688)	5,172,756
Net pension liability	158,129	-	(7,141)	150,988	-	150,988
Net OPEB liability	65,260	31,263	-	96,523	-	96,523
Accrued employee benefits	32,843	10,852	(16,774)	26,921	(2,692)	24,229
Total Sewer long-term liabilities	7,258,370	42,115	(930,609)	6,369,876	(925,380)	5,444,496
Electric						
Bonds payable:						
Public offerings	5,025,000	510,000	(750,000)	4,785,000	(810,000)	3,975,000
Unamortized bond premium	251,668	77,500	(42,507)	286,661	-	286,661
Total long-term debt	5,276,668	587,500	(792,507)	5,071,661	(810,000)	4,261,661
Net pension liability	1,097,567	2,589,649	-	3,687,216	-	3,687,216
Net OPEB obligation	2,345,407	40,183	-	2,385,590	-	2,385,590
Accrued employee benefits	150,118	26,188	(12,117)	164,189	(8,209)	155,980
Total Electric long-term liabilities	8,869,760	3,243,520	(804,624)	11,308,656	(818,209)	10,490,447
Swim & Fitness						
Net pension liability	346,817	-	(74,919)	271,898	-	271,898
Net OPEB liability	514,092	-	(309,463)	204,629	-	204,629
Accrued employee benefits	29,774	18,447	(8,137)	40,084	(4,008)	36,076
Total Swim & Fitness long-term liabilities	890,683	18,447	(392,519)	516,611	(4,008)	512,603
Business-Type Activities	\$ 20,554,731	\$ 3,547,269	\$ (2,716,112)	\$ 21,385,888	\$ (2,258,607)	\$ 19,127,281

Long-Term Liabilities Supporting Governmental and Business-Type Activities

General obligation bonds and state revolving loans, issued by the Town for various municipal projects, are approved by Town Meeting and repaid with revenues recorded in the general fund and user fees recorded in enterprise funds. All other long-term liabilities are repaid from the funds that the cost relates to, primarily the general fund and enterprise funds.

Current Refundings

Current Year

On October 1, 2019, the Town issued general obligation bonds in the amount of \$5,170,000 with an interest rate of 5.00% to refund \$6,170,000 of term bonds with interest rates ranging from 2.00% to 4.00%. The term bonds mature on January 15, 2029 and are callable on January 15, 2020. The general obligation bonds were issued at 1.27% and, after paying issuance costs of \$58,675, the net proceeds were \$6,207,988. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on January 15, 2020. The refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the Town's financial statements.

As a result of the refunding, the Town reduced its total debt service cash flow requirements by \$930,000, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$1,050,361.

23. Landfill Closure and Postclosure Care Costs

The Town stopped accepting waste and permanently capped its landfill in fiscal year 2003. State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Since the Town's landfill has stopped accepting waste, the Town reports these closure and postclosure care costs as a liability in the government-wide financial statements.

The \$120,000 reported as landfill postclosure care liability at June 30, 2020 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in fiscal year 2020. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

24. Capital Lease Obligations

The Town is the lessee of certain equipment under capital leases expiring in various years through 2024. Future minimum lease payments under the capital leases consisted of the following as of June 30, 2020:

Fiscal Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 122,965	\$ 10,817	\$ 133,782
2022	126,234	7,548	133,782
2023	91,462	4,185	95,647
2024	<u>54,512</u>	<u>1,390</u>	<u>55,902</u>
Total	\$ <u>395,173</u>	\$ <u>23,940</u>	\$ <u>419,113</u>

The following is an analysis for the leased assets included in capital assets at June 30, 2020:

	<u>Governmental Activities</u>
Machinery, vehicles and equipment	\$ 635,040
Less: accumulated depreciation	<u>(133,708)</u>
Equipment under capital leases, net	\$ <u>501,332</u>

25. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the Town that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension and OPEB will be recognized as expense in future years and are more fully described in the corresponding pension and OPEB notes. Other deferred inflows of resources consist of regulatory resources which will be used in future years' Light Plant customer rates. *Unavailable revenues* are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

26. Governmental Funds - Balances

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The Town has implemented *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

The following types of fund balances are reported at June 30, 2020:

Nonspendable

Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes nonmajor governmental fund balances for the principal portion of permanent trust funds.

Restricted

Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes restricted funds for pensions in the general fund, while nonmajor funds are comprised of capital project funds, various special revenue funds, and the income portion of permanent trust funds.

Committed

Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town's highest level of decision-making authority. A similar action is needed to modify or rescind a commitment. This fund balance classification includes the Town's insurance reserve fund, special capital articles, as well as special purpose stabilization funds* set aside by Town Meeting vote for future capital acquisitions.

Assigned

Represents amounts that are constrained by the Town's intent to use these resources for a specific purpose. This fund balance classification includes general fund encumbrances that have been established by various Town departments for the expenditure of current year budgetary financial resources upon vendor performance in the subsequent budgetary period and monies voted for subsequent year expenditures. By Charter, the Town Manager is authorized to assign fund balance amounts to a specific purpose, although fund balance to be applied against a subsequent year's budget is voted by Town Meeting.

Unassigned

Represents amounts that are available to be spend in future periods, the Town's general stabilization fund, and deficit balances in nonmajor governmental funds.

*Massachusetts General Law Ch. 40B Section 5 allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund required two-thirds vote of the legislative body and must clearly define the purpose of the fund. Generally, 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.

Following is a breakdown of the Town's fund balances at June 30, 2020:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Permanent funds	\$ -	\$ 3,489,243	\$ 3,489,243
Total Nonspendable	-	3,489,243	3,489,243
Restricted			
Pension fund	9,560,385	-	9,560,385
Community preservation	-	3,301,639	3,301,639
Cemetery	-	513,919	513,919
PEG Access	-	1,403,037	1,403,037
Receipts reserved for appropriation	-	745,401	745,401
Gifts	-	1,257,139	1,257,139
Recreation	-	793,573	793,573
Other revolving	-	764,978	764,978
State grants	-	1,058,859	1,058,859
Solid waste	-	570,259	570,259
Capital project funds	-	6,508,591	6,508,591
Permanent funds	-	3,270,766	3,270,766
Other nonmajor funds	-	686,564	686,564
Total Restricted	9,560,385	20,874,725	30,435,110
Committed			
Affordable housing units at Junction Village	1,000,000	-	1,000,000
Information technology improvements	1,385,906	-	1,385,906
Affordable housing	850,000	-	850,000
Emergency response stabilization	359,079	-	359,079
Insurance reserve fund	1,804,264	-	1,804,264
Middle School stabilization	2,000,000	-	2,000,000
Other	147,918	-	147,918
Land acquisition	-	24,146	24,146
Total Committed	7,547,167	24,146	7,571,313

(continued)

(continued)

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assigned			
For encumbrances:			
Town meeting and reports	108,069	-	108,069
Salary reserve	680,752	-	680,752
Information system	299,923	-	299,923
Human resources	101,295	-	101,295
Assessors	128,150	-	128,150
Public safety equipment	534,067	-	534,067
Police and fire station	90,835	-	90,835
Education	292,601	-	292,601
Engineering services	247,494	-	247,494
Public shade trees	429,289	-	429,289
Sidewalk improvements	497,841	-	497,841
Highway improvements	591,979	-	591,979
Drainage improvements	184,693	-	184,693
Public works equipment	453,996	-	453,996
133-135 Keyes Road building improvements	129,330	-	129,330
Senior services	148,876	-	148,876
Library books	147,473	-	147,473
Employee benefits	252,290	-	252,290
Other	791,504	-	791,504
For next year's expenditures	<u>1,715,000</u>	<u>-</u>	<u>1,715,000</u>
Total Assigned	7,825,457	-	7,825,457
Unassigned			
General fund	9,896,621	-	9,896,621
General stabilization fund	4,490	-	4,490
Deficit balances	<u>-</u>	<u>(1,324,662)</u>	<u>(1,324,662)</u>
Total Unassigned	<u>9,901,111</u>	<u>(1,324,662)</u>	<u>8,576,449</u>
Total Fund Balance	<u>\$ 34,834,120</u>	<u>\$ 23,063,452</u>	<u>\$ 57,897,572</u>

27. Consolidation of Pension and OPEB Trust Funds

The Concord Contributory Retirement System and the Concord OPEB Trust Fund are presented in a single column on pages 37 and 38 because separate financial reports on both trusts were not issued. Details of the financial position and changes in net position are as follows:

Combining Schedule of Changes in Plan Net Position

	Pension Trust Fund (As of December 31, 2019)	OPEB Trust Fund	Pension and OPEB Trust Funds
Assets			
Cash and short-term investments	\$ 2,719,298	\$ -	\$ 2,719,298
Investments:			
Collective investment trust fund	-	21,288,439	21,288,439
Pooled investments	114,522,415	-	114,522,415
External investment pool (PRIT)	67,712,186	-	67,712,186
Accounts receivable	<u>751</u>	<u>-</u>	<u>751</u>
Total Assets	184,954,650	21,288,439	206,243,089
Liabilities			
Warrants and accounts payable	<u>192,041</u>	<u>-</u>	<u>192,041</u>
Net Position			
Restricted for:			
Pension purposes	184,762,609	-	184,762,609
OPEB purposes	<u>-</u>	<u>21,288,439</u>	<u>21,288,439</u>
Total Net Position	<u>\$ 184,762,609</u>	<u>\$ 21,288,439</u>	<u>\$ 206,051,048</u>

Combining Schedule of Changes in Plan Net Position

	Pension Trust Fund (As of December 31, 2019)	OPEB Trust Fund	Pension and OPEB Trust Funds
Additions			
Contributions			
Employers	\$ 5,918,336	\$ 3,984,422	\$ 9,902,758
Plan members	<u>3,529,088</u>	<u>-</u>	<u>3,529,088</u>
Total contributions	9,447,424	3,984,422	13,431,846
Investment Income (Loss)			
Appreciation (depreciation) in fair value of investments	26,522,709	587,284	27,109,993
Less: management fees	<u>(922,155)</u>	<u>-</u>	<u>(922,155)</u>
Net investment gain (loss)	<u>25,600,554</u>	<u>587,284</u>	<u>26,187,838</u>
Total additions	35,047,978	4,571,706	39,619,684
Deductions			
Benefit payments to plan members and beneficiaries	9,241,575	2,190,734	11,432,309
Administrative expenses	<u>272,597</u>	<u>-</u>	<u>272,597</u>
Total deductions	<u>9,514,172</u>	<u>2,190,734</u>	<u>11,704,906</u>
Net change	25,533,806	2,380,972	27,914,778
Net position restricted for pension and OPEB			
Beginning of year	<u>159,228,803</u>	<u>18,907,467</u>	<u>178,136,270</u>
End of year	<u>\$ 184,762,609</u>	<u>\$ 21,288,439</u>	<u>\$ 206,051,048</u>

28. Concord, Massachusetts Contributory Retirement System

The Town follows the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68), with respect to the employees’ retirement funds.

The Light Plant’s net Pension liability and related deferrals are reported as of December 31, 2019 and are based on the Town’s June 30, 2019 actuarial valuation therefore a timing difference exists between these note disclosures and our Statement of Net Position. The actuarial assumptions used in the June 30, 2019 valuation are the same as our 2020 valuation.

All the following Pension disclosures are based on a measurement date of June 30, 2020.

Plan Description

Substantially all employees of the Town (except teachers and administrators under contract employed by the School Department) are members of the Concord Contributory Retirement System (the System), a cost-sharing, multiple-employer public employee retirement system (PERS). Eligible employees must participate in the System. The pension plan provides pension benefits, deferred allowances, and death and disability benefits. Chapter 32 of the Massachusetts General Laws establishes the authority of the System, contribution percentages and benefits paid. The System Retirement Board does not have the authority to amend benefit provisions. Additional information is disclosed in the System’s standalone audited financial statements that are publicly available from the System located at 55 Church Street, West Concord, MA 01742.

Participants Contributions

Participants contribute a set percentage of their gross regular compensation annually. Employee contribution percentages are specified in Chapter 32 of the Massachusetts General Laws. The employee’s individual contribution percentage is determined by their date of entry into the system. In addition, all employees hired on or after January 1, 1979 contribute an additional 2% on all gross regular compensation over the rate of \$30,000 per year. The percentages are as follows:

Before January 1, 1975	5%
January 1, 1975 - December 31, 1983	7%
January 1, 1984 - June 30, 1996	8%
Beginning July 1, 1996	9%

For those members entering a Massachusetts System on or after April 2, 2012 in Group 1, the contribution rate will be reduced to 6% when at least 30 years of creditable service has been attained.

Participant Retirement Benefits

A retirement allowance consists of two parts: an annuity and a pension. A member's accumulated total deductions and a portion of the interest they generate constitute the annuity. The difference between the total retirement allowance and the annuity is the pension. The average retirement benefit is approximately 80-85% pension and 15-20% annuity.

The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation for those hired prior to April 2, 2012 and the highest 5-year average annual rate of regular compensation for those first becoming members of the Massachusetts System on or after that date. However, per Chapter 176 of the Acts of 2011, for members who retire on or after April 2, 2012, if in the 5 years of creditable service immediately preceding retirement, the difference in the annual rate of regular compensation between any 2 consecutive years exceeds 100%, the normal yearly amount of the retirement allowance shall be based on the average annual rate of regular compensation received by the member during the period of 5 consecutive years preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification.

There are 4 classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the Massachusetts State Police. The other three classes are as follows:

- Group 1 – General employees, including clerical, administrative, technical, and all other employees not otherwise classified.
- Group 2 – Certain specified hazardous duty positions.
- Group 4 – Police officers, firefighters, and other specified hazardous positions.

A retirement allowance may be received at any age, upon attaining 20 years of service. The plan also provides for retirement at age 55 if the participant was a member prior to January 1, 1978, with no minimum vesting requirements. If the participant was a member on or after January 1, 1978 and a member of Groups 1 or 2, then a retirement allowance may be received if the participant (1) has at least 10 years of creditable service, (2) is age 55, (3) voluntarily left Town employment on or after that date, and (4) left accumulated annuity deductions in the fund. Members of Group 4 have no minimum vesting requirements, however, must be at least age 55. Groups 2 and 4 require that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

A participant who became a member on or after April 2, 2012 is eligible for a retirement allowance upon 10 years creditable service and reaching ages 60 or 55 for Groups 1 and 2, respectively. Participants in Group 4 must be at least age 55. Groups 2 and 4 require

that participants perform the duties of the Group position for at least 12 months immediately prior to retirement.

Methods of Payment

A member may elect to receive his or her retirement allowance in one of three forms of payment as follows:

- Option A – Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the members death.
- Option B – A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.
- Option C – A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

Participant Refunds

Employees who resign from service and who are not eligible to receive a retirement allowance are entitled to request a refund of their accumulated total deductions. Members voluntarily withdrawing with at least 10 years of service or involuntarily withdrawing, receive 100% of the regular interest that has accrued on those accumulated total deductions. Members voluntarily withdrawing with less than 10 years of service get credited interest each year at a rate of 3%.

Employer Contributions

Employers are required to contribute at actuarially determined rates as accepted by the Public Employee Retirement Administration Commission (PERAC).

The Town's contribution to the System for the year ended June 30, 2020 was \$5,111,075, which was equal to its annual required contribution.

Summary of Significant Accounting Policies

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 System and additions to/deductions from System’s fiduciary net position have been determined on the same basis as they are reported by System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to Pensions

At June 30, 2020, the Town reported a liability of \$21,628,403 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019 and rolled forward to December 31, 2019. 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 employers, actuarially determined. At June 30, 2020, the Town’s proportion was 73.65%, which was a change of 0.38% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Town recognized pension expense of \$5,096,691. In addition, the Town reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred (Inflows) of <u>Resources</u>
Differences between expected and actual experience	\$ 3,879,512	\$ (935,145)
Changes of assumptions	1,515,209	(380,142)
Net difference between projected and actual investment earnings on pension plan investments	-	(3,853,255)
Changes in proportion and differences between contributions and proportionate share of contributions	<u>480,021</u>	<u>(1,163,959)</u>
Total	<u>\$ 5,874,742</u>	<u>\$ (6,332,501)</u>

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021	\$ 254,605
2022	(292,019)
2023	1,266,465
2024	<u>(1,686,810)</u>
Total	<u>\$ (457,759)</u>

Actuarial Assumptions

The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal
Remaining amortization period	10 years from January 1, 2019
Inflation	Not explicitly assumed
Salary increases:	4.00% Ultimate rate; reduced to 3.25% while receiving the following steps:
Groups 1 and 2	2.50% for 10 years
Fire	4.70% for 3 years
Police	5.20% in year 1, 5.60% in year 2, 7.30% in year 3, 5.00% in year 4, and 4.80% in year 5
Investment rate of return	7.00%

Mortality rates were based on the following:

Pre-retirement and beneficiary mortality:	RP-2014 Healthy Employee Mortality table projected generationally from 2006 using MP-2016 (gender-distinct)
Mortality for retired members:	RP-2014 Healthy Annuitant table projected generationally from 2006 using MP-2016 (gender-distinct)
Mortality for disabled members:	RP-2014 Healthy Annuitant table projected generationally from 2006 using MP-2016 set forward by 2 years (gender-distinct)

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of the most recent actuarial experience study.

Target Allocations

The long-term expected rate of return on pension plan investments was selected from a best estimate range determined using the building block approach. Under this method, an expected future real return range (expected returns, net of pension plan investment expense and inflation) is calculated separately for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return net of investment expenses by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equity	24.20%	4.70%
Core bonds	20.60%	1.31%
International equity	14.10%	5.18%
Real estate	9.60%	3.91%
Hedged equity	8.40%	3.60%
Private equity	8.10%	7.75%
Emerging equity	4.30%	6.32%
Value-added fixed income	3.10%	3.27%
Portfolio completion (PCS)	2.80%	3.22%
Commodities	2.10%	2.79%
Long duration fixed income	1.10%	1.46%
Inflation-linked bonds	1.00%	0.20%
Short-term fixed income	0.60%	0.59%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current active and inactive 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 Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Town’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
\$ 34,847,373	\$ 17,941,187 *	\$ 3,306,642

*Will not agree with net pension liability in financial statements as Light Plant pension liability reported as of December 31, 2019.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report.

29. Massachusetts Teachers’ Retirement System (MTRS)

Plan Description

The Massachusetts Teachers’ Retirement System (MTRS) is a public employee retirement system (PERS) that administers a cost-sharing, multi-employer defined benefit plan, as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25* (GASB 67). MTRS is managed by the Commonwealth on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for all contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth’s reporting entity and does not issue a stand-alone audited financial report.

Management of MTRS is vested in the Massachusetts Teachers’ Retirement Board (MTRB), which consists of seven members—two elected by the MTRS members, one who is chosen by the six other MTRB members, the State Treasurer (or their designee), the State Auditor (or their designee), a member appointed by the Governor, and the Commissioner of Education (or their designee), who serves ex-officio as the Chairman of the MTRB.

Benefits Provided

MTRS provides retirement, disability, survivor, and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and

contribution requirements for all contributory PERS. These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest 3-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated on the basis of the last 5 years or any 5 consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, and group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after 10 years of creditable service. A superannuation retirement allowance may be received upon the completion of 20 years of creditable service or upon reaching the age of 55 with 10 years of service. Normal retirement for most employees occurs at age 65. Most employees who joined the system after April 1, 2012 cannot retire prior to age 60.

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

Contributions

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

<u>Membership Date</u>	<u>% of Compensation</u>
Prior to 1975	5% of regular compensation
1975 - 1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation
7/1/2001 to present	11% of regular compensation (for teachers hired after 7/1/01 and those accepting provisions of Chapter 114 of the Acts of 2000)
1979 to present	An additional 2% of regular compensation in excess of \$30,000

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of January 1, 2019 rolled forward to June 30, 2019. This valuation used the following assumptions:

- (a) 7.25% (changed from 7.35%) investment rate of return, (b) 3.50% interest rate credited to the annuity savings fund and (c) 3.00% cost of living increase on the first \$13,000 per year.

- Salary increases are based on analyses of past experience but range from 4.00% to 7.50% depending on length of service.
- Experience study is dated July 21, 2014 and encompasses the period January 1, 2006 to December 31, 2011, updated to reflect post-retirement mortality through January 1, 2017.
- Mortality rates were as follows:
 - Pre-retirement – reflects RP-2014 White Collar Employees table projected generationally with Scale MP-2016 (gender distinct).
 - Post-retirement – reflects RP-2014 White Collar Healthy Annuitant table projected generationally with Scale MP-2016 (gender distinct).
 - Disability – assumed to be in accordance with the RP-2014 White Collar Healthy Annuitant Table projected generationally with Scale MP-2016 (gender distinct).

Target Allocations

Investment assets of the MTRS are with the Pension Reserves Investment Trust (PRIT) Fund. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. Best estimates of geometric rates of return for each major asset class included in the PRIT Fund’s target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	39.00%	4.90%
Core fixed income	15.00%	1.30%
Private equity	13.00%	8.20%
Portfolio completion strategies	11.00%	3.90%
Real estate	10.00%	3.60%
Value-added fixed income	8.00%	4.70%
Timber/natural resources	4.00%	4.10%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the Commonwealth’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following illustrates the sensitivity of the collective net pension liability to changes in the discount rate. In particular, the table presents the MTRS collective net pension liability assuming it was calculated using a single discount rate that is one-percentage-point lower or one-percentage-point higher than the current discount rate (in thousands):

1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
\$ 31,232,100	\$ 25,214,020	\$ 20,062,500

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make all actuarial determined employer contributions on behalf of the member employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27* (GASB 68) and the Commonwealth is a nonemployer contributing entity in MTRS. Since the employers do not contribute directly to MTRS, there is no net pension liability to recognize for each employer.

Town Proportions

In fiscal year 2019 (the most recent measurement period), the Town’s proportionate share of the MTRS’ collective net pension liability was approximately \$78,375,790 based on a proportionate share of 0.310842%. As required by GASB 68, the Town has recognized its portion of the Commonwealth’s contribution of approximately \$4,487,659 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$9,504,425 as both a revenue and expense in the governmental activities.

30. Other Post-Employment Benefits (GASB 74 and GASB 75)

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB), replaces the requirements of *Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This applies if a trust fund has been established to fund future OPEB costs. In fiscal year 2010, the Town established a single employer defined benefit OPEB Trust Fund to provide funding for future employee health care costs. The OPEB Trust Fund does not issue a stand-alone financial report.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, replaces the requirements of *Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. This Statement identifies the methods and assumptions that are required to be used to project benefit payments, discounted projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The OPEB disclosures noted below are inclusive of the entire Town with a reporting date of June 30, 2020.

The Light Plant’s net OPEB liability and related deferrals are reported as of December 31, 2019 and are based on the Town’s June 30, 2019 actuarial valuation therefore a timing difference exists between these note disclosures and our Statement of Net Position. The actuarial assumptions used in the June 30, 2019 valuation are the same as our fiscal year 2020 valuation.

All the following OPEB disclosures are based on a measurement date of June 30, 2020.

General Information about the OPEB Plan

Plan Description

The Town provides post-employment healthcare benefits for retired employees through the Town’s single-employer defined benefit OPEB plan. The Town provides health insurance coverage through a variety of commercially available plans. The benefits, benefit levels, employee contributions, and employer contributions are governed by Chapter 32 of the Massachusetts General Laws.

Benefits Provided

The Town provides medical and prescription drug insurance to retirees and their covered dependents. All active employees who retire from the Town and meet the eligibility criteria will receive these benefits.

Plan Membership

At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	381
Active employees	<u>739</u>
Total	<u><u>1,120</u></u>

Funding Policy

The Town’s funding policy includes financing the implicit subsidy on a pay-as-you-go basis, as required by statute. Additional contributions are based on actuarially determined amounts.

Investments

At June 30, 2020 the OPEB trust fund assets were solely comprised of investments in a collective investment trust fund.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2.91%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested throughout the year.

Actuarial Assumptions and Other Inputs

The net OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.75%
Salary increases:	4.00%, average reduced to 3.50% while receiving steps:
Police	5.20% in year one, 5.60% in year two, 7.30% in year three, 5.00% in year four, 4.80% in year five
Fire	4.70% for 3 years
All other employees	4.30% for 7 years
Discount rate	6.50%
Healthcare cost trend rates	7.00% to 9.00% for 2020, fluctuating 0.50% annually, to an ultimate rate of 5.00%
Retirees' share of benefit-related costs	Range of 37.00% to 50.00%
Participation rate	67.50% of eligible employees. Medicare-eligible retirees as assumed to elect a Medicare plan option at age 65

Mortality rates were based on:

- Actives: The RP-2014 Mortality Tables adjusted to 2006, gender-distinct, for employees projected using generational mortality and scale MP-2016.
- Retirees: The RP-2014 Mortality Tables adjusted to 2006, gender-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2016.
- Disabled: The RP-2014 Mortality Tables adjusted to 2006, gender-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2016. Set forward 2 years.

Target Allocations

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 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 geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Stock	48.60%	4.10%
Domestic Bond	31.70%	0.88%
Foreign Stock	15.30%	4.39%
Foreign Bond	2.10%	0.88%
Cash	1.60%	-0.10%
Convertible	0.60%	3.02%
Preferred	0.10%	8.00%
Total	<u>100.00%</u>	

Contributions

In addition to the implicit subsidy contribution, the Town’s policy is to contribute the ADC or amounts provided annually by the budget.

Discount Rate

The discount rate used to measure the net OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate.

Based on those assumptions, the OPEB plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2020, were as follows:

Total OPEB liability	\$ 59,897,739
Plan fiduciary net position	<u>(21,288,439)</u>
Net OPEB liability	<u>\$ 38,609,300</u>
Plan fiduciary net position as a percentage of the total OPEB liability	35.54%

The fiduciary net position has been determined on the same basis used by the OPEB Plan. For this purpose, the Plan recognizes benefit payments when due and payable.

Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year:

	Increase (Decrease)		
	Total OPEB Liability <u>(a)</u>	Plan Fiduciary Net Position <u>(b)</u>	Net OPEB Liability <u>(a) - (b)</u>
Balances, beginning of year	\$ 54,532,494	\$ 18,907,467	\$ 35,625,027
Changes for the year:			
Service cost	1,452,286	-	1,452,286
Interest	3,979,482	-	3,979,482
Contributions - employer	-	3,984,422	(3,984,422)
Net investment income	-	587,284	(587,284)
Changes in assumptions	2,124,211	-	2,124,211
Benefit payments	<u>(2,190,734)</u>	<u>(2,190,734)</u>	<u>-</u>
Net Changes	<u>5,365,245</u>	<u>2,380,972</u>	<u>2,984,273</u>
Balances, end of year	<u>\$ 59,897,739</u>	<u>\$ 21,288,439</u>	<u>\$ 38,609,300</u>

Update procedures were used to roll the amounts from the June 30, 2019 valuation date. Changes of assumptions reflect a change in the discount rate from 7.25% in fiscal year 2019 to 6.50% in fiscal year 2020.

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

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

1% Decrease <u>(5.50%)</u>	Current Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
\$ 46,608,884	\$ 38,609,300	\$ 32,057,107

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it as calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

<u>1% Decrease</u>	Current Healthcare Cost Trend Rates	<u>1% Increase</u>
\$ 30,876,739	\$ 38,609,300	\$ 48,254,451

OPEB Expense and Deferred Outflows of Resources and Deferred (Inflows) of Resources Related to OPEB

For the year ended June 30, 2020, the Town recognized an OPEB expense of \$4,550,228. At June 30, 2020, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources described below:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 639,661	\$ -
Changes of assumptions	1,773,682	-
Net difference between projected and actual investment earnings on OPEB plan investments	<u>534,028</u>	<u>-</u>
Total	<u>\$ 2,947,371</u>	<u>\$ -</u>

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

<u>Year Ended June 30:</u>	
2021	\$ 581,365
2022	581,365
2023	720,420
2024	683,206
2025	359,983
Thereafter	<u>21,032</u>
Total	<u>\$ 2,947,371</u>

31. Participation in Massachusetts Municipal Wholesale Electric Company

The Town of Concord, acting through its Light Plant, is a participant in the New York Power Administration Niagara Project (NYPA) which is administered through the Massachusetts Municipal Wholesale Electric Company (MMWEC).

MMWEC is a public corporation and a political subdivision of the Commonwealth of Massachusetts, created as a means to develop a bulk power supply for its Members and other utilities. MMWEC is authorized to construct, own or purchase ownership interests in, and to issue revenue bonds to finance electric facilities.

The Power Purchase Agreement with MMWEC for NYPA requires that each Project Participant pay its pro rata share of MMWEC's costs related to the Project in addition to its share of capacity, energy, transmission and working capital funding.

The Light Plant is a 2.120% entitlement holder in the Massachusetts allocation of the NYPA firm and peaking energy. The contracts are for the life of the units and the 2019 average energy price for the NYPA is \$0.00497/kWh.

32. Payment in Lieu of Taxes

The language "payment in lieu of taxes" (PILOT) is used with reference to the interfund transfer within the municipal corporate entity because it is the language used in the statute authorizing the establishment and operation of municipal light plants (MGL Ch. 164). The Light Plant PILOT is a transfer from the electric light fund to the general fund.

The particular method in arriving at an appropriate amount of this transfer is not prescribed by statute, but rather Concord's specific amount has been derived from a formula worked out jointly by the Finance Department and the Light Plant and approved by the Town Manager. The formula is based upon the last full years kWh sales multiplied by \$0.00275.

33. Commitments and Contingencies

COVID-19

The COVID-19 outbreak in the United States (and across the globe) has resulted in economic uncertainties. There is considerable uncertainty around the duration and scope of the economic disruption. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on individuals served by the Town, employees, and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

Outstanding Legal Issues

On an ongoing basis, there are typically pending legal issues in which the Town is involved. The Town's management is of the opinion that the potential future settlement of these issues would not materially affect its financial statements taken as a whole.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

Abatements

There are several cases pending before the Appellate Tax Board in regard to alleged discrepancies in property assessments. According to the Town's counsel, the probable outcome of these cases at the present time is indeterminable.

Encumbrances

At year-end the Town's general fund has \$6,110,457 in encumbrances that will be honored in the next fiscal year.

34. Renewable Energy Certificates

In 2003, the Massachusetts Department of Energy and Environmental Affairs adopted the Massachusetts Renewable Energy Portfolio Standard (RPS), a regulation that requires Investor Owned Utilities (IOUs) to purchase mandated amounts of energy generated by renewable resources (Green Energy) as a percentage of their overall electricity sales. The Massachusetts RPS applies only to IOUs, so the Department is currently exempt from this mandate.

Energy suppliers meet their annual RPS obligations by acquiring a sufficient quantity of RPS-qualified renewable energy certificates (RECs) that are created and recorded at the New England Power Pool (NEPOOL) Generation Information System (GIS). Suppliers can purchase RECs from electricity generators or from other utilities that have acquired RECs.

The Light Plant currently has a 15-year contract for the purchase of wind power from Spruce Mountain in Maine. As part of the contract they are given RECs and they are subsequently sold to offset the power costs.

Information regarding the Light Plant’s fiscal year ending December 31, 2019 REC balances is as follows:

<u>REC Holdings at December 31, 2019</u>		
	<u>Banked Certificates</u>	<u>Estimated Value</u>
MA Class I	\$ 26,130	\$ 786,775

A banked REC is a REC that has been processed by the NEPOOL GIS Coordinator and is in the Plant’s GIS account.

Because there is no formal accounting guidance under GAAP or IFRS for RECs and the Light Plant does not have a formal policy for the future disposition of RECs, the estimated fair value of the Light Plant’s REC holdings at December 31, 2019 are not recognized as an asset on the proprietary funds Statement of Net Position.

35. New Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 84, *Fiduciary Activities*, effective for the Town beginning with its fiscal year ending June 30, 2021. This statement establishes guidance on how to address the categorization of fiduciary activities for financial reporting and how fiduciary activities are to be reported and may require reclassification of certain funds.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, *Leases*, effective for the Town beginning with its fiscal year ending June 30, 2022. This statement establishes new reporting and disclosure requirements, including the recording of various operating leases in the financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
(Unaudited)

Concord Contributory Retirement System - Town Portion (excluding Concord Municipal Light Plant)

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	December 31, 2019	73.65%	\$ 17,941,188	\$ 25,878,605	69.33%	88.35%
June 30, 2019	December 31, 2018	75.88%	27,713,340	25,740,671	107.66%	81.34%
June 30, 2018	December 31, 2017	79.55%	13,763,171	26,468,641	52.00%	90.58%
June 30, 2017	December 31, 2016	91.00%	25,158,499	24,561,225	102.43%	81.85%
June 30, 2016	December 31, 2015	93.85%	25,035,056	24,933,238	100.41%	80.73%
June 30, 2015	December 31, 2014	100.00%	13,872,529	23,546,350	58.92%	88.04%

Concord Contributory Retirement System - Concord Municipal Light Plant Portion

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
December 31, 2019	December 31, 2018	10.10%	\$ 3,687,216	\$ 3,424,758	107.66%	81.34%
December 31, 2018	December 31, 2017	6.34%	1,097,567	2,109,619	52.03%	90.58%
December 31, 2017	December 31, 2016	16.11%	2,643,809	2,583,283	102.34%	81.85%
December 31, 2016	December 31, 2015	9.00%	2,487,542	2,647,220	93.97%	80.73%
December 31, 2015	December 31, 2014	6.15%	1,639,399	2,783,014	58.91%	88.04%

Massachusetts Teachers' Retirement System

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town	Total Net Pension Liability Associated with the Town	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position Percentage of the Total Pension Liability
June 30, 2020	June 30, 2019	0.310842%	\$ -	\$ 78,375,790	\$ 78,375,790	\$ 21,107,627	-	53.95%
June 30, 2019	June 30, 2018	0.307846%	-	72,994,178	72,994,178	20,904,184	-	54.84%
June 30, 2018	June 30, 2017	0.305777%	-	69,978,374	69,978,374	20,763,689	-	54.25%
June 30, 2017	June 30, 2016	0.296945%	-	66,390,702	66,390,702	19,532,018	-	52.73%
June 30, 2016	June 30, 2015	0.296429%	-	60,737,174	60,737,174	18,790,302	-	55.38%
June 30, 2015	June 30, 2014	0.297613%	-	47,309,570	47,309,570	18,248,123	-	61.64%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Schedule of Pension Contributions
(Unaudited)

Concord Contributory Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Actuarially Determined Contribution</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	December 31, 2019	\$ 5,111,075	\$ (5,111,075)		\$ -	\$ 26,266,784	19.46%
June 30, 2019	December 31, 2018	4,873,262	(4,873,262)		-	26,126,781	18.65%
June 30, 2018	December 31, 2017	4,703,073	(4,703,073)		-	26,865,670	17.51%
June 30, 2017	December 31, 2016	4,449,269	(4,449,269)		-	24,929,643	17.85%
June 30, 2016	December 31, 2015	3,901,380	(3,901,380)		-	25,307,236	15.42%
June 30, 2015	December 31, 2014	3,467,672	(3,467,672)		-	23,899,545	14.51%

Massachusetts Teachers' Retirement System

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Actuarially Determined Contribution Provided by Commonwealth</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	June 30, 2019	\$ 4,487,659	\$ (4,487,659)		\$ -	\$ 21,107,627	21.26%
June 30, 2019	June 30, 2018	4,047,503	(4,047,503)		-	20,904,184	19.36%
June 30, 2018	June 30, 2017	3,777,927	(3,777,927)		-	20,763,689	18.19%
June 30, 2017	June 30, 2016	3,339,391	(3,339,391)		-	19,532,018	17.10%
June 30, 2016	June 30, 2015	3,029,293	(3,029,293)		-	18,790,302	16.12%
June 30, 2015	June 30, 2014	2,789,760	(2,789,760)		-	18,248,123	15.29%

Schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedule of Changes in the Net OPEB Liability
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability				
Service cost	\$ 1,452,286	\$ 1,333,336	\$ 1,315,915	\$ 1,265,303
Interest	3,979,482	3,694,236	3,231,988	3,047,291
Changes of benefit terms	-	19,740	-	-
Differences between expected and actual experience	-	954,765	1,425,318	-
Changes of assumptions	2,124,211	-	2,432,103	-
Benefit payments, including refunds of member contributions	<u>(2,190,734)</u>	<u>(2,182,442)</u>	<u>(1,911,377)</u>	<u>(1,690,388)</u>
Net change in total OPEB liability	5,365,245	3,819,635	6,493,947	2,622,206
Total OPEB liability - beginning	<u>54,532,494</u>	<u>50,712,859</u>	<u>44,218,912</u>	<u>41,596,706</u>
Total OPEB liability - ending (a)	59,897,739	54,532,494	50,712,859	44,218,912
Plan Fiduciary Net Position				
Contributions - employer	3,984,422	3,924,542	3,522,377	3,470,388
Net investment income	587,284	1,045,755	1,056,360	1,497,472
Benefit payments, including refunds of member contributions	<u>(2,190,734)</u>	<u>(2,182,442)</u>	<u>(1,911,377)</u>	<u>(1,690,388)</u>
Net change in plan fiduciary net position	2,380,972	2,787,855	2,667,360	3,277,472
Plan fiduciary net position - beginning	<u>18,907,467</u>	<u>16,119,612</u>	<u>13,452,252</u>	<u>10,174,780</u>
Plan fiduciary net position - ending (b)	<u>21,288,439</u>	<u>18,907,467</u>	<u>16,119,612</u>	<u>13,452,252</u>
Net OPEB liability - ending (a-b)*	<u>\$ 38,609,300</u>	<u>\$ 35,625,027</u>	<u>\$ 34,593,247</u>	<u>\$ 30,766,660</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2019.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Required Supplementary Information
Other Post-Employment Benefits (OPEB)
Schedules of Net OPEB Liability, Contributions, and Investment Returns
(Unaudited)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Net OPEB Liability				
Total OPEB liability	\$ 59,897,739	\$ 54,532,494	\$ 50,712,859	\$ 44,218,912
Plan fiduciary net position	<u>(21,288,439)</u>	<u>(18,907,467)</u>	<u>(16,119,612)</u>	<u>(13,452,252)</u>
Net OPEB liability*	<u>\$ 38,609,300</u>	<u>\$ 35,625,027</u>	<u>\$ 34,593,247</u>	<u>\$ 30,766,660</u>
Plan fiduciary net position as a percentage of the total OPEB liability	35.54%	34.67%	31.79%	30.42%
Covered employee payroll	\$ 56,149,295	\$ 51,130,178	\$ Unavailable	\$ 47,902,000
Net OPEB liability as a percentage of covered employee payroll	68.76%	69.68%	Unavailable	64.23%
Schedule of Contributions				
Actuarially determined contribution	\$ 4,140,000	\$ 3,729,000	\$ 3,589,000	\$ 4,088,000
Contributions in relation to the actuarially determined contribution	<u>3,984,422</u>	<u>3,924,542</u>	<u>3,522,377</u>	<u>3,470,388</u>
Contribution deficiency (excess)	<u>\$ 155,578</u>	<u>\$ (195,542)</u>	<u>\$ 66,623</u>	<u>\$ 617,612</u>
Schedule of Investment Returns				
Annual money weighted rate of return, net of investment expense	2.91%	6.16%	7.24%	13.07%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

*The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2019.

See notes to the Town's financial statements for summary of significant actuarial methods and assumptions.

See Independent Auditors' Report.

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**Combining and Individual Fund
Financial Statements and Schedules**

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes and restricted by law or local action.

Special Revenue Funds are established for the following purposes:

Community Preservation: To account for funds raised by a property tax surcharge that can be used for acquisition and preservation of open space, affordable housing, historic preservation, and recreation.

Parking: To account for funds raised by parking charges and fines, to be used for parking lot maintenance, traffic signalization and traffic and parking control projects.

Cemetery: To account for funds derived from the sale of burial lots and interment fees used to provide support to the Cemetery operating budget.

PEG Access: To account for funds derived from the cable television franchise agreement used to operate the Community Television program.

Receipts Reserved for Appropriation: To account for receipts, which according to Massachusetts General Laws, must be segregated in the treasury and appropriated to be spent for specific purposes.

53G Review: To account for funds associated with the Massachusetts General Law Chapter 44, Section 53G.

Miscellaneous Grants and Contributions: To account for various other funds of the Town restricted for particular purposes.

School Lunch: To account for operating revenues and expenses associated with the School Department student lunch program.

Gifts: To account for various gifts to the Town restricted by the donor for particular purposes.

Recreation: To account for funds associated with the Town recreation activities.

Other Revolving: To account for receipts (other than Recreation) which may be spent without appropriation for expenditures related to the source of the receipt.

Land Acquisition: To account for funds associated with the Town's land acquisition program.

Federal Grants: To account for various Federal grant programs.

State Grants: To account for various State grant programs other than Chapter 90.

Highway Grants: To account for the Town's Chapter 90 state grant program.

Solid Waste: To account for funds for use in the operation of the curbside and recycling program.

Sawyer Gift Fund: To account for funds distributed by the Trustees of Town Donations from the Sawyer Trust Gift to be used for specific projects to improve the energy efficiency of municipal buildings.

Other Special Revenue funds: To account for funds appropriated for purposes outside of the aforementioned categories.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities or equipment other than those employed in the delivery of services accounted for in Enterprise Funds.

PERMANENT FUNDS

Permanent Funds are established to account for certain assets held by the Town in a fiduciary capacity as trustee. Funds are used to report resources that are legally restricted to the extent that only the earning, and not principal, may be used for purposes that benefit the Town or its citizenry.

Permanent Funds are established for the following purposes:

Hapgood Wright Trust Funds: To account for contributions earmarked for the benefit and improvement of the Town or citizens of Concord as well as for the semi-centennial celebration of the incorporation of the Town.

Cemetery Trust Funds: To account for contributions earmarked for the perpetual care and maintenance of cemetery facilities and property.

Other Trust Funds: To account for all contributions including: gifts, donations and bequests for which only earnings on the original trust corpus may be expended to benefit government approved programs, other than those associated with Hapgood Wright and cemetery activities.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds				
	<u>Community Preservation</u>	<u>Parking</u>	<u>Cemetery</u>	<u>PEG Access</u>	<u>Receipts Reserved for Appropriation</u>
Assets					
Cash and short-term investments	\$ 3,311,761	\$ 181,220	\$ 513,919	\$ 1,409,565	\$ 806,001
Investments	-	-	-	-	-
Receivables:					
Property taxes	23,628	-	-	-	-
Departmental	-	-	-	-	240,396
Intergovernmental	-	-	-	-	-
Total Assets	<u>\$ 3,335,389</u>	<u>\$ 181,220</u>	<u>\$ 513,919</u>	<u>\$ 1,409,565</u>	<u>\$ 1,046,397</u>
Liabilities					
Warrants payable	\$ 10,123	\$ 8,918	\$ -	\$ 746	\$ 600
Accrued liabilities	-	-	-	-	-
Accrued payroll	-	3,180	-	5,782	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Notes payable	-	-	-	-	60,000
Total Liabilities	10,123	12,098	-	6,528	60,600
Deferred Inflows of Resources					
Unavailable revenues	23,627	-	-	-	240,396
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	3,301,639	169,122	513,919	1,403,037	745,401
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balance	<u>3,301,639</u>	<u>169,122</u>	<u>513,919</u>	<u>1,403,037</u>	<u>745,401</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 3,335,389</u>	<u>\$ 181,220</u>	<u>\$ 513,919</u>	<u>\$ 1,409,565</u>	<u>\$ 1,046,397</u>

See Independent Auditors' Report.

Special Revenue Funds

<u>53 G Review</u>	<u>Miscellaneous Grants and Contributions</u>	<u>School Lunch</u>	<u>Gifts</u>	<u>Recreation</u>	<u>Other Revolving</u>
\$ 2,252	\$ 84,274	\$ 253,172	\$ 1,260,887	\$ 877,737	\$ 756,958
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,103	-	-	-
<u>\$ 2,252</u>	<u>\$ 84,274</u>	<u>\$ 255,275</u>	<u>\$ 1,260,887</u>	<u>\$ 877,737</u>	<u>\$ 756,958</u>
\$ 1,922	\$ 2,500	\$ 128	\$ 2,934	\$ 43,138	\$ 16,036
-	-	-	-	10,975	-
-	-	272	814	30,051	90
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,922</u>	<u>2,500</u>	<u>400</u>	<u>3,748</u>	<u>84,164</u>	<u>16,126</u>
-	-	-	-	-	-
-	-	-	-	-	-
330	81,774	254,875	1,257,139	793,573	740,832
-	-	-	-	-	-
<u>330</u>	<u>81,774</u>	<u>254,875</u>	<u>1,257,139</u>	<u>793,573</u>	<u>740,832</u>
<u>\$ 2,252</u>	<u>\$ 84,274</u>	<u>\$ 255,275</u>	<u>\$ 1,260,887</u>	<u>\$ 877,737</u>	<u>\$ 756,958</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

(continued)

	Special Revenue Funds			
	Land Acquisition	Federal Grants	State Grants	Highway Grants
Assets				
Cash and short-term investments	\$ 24,146	\$ -	\$ -	\$ -
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Departmental	-	-	-	-
Intergovernmental	-	626,227	1,430,571	196,386
Total Assets	<u>\$ 24,146</u>	<u>\$ 626,227</u>	<u>\$ 1,430,571</u>	<u>\$ 196,386</u>
Liabilities				
Warrants payable	\$ -	\$ 4,600	\$ 26,937	\$ -
Accrued liabilities	-	-	-	-
Accrued payroll	-	6,863	11,673	-
Unearned revenue	-	-	-	-
Due to other funds	-	921,343	1,328,065	226,460
Notes payable	-	-	-	-
Total Liabilities	-	932,806	1,366,675	226,460
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Fund Balance				
Nonspendable	-	-	-	-
Restricted	-	23,120	1,058,859	(30,074)
Committed	24,146	-	-	-
Unassigned	-	(329,699)	(994,963)	-
Total Fund Balance	<u>24,146</u>	<u>(306,579)</u>	<u>63,896</u>	<u>(30,074)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 24,146</u>	<u>\$ 626,227</u>	<u>\$ 1,430,571</u>	<u>\$ 196,386</u>

See Independent Auditors' Report.

Special Revenue Funds				
<u>Solid Waste</u>	<u>Sawyer Gift Fund</u>	<u>Other Special Revenue Funds</u>	<u>Subtotals</u>	<u>Capital Project Funds</u>
\$ 948,500	\$ 77,860	\$ 133,703	\$ 10,641,955	\$ 6,533,362
-	-	-	-	-
-	-	-	23,628	-
-	-	-	240,396	-
-	-	-	<u>2,255,287</u>	-
<u>\$ 948,500</u>	<u>\$ 77,860</u>	<u>\$ 133,703</u>	<u>\$ 13,161,266</u>	<u>\$ 6,533,362</u>
\$ 697	\$ -	\$ -	\$ 119,279	\$ 24,771
92,372	-	-	103,347	-
4,151	-	-	62,876	-
281,021	-	-	281,021	-
-	-	-	2,475,868	-
-	-	-	<u>60,000</u>	-
378,241	-	-	3,102,391	24,771
-	-	-	264,023	-
-	-	-	-	-
570,259	77,860	133,703	11,095,368	6,508,591
-	-	-	24,146	-
-	-	-	<u>(1,324,662)</u>	-
<u>570,259</u>	<u>77,860</u>	<u>133,703</u>	<u>9,794,852</u>	<u>6,508,591</u>
<u>\$ 948,500</u>	<u>\$ 77,860</u>	<u>\$ 133,703</u>	<u>\$ 13,161,266</u>	<u>\$ 6,533,362</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

(continued)

	Permanent Funds			Subtotals	Total Nonmajor Governmental Funds
	Hapgood Wright Trust Funds	Cemetery Trust Funds	Other Trust Funds		
Assets					
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -	\$ 17,175,317
Investments	1,263,762	4,024,249	1,471,998	6,760,009	6,760,009
Receivables:					
Property taxes	-	-	-	-	23,628
Departmental	-	-	-	-	240,396
Intergovernmental	-	-	-	-	2,255,287
Total Assets	<u>\$ 1,263,762</u>	<u>\$ 4,024,249</u>	<u>\$ 1,471,998</u>	<u>\$ 6,760,009</u>	<u>\$ 26,454,637</u>
Liabilities					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ 144,050
Accrued liabilities	-	-	-	-	103,347
Accrued payroll	-	-	-	-	62,876
Unearned revenue	-	-	-	-	281,021
Due to other funds	-	-	-	-	2,475,868
Notes payable	-	-	-	-	60,000
Total Liabilities	-	-	-	-	3,127,162
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	264,023
Fund Balance					
Nonspendable	1,171,231	1,838,458	479,554	3,489,243	3,489,243
Restricted	92,531	2,185,791	992,444	3,270,766	20,874,725
Committed	-	-	-	-	24,146
Unassigned	-	-	-	-	(1,324,662)
Total Fund Balance	<u>1,263,762</u>	<u>4,024,249</u>	<u>1,471,998</u>	<u>6,760,009</u>	<u>23,063,452</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,263,762</u>	<u>\$ 4,024,249</u>	<u>\$ 1,471,998</u>	<u>\$ 6,760,009</u>	<u>\$ 26,454,637</u>

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See Independent Auditors' Report.

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TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds				
	Community Preservation	Parking	Cemetery	PEG Access	Receipts Reserved for Appropriation
Revenues					
Property taxes	\$ 1,286,092	\$ -	\$ -	\$ -	\$ -
Departmental	-	254,445	178,733	357,775	74,068
Intergovernmental	294,812	-	-	-	25,252
Investment income (loss)	36,304	131	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
	1,617,208	254,576	178,733	357,775	99,320
Total Revenues					
Expenditures					
Current:					
General government	502,647	-	-	194,123	-
Public safety	-	285,643	-	-	-
Education	-	-	-	-	-
Public works	-	-	140,815	-	106,975
Health and human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	92,796
	502,647	285,643	140,815	194,123	199,771
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,114,561	(31,067)	37,918	163,652	(100,451)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	665,490
Premium on issuance of bonds	-	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-	-
Lease proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(15,500)
	-	-	-	-	649,990
Total Other Financing Sources (Uses)					
Change in Fund Balance	1,114,561	(31,067)	37,918	163,652	549,539
Fund Balances at Beginning of Year	2,187,078	200,189	476,001	1,239,385	195,862
Fund Balances at End of Year	\$ 3,301,639	\$ 169,122	\$ 513,919	\$ 1,403,037	\$ 745,401

See Independent Auditors' Report.

Special Revenue Funds

<u>53 G Review</u>	<u>Miscellaneous Grants and Contributions</u>	<u>School Lunch</u>	<u>Gifts</u>	<u>Recreation</u>	<u>Other Revolving</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,906	-	335,309	-	1,462,148	594,415
-	4,736	62,579	-	-	-
-	-	-	-	-	-
-	-	-	507,528	-	-
-	-	-	-	17,212	-
<u>1,906</u>	<u>4,736</u>	<u>397,888</u>	<u>507,528</u>	<u>1,479,360</u>	<u>594,415</u>
8,841	122,970	-	120,941	-	373,047
-	-	-	40,919	-	-
-	-	392,152	74,565	-	88,996
-	-	-	92,353	-	9,750
-	-	-	57,231	908	23,048
-	-	-	2,428	1,885,880	-
-	-	-	-	-	-
<u>8,841</u>	<u>122,970</u>	<u>392,152</u>	<u>388,437</u>	<u>1,886,788</u>	<u>494,841</u>
(6,935)	(118,234)	5,736	119,091	(407,428)	99,574
-	-	-	-	-	-
-	62,399	-	-	-	-
-	61,227	-	-	-	-
-	-	-	-	-	-
-	-	-	-	102,505	91
-	-	-	(127,794)	-	-
<u>-</u>	<u>123,626</u>	<u>-</u>	<u>(127,794)</u>	<u>102,505</u>	<u>91</u>
(6,935)	5,392	5,736	(8,703)	(304,923)	99,665
<u>7,265</u>	<u>76,382</u>	<u>249,139</u>	<u>1,265,842</u>	<u>1,098,496</u>	<u>641,167</u>
<u>\$ 330</u>	<u>\$ 81,774</u>	<u>\$ 254,875</u>	<u>\$ 1,257,139</u>	<u>\$ 793,573</u>	<u>\$ 740,832</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

(continued)

	Special Revenue Funds			
	Land Acquisition	Federal Grants	State Grants	Highway Grants
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Departmental	-	-	-	-
Intergovernmental	-	736,284	6,289,753	1,618,597
Investment income (loss)	337	-	-	-
Contributions	-	-	-	-
Other	-	-	-	-
Total Revenues	337	736,284	6,289,753	1,618,597
Expenditures				
Current:				
General government	1,632	974	303,041	-
Public safety	-	354,704	27,911	-
Education	-	687,735	1,147,329	-
Public works	-	-	5,300,750	1,648,671
Health and human services	-	-	55,992	-
Culture and recreation	-	-	-	-
Debt service	-	-	-	-
Total Expenditures	1,632	1,043,413	6,835,023	1,648,671
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,295)	(307,129)	(545,270)	(30,074)
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Premium on issuance of bonds	-	-	-	-
Premium on issuance of refunding bonds	-	-	-	-
Lease proceeds	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(15,000)	-
Total Other Financing Sources (Uses)	-	-	(15,000)	-
Change in Fund Balance	(1,295)	(307,129)	(560,270)	(30,074)
Fund Balances at Beginning of Year	25,441	550	624,166	-
Fund Balances at End of Year	\$ 24,146	\$ (306,579)	\$ 63,896	\$ (30,074)

See Independent Auditors' Report.

Special Revenue Funds				
<u>Solid Waste</u>	<u>Sawyer Gift Fund</u>	<u>Other Special Revenue Funds</u>	<u>Subtotal</u>	<u>Capital Project Funds</u>
\$ -	\$ -	\$ -	\$ 1,286,092	\$ -
1,437,807	-	-	4,696,606	-
-	-	-	9,032,013	-
-	2,302	7,632	46,706	-
-	-	-	507,528	-
-	-	-	17,212	-
<u>1,437,807</u>	<u>2,302</u>	<u>7,632</u>	<u>15,586,157</u>	<u>-</u>
-	62,087	-	1,690,303	1,224,859
-	-	-	709,177	10,166
-	-	-	2,390,777	1,383,586
1,409,974	-	-	8,709,288	1,447,032
-	-	-	137,179	3
-	-	-	1,888,308	-
-	-	-	92,796	-
<u>1,409,974</u>	<u>62,087</u>	<u>-</u>	<u>15,617,828</u>	<u>4,065,646</u>
27,833	(59,785)	7,632	(31,671)	(4,065,646)
-	-	-	665,490	4,925,000
-	-	-	62,399	740,000
-	-	-	61,227	-
-	-	-	-	411,045
-	-	-	102,596	-
-	-	-	(158,294)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>733,418</u>	<u>6,076,045</u>
27,833	(59,785)	7,632	701,747	2,010,399
<u>542,426</u>	<u>137,645</u>	<u>126,071</u>	<u>9,093,105</u>	<u>4,498,192</u>
\$ <u>570,259</u>	\$ <u>77,860</u>	\$ <u>133,703</u>	\$ <u>9,794,852</u>	\$ <u>6,508,591</u>

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2020

(continued)

	Permanent Funds				Interfund Activity	Total Nonmajor Governmental Funds
	Hapgood Wright Trust Funds	Cemetery Trust Funds	Other Trust Funds	Subtotal		
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,286,092
Departmental	-	-	-	-	-	4,696,606
Intergovernmental	-	-	-	-	-	9,032,013
Investment income (loss)	(16,709)	120,033	103,222	206,546	-	253,252
Contributions	-	121,030	-	121,030	-	628,558
Other	-	-	-	-	-	17,212
Total Revenues	(16,709)	241,063	103,222	327,576	-	15,913,733
Expenditures						
Current:						
General government	-	-	-	-	-	2,915,162
Public safety	-	-	-	-	-	719,343
Education	-	-	-	-	-	3,774,363
Public works	-	160,861	15,563	176,424	-	10,332,744
Health and human services	-	-	-	-	-	137,182
Culture and recreation	-	-	-	-	-	1,888,308
Debt service	-	-	-	-	-	92,796
Total Expenditures	-	160,861	15,563	176,424	-	19,859,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,709)	80,202	87,659	151,152	-	(3,946,165)
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	5,590,490
Premium on issuance of bonds	-	-	-	-	-	802,399
Premium on issuance of refunding bonds	-	-	-	-	-	61,227
Lease proceeds	-	-	-	-	-	411,045
Transfers in	-	-	-	-	(102,596)	-
Transfers out	-	-	-	-	102,596	(55,698)
Total Other Financing Sources (Uses)	-	-	-	-	-	6,809,463
Change in Fund Balance	(16,709)	80,202	87,659	151,152	-	2,863,298
Fund Balances at Beginning of Year	1,280,471	3,944,047	1,384,339	6,608,857	-	20,200,154
Fund Balances at End of Year	<u>\$ 1,263,762</u>	<u>\$ 4,024,249</u>	<u>\$ 1,471,998</u>	<u>\$ 6,760,009</u>	<u>\$ -</u>	<u>\$ 23,063,452</u>

(concluded)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

General Fund
Detail Schedule of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Revenues				
Taxes	\$ 94,441,008	\$ 94,441,008	\$ 94,505,475	\$ 64,467
Excise taxes	4,871,800	4,871,800	4,095,496	(776,304)
Penalties, interest, and other taxes	170,000	170,000	380,828	210,828
Departmental	1,235,250	1,235,250	1,262,671	27,421
Licenses and permits	1,240,000	1,240,000	1,162,079	(77,921)
Fines and forfeitures	110,000	110,000	78,974	(31,026)
Intergovernmental	5,438,123	5,438,123	5,574,828	136,705
Investment income	700,000	700,000	563,904	(136,096)
Other	<u>235,000</u>	<u>235,000</u>	<u>59,951</u>	<u>(175,049)</u>
Total Revenues	108,441,181	108,441,181	107,684,206	(756,975)
Expenditures				
General Government				
Town Manager's Office:				
Town manager	702,371	662,386	661,438	948
Human resources	473,700	476,424	472,044	4,380
Town-wide building fund	434,773	508,376	508,376	-
Resource sustainability fund	229,388	236,085	188,653	47,432
37 Knox trail	29,192	10,823	10,823	-
55 Church street	116,714	65,908	63,706	2,202
Parks & playgrounds	124,334	87,295	86,860	435
Visitor's center	<u>105,760</u>	<u>116,272</u>	<u>116,272</u>	<u>-</u>
Total town manager's office	2,216,232	2,163,569	2,108,172	55,397
Legal services	250,000	541,000	537,452	3,548
Elections and Registrars:				
Elections	42,653	42,653	42,653	-
Registrars	<u>7,374</u>	<u>26,619</u>	<u>26,619</u>	<u>-</u>
Total elections and registrars	50,027	69,272	69,272	-
Town meeting and reports	100,250	120,250	120,250	-
Planning:				
Planning administration	518,336	500,560	500,560	-
Natural resources	296,000	298,518	267,868	30,650
Inspections	487,309	484,034	431,232	52,802
Health	<u>453,886</u>	<u>440,026</u>	<u>440,026</u>	<u>-</u>
Total Planning	1,755,531	1,723,138	1,639,686	83,452
141 Keyes Road	<u>74,433</u>	<u>74,433</u>	<u>71,708</u>	<u>2,725</u>
Total General Government	4,446,473	4,691,662	4,546,540	145,122

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

General Fund
 Detail Schedule of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual
 For the Year Ended June 30, 2020

(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Finance and Administration				
Finance committee	\$ 3,410	\$ 3,410	\$ 2,651	\$ 759
Finance:				
Finance administration	696,555	589,486	565,442	24,044
Treasurer-Collector	510,733	501,919	449,318	52,601
Town Accountant	321,271	330,196	257,524	72,672
Assessors	438,001	451,355	424,356	26,999
Town Clerk	266,738	336,878	334,110	2,768
Total Finance	2,233,298	2,209,834	2,030,750	179,084
Information systems	1,189,082	1,074,960	1,071,879	3,081
Town House	152,107	153,529	153,529	-
Total Finance and administration	3,577,897	3,441,733	3,258,809	182,924
Public Safety				
Police department	4,906,210	4,966,559	4,962,148	4,411
Fire department	5,206,056	5,357,470	5,227,334	130,136
West Concord fire station	35,769	35,769	31,321	4,448
Police-Fire station	261,627	279,669	279,669	-
Emergency management	16,060	16,060	4,225	11,835
Animal control officer	27,236	27,236	25,973	1,263
Total Public safety	10,452,958	10,682,763	10,530,670	152,093
Education	39,390,163	39,390,163	39,390,163	-
Regional School Assessments				
Regional school assessment	23,344,987	23,344,987	23,344,987	-
Vocational school assessment	1,073,368	1,073,368	1,073,368	-
Total Regional school assessments	24,418,355	24,418,355	24,418,355	-
Public Works and Facilities				
Public works:				
CPW administration	424,718	464,429	464,429	-
Engineering	726,156	571,028	560,995	10,033
Highway maintenance	1,479,266	1,541,160	1,533,321	7,839
Parks and trees	826,590	778,597	764,657	13,940
Cemetery	241,533	211,414	211,414	-
Total Public works	3,698,263	3,566,628	3,534,816	31,812
Street lighting	57,400	56,863	28,093	28,770
CPW equipment	325,000	325,000	308,113	16,887
Drainage program	205,000	205,000	151,300	53,700
Sidewalk management	125,000	125,000	100,000	25,000
Road improvements	100,000	100,000	100,000	-
133/135 Keyes Road	148,660	148,660	148,339	321
Total Public works and facilities	4,659,323	4,527,151	4,370,661	156,490
Snow and Ice Removal	625,000	586,000	540,005	45,995
Human Services				
Library	2,351,798	2,078,495	1,959,847	118,648
Human services administration	68,335	60,576	57,639	2,937
Recreation administration	108,376	121,260	120,512	748
Hunt recreation center	113,759	114,405	114,405	-
Council on Aging	577,880	526,276	526,118	158
Harvey Wheeler community center	115,133	116,647	108,195	8,452
Veterans	86,696	88,758	77,687	11,071
Ceremonies and celebrations	19,030	19,030	3,813	15,217
Total Human services	3,441,007	3,125,447	2,968,216	157,231

(continued)

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS

General Fund
Detail Schedule of Revenues and Other Sources, and Expenditures and Other Uses – Budget and Actual
For the Year Ended June 30, 2020

(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Unclassified				
Town employee benefits				
Unused sick leave	\$ 90,000	\$ 90,000	\$ 92,122	\$ (2,122)
Public safety disability	2,500	2,500	-	2,500
Employee assistance program	7,500	7,500	7,878	(378)
Total Town employee benefits	100,000	100,000	100,000	-
Reserve fund	225,000	225,000	-	225,000
Salary reserve	1,168,988	354,947	354,947	-
Land fund	10,000	10,000	2,019	7,981
Total unclassified	1,503,988	689,947	456,966	232,981
Employee Benefits				
Insurance				
Group insurance	5,966,069	5,966,069	5,966,069	-
OPEB	1,697,850	1,697,850	1,697,850	-
Property/liability	288,750	288,750	288,750	-
Total insurance	7,952,669	7,952,669	7,952,669	-
Unemployment and workers compensation				
Unemployment compensation	110,000	118,717	118,717	-
Workers' compensation	100,000	91,283	91,283	-
Total unemployment and workers compensation	210,000	210,000	210,000	-
Retirement	3,965,861	3,965,861	3,965,861	-
Social Security and Medicare	800,000	839,000	837,818	1,182
Total employee benefits	12,928,530	12,967,530	12,966,348	1,182
Debt Service				
Debt within the levy limit				
Town principal and interest	3,450,627	3,450,627	3,432,574	18,053
CPS principal and interest	715,520	715,520	747,151	(31,631)
Interest on notes	25,000	25,000	-	25,000
Other debt expense	5,000	5,000	9,581	(4,581)
Total debt within the levy limit	4,196,147	4,196,147	4,189,306	6,841
Excluded debt				
Town principal and interest	683,548	683,548	690,389	(6,841)
CPS principal and interest	2,537,633	2,537,633	2,537,633	-
Total debt service	7,417,328	7,417,328	7,417,328	-
Intergovernmental				
Total Expenditures	113,386,247	112,467,847	111,393,829	1,074,018
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(4,945,066)	(4,026,666)	(3,709,623)	317,043
Other Financing Sources (Uses)				
Transfers in	3,945,066	3,026,666	2,935,636	(91,030)
Transfers out	(500,000)	(500,000)	(500,000)	-
Use of free cash:				
For affordable housing	500,000	500,000	-	(500,000)
To reduce the tax levy	1,000,000	1,000,000	-	(1,000,000)
Excess (Deficiency) of Revenues and Other Sources				
Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ (1,273,987)	\$ (1,273,987)

(concluded)

See Independent Auditors' Report.

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Fiduciary Funds

Agency Fund

The Agency Fund was established to account for fiduciary assets held by the Town in a custodial capacity as an agent on behalf of others.

The Agency Fund represents assets held for student activities, developer escrow deposits, group insurance trust, and employee details.

TOWN OF CONCORD, MASSACHUSETTS

Statement Of Changes In Assets And Liabilities
Agency Fund
For the Year Ended June 30, 2020

	Balance July 1, <u>2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2020</u>
Assets				
Cash and short-term investments	\$ 256,045	\$ 598,431	\$ (590,025)	\$ 264,451
Accounts receivable	<u>140,563</u>	<u>206,321</u>	<u>(140,563)</u>	<u>206,321</u>
Total Assets	<u>\$ 396,608</u>	<u>\$ 804,752</u>	<u>\$ (730,588)</u>	<u>\$ 470,772</u>
Liabilities				
Warrants payable	\$ 8,742	\$ 1,229	\$ (8,742)	\$ 1,229
Accrued payroll	22,008	26,554	(22,008)	26,554
Other liabilities:				
Due to state police forfeiture	108,325	2,403	-	110,728
Escrow deposits	62,452	1,050	-	63,502
Middle school student activity	93,665	56,572	(58,708)	91,529
Police detail	15,355	435,306	(348,765)	101,896
Other agency	<u>86,061</u>	<u>173,157</u>	<u>(183,884)</u>	<u>75,334</u>
Total other liabilities	<u>365,858</u>	<u>668,488</u>	<u>(591,357)</u>	<u>442,989</u>
Total Liabilities	<u>\$ 396,608</u>	<u>\$ 696,271</u>	<u>\$ (622,107)</u>	<u>\$ 470,772</u>

See Independent Auditors' Report.

STATISTICAL SECTION

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TOWN OF CONCORD, MASSACHUSETTS

STATISTICAL SECTION

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

Financial 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 service the Town provides and the activities it performs.

TOWN OF CONCORD, MASSACHUSETTS

Net Position By Component
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets.....	\$ 100,788,002	\$ 104,111,001	\$ 106,166,057	\$ 109,255,510	\$ 115,573,285	\$ 119,465,307	\$ 123,049,358	\$ 126,824,881	\$ 129,955,137	\$ 137,831,176
Restricted.....	21,997,609	23,909,571	24,142,379	22,201,498	24,081,526	27,253,854	28,813,943	31,485,750	34,014,122	27,415,762
Unrestricted.....	<u>12,334,942</u>	<u>10,773,638</u>	<u>10,563,077</u>	<u>15,792,659</u>	<u>(779,977)</u>	<u>(3,913,172)</u>	<u>(4,374,251)</u>	<u>(23,507,086)</u>	<u>(31,288,104)</u>	<u>(27,196,596)</u>
Total governmental activities net position.....	<u>\$ 135,120,553</u>	<u>\$ 138,794,210</u>	<u>\$ 140,871,513</u>	<u>\$ 147,249,667</u>	<u>\$ 138,874,834</u>	<u>\$ 142,805,989</u>	<u>\$ 147,489,050</u>	<u>\$ 134,803,545</u>	<u>\$ 132,681,155</u>	<u>\$ 138,050,342</u>
Business-type Activities										
Net Investment in Capital Assets.....	\$ 61,420,167	\$ 65,318,550	\$ 66,337,551	\$ 69,273,602	\$ 67,974,268	\$ 69,265,566	\$ 70,773,189	\$ 69,942,929	\$ 74,530,903	\$ 76,386,313
Restricted.....	4,137,596	3,884,556	3,826,390	6,097,111	6,288,292	8,048,292	8,210,931	9,194,497	10,141,125	9,403,127
Unrestricted.....	<u>21,909,226</u>	<u>19,871,002</u>	<u>22,244,148</u>	<u>22,209,233</u>	<u>24,969,157</u>	<u>25,056,541</u>	<u>26,175,393</u>	<u>28,100,478</u>	<u>23,128,453</u>	<u>23,346,707</u>
Total business-type activities net position.....	<u>\$ 87,466,989</u>	<u>\$ 89,074,108</u>	<u>\$ 92,408,089</u>	<u>\$ 97,579,946</u>	<u>\$ 99,231,717</u>	<u>\$ 102,370,399</u>	<u>\$ 105,159,513</u>	<u>\$ 107,237,904</u>	<u>\$ 107,800,481</u>	<u>\$ 109,136,147</u>
Primary Government										
Net Investment in Capital Assets.....	\$ 162,208,169	\$ 169,429,551	\$ 172,503,608	\$ 178,529,112	\$ 183,547,553	\$ 188,730,873	\$ 193,822,547	\$ 196,767,810	\$ 204,486,040	\$ 214,217,489
Restricted.....	26,135,205	27,794,127	27,968,769	28,298,609	30,369,818	35,302,146	37,024,874	40,680,247	44,155,247	36,818,889
Unrestricted.....	<u>34,244,168</u>	<u>30,644,640</u>	<u>32,807,225</u>	<u>38,001,892</u>	<u>24,189,180</u>	<u>21,143,369</u>	<u>21,801,142</u>	<u>4,593,392</u>	<u>(8,159,651)</u>	<u>(3,849,889)</u>
Total primary government net position.....	<u>\$ 222,587,542</u>	<u>\$ 227,868,318</u>	<u>\$ 233,279,602</u>	<u>\$ 244,829,613</u>	<u>\$ 238,106,551</u>	<u>\$ 245,176,388</u>	<u>\$ 252,648,563</u>	<u>\$ 242,041,449</u>	<u>\$ 240,481,636</u>	<u>\$ 247,186,489</u>

Data source: Audited financial statements.

TOWN OF CONCORD, MASSACHUSETTS

Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government.....	\$ 8,404,895	\$ 9,305,383	\$ 9,832,347	\$ 9,031,843	\$ 8,924,883	\$ 10,287,666	\$ 9,728,064	\$ 10,707,175	\$ 12,674,811	\$ 11,223,043
Public safety.....	11,405,417	11,796,092	12,047,819	12,269,514	12,249,903	13,340,235	13,812,804	13,743,500	13,171,655	13,534,162
Education.....	55,280,989	55,737,840	57,046,303	60,479,426	59,706,056	67,292,487	73,486,773	74,095,597	87,386,000	88,897,377
Public works.....	7,706,245	7,266,727	8,945,193	8,347,235	7,909,352	7,403,929	8,299,744	8,540,608	7,198,400	8,305,162
Health and human services.....	756,580	722,644	742,479	817,470	1,115,805	1,002,832	1,128,053	1,386,178	1,177,405	1,134,270
Culture and recreation.....	4,827,635	4,623,967	5,020,450	5,173,470	5,261,485	5,158,002	5,356,872	5,476,490	5,509,842	4,572,347
Debt service interest.....	1,939,930	1,861,413	1,752,745	1,732,788	1,936,308	1,501,614	1,151,003	1,085,432	1,060,841	1,220,931
Total governmental activities expenses.....	90,321,691	91,314,066	95,387,336	97,851,746	97,103,792	105,986,765	112,963,313	115,034,980	128,178,954	128,887,292
Business-type activities:										
Water services.....	2,798,406	2,733,105	2,740,499	2,861,140	2,962,045	3,616,926	3,742,710	3,893,747	4,137,746	4,317,326
Sewer services.....	3,109,426	3,263,652	3,125,442	3,263,977	2,968,131	3,094,077	3,179,970	3,204,450	3,175,035	2,584,124
Electric services.....	26,687,510	25,954,481	26,450,705	23,276,147	24,901,305	24,369,833	24,374,169	26,636,787	29,303,857	29,505,206
Swim & fitness services.....	2,169,206	2,178,625	2,091,407	2,227,881	2,159,452	2,257,461	2,519,792	2,196,064	2,271,822	2,082,519
Total business-type activities expenses.....	34,764,548	34,129,863	34,408,053	31,629,145	32,990,933	33,338,297	33,816,641	35,931,048	38,888,460	38,489,175
Total primary government expenses.....	\$ 125,086,239	\$ 125,443,929	\$ 129,795,389	\$ 129,480,891	\$ 130,094,725	\$ 139,325,062	\$ 146,779,954	\$ 150,966,028	\$ 167,067,414	\$ 167,376,467
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 669,923	\$ 604,839	\$ 610,873	\$ 678,726	\$ 1,121,995	\$ 1,187,123	\$ 1,517,350	\$ 1,574,191	\$ 1,340,787	\$ 1,040,018
Public safety.....	2,014,970	2,266,546	1,929,053	2,339,235	2,205,210	2,776,059	2,270,532	2,706,311	2,359,563	2,130,251
Education.....	519,009	562,669	514,649	572,792	722,613	599,205	652,760	619,649	670,852	446,120
Public works.....	1,442,378	1,661,684	1,494,413	1,552,351	1,604,826	1,606,568	1,774,423	1,623,571	1,898,876	1,729,168
Health and human services.....	12,714	12,368	15,510	13,113	11,226	47,119	41,858	48,188	59,145	52,677
Culture and recreation.....	1,589,545	1,634,122	1,718,319	1,886,241	1,960,377	1,837,054	2,045,304	2,017,296	2,181,668	1,485,434
Operating grants and contributions.....	9,106,669	8,829,655	9,101,157	9,450,635	9,095,653	11,154,020	14,192,343	14,818,523	14,916,691	17,070,719
Capital grants and contributions.....	363,852	650,154	159,892	736,587	475,579	778,865	409,548	122,765	339,623	5,879,245
Total government activities program revenues	15,719,060	16,222,037	15,543,866	17,229,680	17,197,479	19,986,013	22,904,118	23,530,494	23,767,205	29,833,632
Business-type activities:										
Charges for services:										
Water services.....	4,374,329	4,325,314	4,554,423	4,654,206	4,945,876	5,986,690	5,183,792	6,027,556	5,282,073	5,653,326
Sewer services.....	2,648,063	2,409,318	2,586,879	3,048,386	2,934,142	4,081,575	3,200,834	3,128,492	3,303,266	2,659,874
Electric services.....	28,048,826	27,703,175	28,473,103	25,844,375	26,378,663	26,216,645	26,176,369	27,507,990	29,791,221	29,279,315
Swim & fitness services.....	2,391,610	2,355,081	2,429,579	2,450,179	2,283,710	2,318,465	2,336,245	2,288,021	2,265,975	1,826,971
Capital grants and contributions.....	-	-	-	-	-	-	-	-	-	294,624
Total business-type activities revenues.....	37,462,828	36,792,888	38,043,984	35,997,146	36,542,391	38,603,375	36,897,240	38,952,059	40,642,535	39,714,110
Total primary government revenues.....	\$ 53,181,888	\$ 53,014,925	\$ 53,587,850	\$ 53,226,826	\$ 53,739,870	\$ 58,589,388	\$ 59,801,358	\$ 62,482,553	\$ 64,409,740	\$ 69,547,742
Net (Expense)/Revenue										
Governmental activities.....	\$ (74,602,631)	\$ (75,092,029)	\$ (79,843,470)	\$ (80,622,066)	\$ (79,906,313)	\$ (86,000,752)	\$ (90,059,195)	\$ (91,504,486)	\$ (104,411,749)	\$ (99,053,660)
Business-type activities.....	2,698,280	2,663,025	3,635,931	4,368,001	3,551,458	5,265,078	3,080,599	3,021,011	1,754,075	1,224,935
Total primary government net (expense).....	\$ (71,904,351)	\$ (72,429,004)	\$ (76,207,539)	\$ (76,254,065)	\$ (76,354,855)	\$ (80,735,674)	\$ (86,978,596)	\$ (88,483,475)	\$ (102,657,674)	\$ (97,828,725)

(continued)

TOWN OF CONCORD, MASSACHUSETTS

Changes in Net Position
Last Ten Fiscal Years

(continued)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes.....	\$ 66,848,494	\$ 68,892,389	\$ 71,876,530	\$ 74,951,202	\$ 78,146,251	\$ 82,097,807	\$ 85,197,537	\$ 88,647,131	\$ 92,186,587	\$ 96,143,142
Excises.....	2,823,022	3,016,201	3,522,350	3,664,054	3,834,787	3,834,002	3,989,592	4,368,793	4,741,682	4,198,030
Penalties, interest, and other taxes.....	468,357	860,581	275,379	437,946	459,477	460,027	185,145	557,462	654,478	374,557
Grants and contributions not restricted to specific programs.....	1,591,843	1,681,121	1,607,845	2,006,422	1,497,441	1,724,579	1,701,809	1,790,059	1,882,390	1,950,177
Investment income.....	2,147,326	268,967	1,570,680	1,997,613	570,090	296,328	2,115,562	1,938,082	1,659,746	152,866
Other income.....	1,513,996	2,239,448	1,172,130	1,833,517	263,927	567,722	553,155	115,656	244,071	237,690
Transfers.....	1,700,657	1,806,979	1,895,859	2,109,466	2,167,558	951,442	999,456	863,842	920,405	1,366,385
Total government activities.....	77,093,695	78,765,686	81,920,773	87,000,220	86,939,531	89,931,907	94,742,256	98,281,025	102,289,359	104,422,847
Business-type activities:										
Investment income.....	124,910	95,715	74,042	64,637	63,340	117,816	284,876	373,020	633,205	642,922
Other income.....	(181,840)	11,980	854,983	2,100,013	265,664	31,738	-	-	46,142	81,629
Transfers.....	(1,128,801)	(1,163,601)	(1,230,975)	(1,364,919)	(1,402,741)	(558,961)	(576,361)	(516,488)	(551,633)	(613,820)
Total business-type activities.....	(1,185,731)	(1,055,906)	(301,950)	799,731	(1,073,737)	(409,407)	(291,485)	(143,468)	127,714	110,731
Total primary government.....	\$ <u>75,907,964</u>	\$ <u>77,709,780</u>	\$ <u>81,618,823</u>	\$ <u>87,799,951</u>	\$ <u>85,865,794</u>	\$ <u>89,522,500</u>	\$ <u>94,450,771</u>	\$ <u>98,137,557</u>	\$ <u>102,417,073</u>	\$ <u>104,533,578</u>
Changes in Net Position										
Governmental activities.....	\$ 2,491,064	\$ 3,673,657	\$ 2,077,303	\$ 6,378,154	\$ 7,033,218	\$ 3,931,155	\$ 4,683,061	\$ 6,776,539	\$ (2,122,390)	\$ 5,369,187
Business-type activities.....	1,512,549	1,607,119	3,333,981	5,167,732	2,477,721	4,855,671	2,789,114	2,877,543	1,881,789	1,335,666
Total primary government changes in net position	\$ <u>4,003,613</u>	\$ <u>5,280,776</u>	\$ <u>5,411,284</u>	\$ <u>11,545,886</u>	\$ <u>9,510,939</u>	\$ <u>8,786,826</u>	\$ <u>7,472,175</u>	\$ <u>9,654,082</u>	\$ <u>(240,601)</u>	\$ <u>6,704,853</u>

(concluded)

Data source: Audited financial statements

TOWN OF CONCORD, MASSACHUSETTS
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund										
Restricted	\$ 5,904,870	\$ 5,477,457	\$ 5,067,579	\$ 4,657,702	\$ 10,291,652	\$ 9,824,326	\$ 10,025,132	\$ 10,323,885	\$ 10,433,176	\$ 9,560,385
Committed	4,178,960	6,757,543	7,090,078	6,987,412	7,582,438	4,444,871	7,170,438	5,218,845	5,398,582	7,547,167
Assigned	4,049,542	4,488,246	4,627,414	4,408,403	5,167,430	6,385,454	6,614,824	7,879,697	7,475,897	7,825,457
Unassigned	<u>10,199,984</u>	<u>10,283,974</u>	<u>10,720,042</u>	<u>12,314,090</u>	<u>12,366,243</u>	<u>14,749,208</u>	<u>11,636,159</u>	<u>13,011,996</u>	<u>13,799,801</u>	<u>9,901,111</u>
Total general fund	<u>\$ 24,333,356</u>	<u>\$ 27,007,220</u>	<u>\$ 27,505,113</u>	<u>\$ 28,367,607</u>	<u>\$ 35,407,763</u>	<u>\$ 35,403,859</u>	<u>\$ 35,446,553</u>	<u>\$ 36,434,423</u>	<u>\$ 37,107,456</u>	<u>\$ 34,834,120</u>
All Other Governmental Funds										
Nonspendable	\$ 4,852,375	\$ 4,660,337	\$ 5,032,235	\$ 5,613,555	\$ 4,929,898	\$ 4,972,345	\$ 3,361,368	\$ 3,397,005	\$ 3,394,804	\$ 3,489,243
Restricted	13,067,152	13,771,777	14,082,838	16,677,943	9,679,731	12,866,613	15,427,443	17,752,252	16,791,338	20,874,725
Committed	-	-	-	-	-	925,000	7,296	12,607	25,440	24,146
Unassigned	<u>-</u>	<u>(103,910)</u>	<u>(40,263)</u>	<u>-</u>	<u>(99,827)</u>	<u>(145,306)</u>	<u>(1,167,148)</u>	<u>-</u>	<u>(11,428)</u>	<u>(1,324,662)</u>
Total all other governmental funds	<u>\$ 17,919,527</u>	<u>\$ 18,328,204</u>	<u>\$ 19,074,810</u>	<u>\$ 22,291,498</u>	<u>\$ 14,509,802</u>	<u>\$ 18,618,652</u>	<u>\$ 17,628,959</u>	<u>\$ 21,161,864</u>	<u>\$ 20,200,154</u>	<u>\$ 23,063,452</u>

Data Source: Audited Financial statements

TOWN OF CONCORD, MASSACHUSETTS

Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

Fiscal Year

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Property taxes.....	\$ 66,999,358	\$ 69,652,383	\$ 71,914,919	\$ 75,015,595	\$ 78,450,905	\$ 82,338,693	\$ 85,017,924	\$ 88,966,866	\$ 92,281,096	\$ 95,791,567
Excises.....	2,774,714	3,062,225	3,482,816	3,741,866	3,826,437	3,837,781	3,971,709	4,373,063	4,735,799	4,095,496
Penalties, interest and other taxes.....	418,759	535,777	275,379	437,946	459,477	249,066	185,145	268,010	418,843	380,828
Departmental.....	5,239,377	5,060,893	5,338,828	5,671,503	6,541,560	6,423,619	6,932,149	6,955,041	7,076,741	5,959,277
Licenses and permits.....	909,565	1,213,310	886,261	1,260,434	1,034,287	1,517,571	1,130,870	1,602,574	1,363,162	1,162,079
Fines & forfeitures.....	141,189	159,622	141,096	148,074	128,779	153,052	124,549	89,696	90,979	78,974
Intergovernmental.....	11,020,766	11,107,429	10,854,453	12,158,075	7,527,366	8,269,067	15,285,008	12,846,006	13,383,354	19,094,500
Investment income.....	2,147,324	268,966	1,570,731	1,997,613	570,090	296,328	2,115,562	1,938,082	1,659,746	192,363
Contributions.....	254,857	75,900	162,252	583,711	433,446	195,673	372,116	288,046	527,990	628,558
Other.....	1,259,139	2,163,538	1,009,874	934,199	615,687	1,166,070	500,706	207,923	122,031	77,163
Total revenue	91,165,048	93,300,043	95,636,609	101,949,016	99,588,034	104,446,920	115,635,738	117,535,307	121,659,741	127,460,805
Expenditures										
General Government.....	6,579,340	7,008,608	8,230,911	8,574,820	7,913,850	8,036,658	11,383,429	11,191,445	13,023,595	9,978,294
Public Safety.....	7,966,380	8,924,764	8,413,365	9,479,072	9,464,706	9,360,713	10,267,296	10,715,555	10,299,245	11,460,433
Education.....	50,526,901	51,934,795	54,111,500	56,164,681	53,158,540	57,507,446	67,620,872	65,072,860	69,934,588	72,597,490
Public Works.....	6,563,255	6,074,559	7,684,621	7,231,519	8,014,910	6,963,346	7,861,118	8,495,449	8,714,350	14,184,857
Health and Human Services.....	452,540	434,278	478,458	525,216	887,361	586,105	708,249	1,048,255	883,522	851,837
Culture and Recreation.....	3,555,056	3,841,468	3,730,030	3,852,466	4,072,453	3,875,259	4,044,068	4,336,787	4,654,538	4,177,029
Employee Benefits.....	8,782,177	8,506,573	8,569,422	10,030,943	10,088,531	10,939,128	11,712,436	12,357,121	13,260,976	13,986,857
Intergovernmental.....	423,065	427,926	441,326	432,414	476,551	492,837	487,356	479,643	517,486	529,768
⁽¹⁾ Capital outlay.....	3,852,245	-	-	-	-	-	-	-	-	-
Debt service:										
Principal.....	5,913,031	6,091,927	6,160,306	6,280,204	9,751,214	6,316,519	6,466,780	5,953,024	5,863,068	5,967,796
Interest.....	1,939,930	1,861,413	1,752,745	1,732,788	1,743,008	1,501,614	1,307,867	1,168,825	1,301,796	1,254,207
Total expenditures	96,553,920	95,106,311	99,572,684	104,304,123	105,571,124	105,579,625	121,859,471	120,818,964	128,453,164	134,988,568
Excess (Deficiency) of revenues over/(under) expenditures	(5,388,872)	(1,806,268)	(3,936,075)	(2,355,107)	(5,983,090)	(1,132,705)	(6,223,733)	(3,283,657)	(6,793,423)	(7,527,763)
Other Financing Sources (Uses)										
Issuance of bonds.....	3,250,000	3,081,830	3,284,715	3,985,000	3,022,457	4,250,000	3,893,000	6,035,000	4,805,000	5,590,490
Issuance of refunding bonds.....	-	-	-	-	4,560,000	3,541,800	5,389,000	-	-	5,170,000
Payments to refunded bond escrow agent.....	-	-	-	-	(4,810,754)	(3,967,948)	(5,960,625)	-	-	(6,207,988)
Premiums on issuance of bonds.....	-	-	-	339,823	302,289	462,357	955,903	759,475	779,341	1,787,793
Issuance of capital lease.....	-	-	-	-	-	-	146,115	-	-	411,045
Transfers in.....	2,206,530	2,326,850	2,445,776	2,681,462	2,649,020	1,998,837	1,130,265	1,045,982	1,272,336	1,693,392
Transfers out.....	(505,873)	(519,871)	(549,917)	(571,996)	(481,462)	(1,047,395)	(130,809)	(182,140)	(351,931)	(327,007)
Total other financing sources (uses)	4,950,657	4,888,809	5,180,574	6,434,289	5,241,550	5,237,651	5,276,734	7,804,432	6,504,746	8,117,725
Net change in fund balance	\$ (438,215)	\$ 3,082,541	\$ 1,244,499	\$ 4,079,182	\$ (741,540)	\$ 4,104,946	\$ (946,999)	\$ 4,520,775	\$ (288,677)	\$ 589,962

⁽²⁾ Debt service as a percentage of noncapital expenditures	8.68%	8.74%	8.34%	8.07%	11.47%	7.75%	6.89%	6.34%	6.05%	5.90%
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Data Source: Audited Financial statements

Notes: (1) Capital outlay expenditures have been segregated for additional disclosure in this schedule, however, in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances on page 31 the capital outlay expenditures are reported as budgeted expenditures by function.

(2) Capital outlay expenditures are not included in this calculation.

TOWN OF CONCORD, MASSACHUSETTS

Assessed Value ⁽¹⁾ of Taxable Property by Classification
Last Ten Fiscal Years

Fiscal Year	Assessed Value							
	Residential Value	Residential ⁽¹⁾ Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial ⁽¹⁾ Tax Rate	Total Town Value
2011	\$4,569,997,261	\$13.19	\$389,745,023	\$29,897,900	\$55,499,846	\$475,142,769	\$13.19	\$5,045,140,030
2012	4,615,451,797	13.58	392,887,960	28,958,300	52,760,572	474,606,832	13.58	5,090,058,629
2013	4,584,014,351	14.07	391,496,583	28,240,400	51,218,760	470,955,743	14.07	5,054,970,094
2014	4,646,613,799	14.45	411,116,033	26,044,900	46,718,930	483,879,863	14.45	5,130,493,662
2015	4,925,995,175	14.29	411,733,207	27,724,000	46,846,180	486,303,387	14.29	5,412,298,562
2016	5,339,204,392	13.92	428,233,033	23,865,400	50,586,470	502,684,903	13.92	5,841,889,295
2017	5,470,440,285	14.07	429,475,137	21,616,900	52,184,080	503,276,117	14.07	5,973,716,402
2018	5,623,508,756	14.29	444,876,674	27,268,900	48,996,270	521,141,844	14.29	6,144,650,600
2019	5,923,488,031	14.19	448,415,526	26,439,500	48,690,460	523,545,486	14.19	6,447,033,517
2020	6,141,398,117	14.23	468,225,858	26,619,200	49,007,950	543,853,008	14.23	6,685,251,125

Source: Board of Assessors, Town of Concord

⁽¹⁾There is no separate rate for overlapping governments.

TOWN OF CONCORD, MASSACHUSETTS

Principal Taxpayers
Current Year and Nine Years Ago

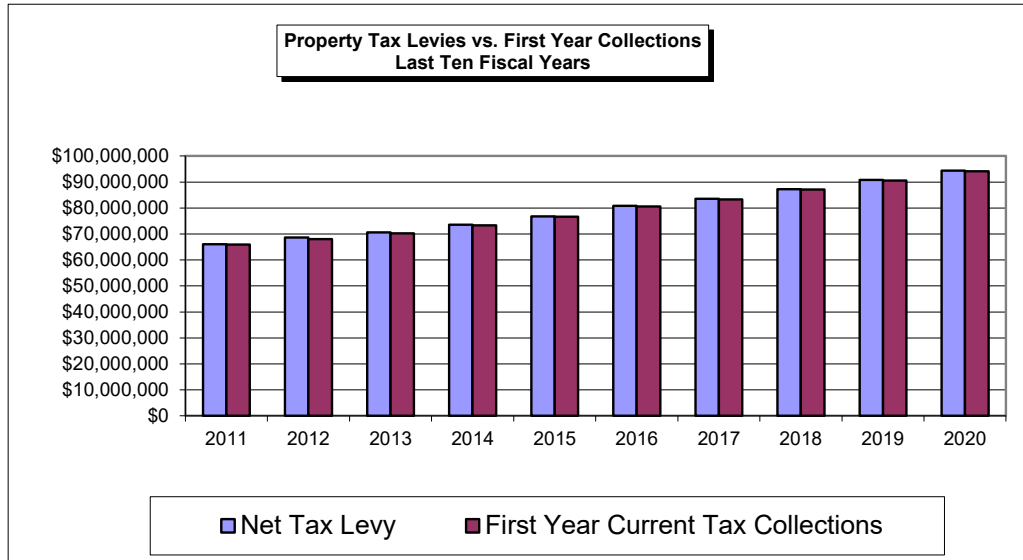
Name	Nature of Business	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
Concord Mews MA, LLC	Apartments	\$ 75,253,600	1	1.13%	\$ -		0.00%
New England Deaconess Assoc.	Continuing Care	65,347,100	2	0.98%	68,826,700	1	1.36%
300 Baker Owner, LLC	R&D/Office	61,090,000	3	0.91%	47,123,700	2	0.93%
Larue H. Renfroe, Trustee	Residential/Agriculture	21,526,675	4	0.32%	20,198,119	5	0.40%
Brookside Square Owner LLC	Residential/Retail	20,760,900	5	0.31%	-		0.00%
Period Realty Trust LLC	Apartments/Retail/Office	18,205,500	6	0.27%	-		0.00%
Warner Woods LLC	Apartments	16,118,100	7	0.24%	13,128,100	8	0.26%
Massachusetts Audubon Society, Inc.	Open Space/Residential	14,901,700	8	0.22%	-		0.00%
Cole of Concord, MA LLC	Medical	13,707,900	9	0.21%	-		0.00%
Virginia Road LLC	R&D/Office	13,290,400	10	0.20%	-		0.00%
		<u>\$ 320,201,875</u>		<u>4.79%</u>	<u>\$ 149,276,619</u>		<u>2.95%</u>

Source: Board of Assessors, Town of Concord

TOWN OF CONCORD, MASSACHUSETTS

Property Tax Levies & Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Overlay Reserve for Abatements	Net Tax Levy (Less Overlay)	First Year Current Tax Collections	Percent of Net Levy Collected at FY End	Percent of Net Collected at 6/30/20
2011	\$ 66,545,397	\$ 545,082	\$ 66,000,315	\$ 65,922,042	99.9%	100.0%
2012	\$ 69,127,431	\$ 500,183	\$ 68,627,248	\$ 68,026,099	99.1%	100.0%
2013	\$ 71,135,129	\$ 538,810	\$ 70,596,319	\$ 70,274,975	99.5%	100.0%
2014	\$ 74,138,177	\$ 539,880	\$ 73,598,297	\$ 73,291,149	99.6%	100.0%
2015	\$ 77,341,746	\$ 555,513	\$ 76,786,233	\$ 76,674,367	99.9%	99.8%
2016	\$ 81,319,099	\$ 543,633	\$ 80,775,466	\$ 80,607,430	99.8%	99.8%
2017	\$ 84,050,193	\$ 552,901	\$ 83,497,292	\$ 83,263,740	99.7%	99.7%
2018	\$ 87,807,060	\$ 565,018	\$ 87,242,042	\$ 87,141,833	99.9%	99.9%
2019	\$ 91,291,587	\$ 527,017	\$ 90,764,570	\$ 90,530,416	99.7%	99.3%
2020	\$ 95,040,945	\$ 599,937	\$ 94,441,008	\$ 94,195,255	99.7%	99.1%



Source: Office of the Tax Collector

TOWN OF CONCORD, MASSACHUSETTS

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Assessed Valuation	Governmental Activities Debt			Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
				General Obligation Bonds	Capital Leases	Total Debt			
2011	17,567	\$ 67,374	\$ 5,045,140,030	\$ 57,138,277	\$ -	\$ 57,138,277	\$ 3,253	4.83%	1.13%
2012	17,567	\$ 67,374	\$ 5,090,058,629	\$ 53,893,601	\$ -	\$ 53,893,601	\$ 3,068	4.55%	1.06%
2013	17,567	\$ 67,374	\$ 5,054,970,094	\$ 50,782,417	\$ -	\$ 50,782,417	\$ 2,891	4.29%	1.00%
2014	17,567	\$ 67,374	\$ 5,130,493,662	\$ 48,467,197	\$ -	\$ 48,467,197	\$ 2,759	4.10%	0.94%
2015	17,567	\$ 67,374	\$ 5,412,298,562	\$ 42,088,799	\$ -	\$ 42,088,799	\$ 2,396	3.56%	0.78%
2016	17,668	\$ 67,846	\$ 5,841,889,295	\$ 40,495,475	\$ -	\$ 40,495,475	\$ 2,292	3.38%	0.69%
2017	17,668	\$ 68,032	\$ 5,973,716,402	\$ 36,555,595	\$ -	\$ 36,555,595	\$ 2,069	3.04%	0.61%
2018	17,668	\$ 68,032	\$ 6,144,650,600	\$ 38,898,140	\$ 146,115	\$ 39,044,255	\$ 2,210	3.25%	0.64%
2019	17,688	\$ 67,846	\$ 6,447,033,517	\$ 38,384,288	\$ 110,528	\$ 38,494,816	\$ 2,176	3.21%	0.60%
2020	17,688	\$ 67,374	\$ 6,685,251,125	\$ 38,551,715	\$ 395,173	\$ 38,946,888	\$ 2,202	3.27%	0.58%

Fiscal Year	Business - Type Activities Debt				Total Primary Government			
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total Debt Outstanding	Debt Per Capita	Debt Per Capita as Percentage of Personal Income	Total Debt as Percentage of Assessed Value
2011	\$ 5,525,000	\$ 12,836,637	\$ 1,910,000	\$ -	\$ 77,409,914	\$ 4,407	6.54%	1.53%
2012	\$ 4,855,000	\$ 12,062,002	\$ 5,380,000	\$ -	\$ 76,190,603	\$ 4,337	6.44%	1.50%
2013	\$ 4,785,000	\$ 11,273,738	\$ 4,615,000	\$ -	\$ 71,456,155	\$ 4,068	6.04%	1.41%
2014	\$ 4,265,000	\$ 10,471,570	\$ 3,952,315	\$ -	\$ 67,156,082	\$ 3,823	5.67%	1.31%
2015	\$ 3,745,000	\$ 10,055,218	\$ 7,010,000	\$ -	\$ 62,899,017	\$ 3,581	5.31%	1.16%
2016	\$ 3,296,109	\$ 9,174,394	\$ 7,271,340	\$ -	\$ 60,237,318	\$ 3,409	5.03%	1.03%
2017	\$ 3,425,000	\$ 8,353,806	\$ 5,975,000	\$ -	\$ 54,309,401	\$ 3,074	4.52%	0.91%
2018	\$ 3,012,425	\$ 7,530,656	\$ 6,102,836	\$ -	\$ 55,690,172	\$ 3,152	4.63%	0.91%
2019	\$ 2,512,183	\$ 7,002,138	\$ 5,276,668	\$ -	\$ 53,285,805	\$ 3,013	4.44%	0.83%
2020	\$ 2,011,940	\$ 6,095,444	\$ 5,071,661	\$ -	\$ 52,125,933	\$ 2,947	4.37%	0.78%

Data source: Massachusetts Division of Career Centers and Division of Unemployment Assistance
Data source: Audited financial statements

TOWN OF CONCORD, MASSACHUSETTS

Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Concord Carlisle Regional School District	\$ 49,688,577	75.25%	\$ 37,390,654 (1)
Minuteman Regional Vocational School District	\$ 96,358,696	6.65%	\$ 6,407,853 (2)
Subtotal, overlapping debt			\$43,798,507
Town direct debt			<u>\$38,946,888</u>
Total direct and overlapping debt			<u><u>\$ 82,745,395</u></u>

Data source: Multiple entities including Town Treasurer

⁽¹⁾ Concord's share of the borrowing cost for a new regional high school shared with Carlisle

⁽²⁾ Concord's share of the borrowing cost for a new regional high school shared with 9 other communities

TOWN OF CONCORD, MASSACHUSETTS

Legal Debt Margin Information
Last Ten Fiscal Years

(Amounts in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation ⁽¹⁾	\$ 5,562,519	\$ 5,562,519	\$ 5,374,771	\$ 5,374,771	\$ 5,540,602	\$ 5,540,602	\$ 5,540,602	\$ 6,238,214	\$ 6,572,448	\$ 6,572,478
Debt Limit - 5% of Equalized Valuation	278,126	278,126	268,739	268,739	277,030	277,030	277,030	311,911	328,622	328,624
Less:										
Total debt applicable to limitation ⁽²⁾	(57,138)	(53,894)	(50,782)	(48,545)	(41,730)	(39,391)	(40,501)	(38,995)	(38,087)	(35,633)
Legal debt margin	220,988	\$ 224,232	\$ 217,956	\$ 220,194	\$ 235,300	\$ 237,639	\$ 236,529	\$ 272,916	\$ 290,535	\$ 292,991
Total debt applicable to the limit as a percentage of debt limit	21%	19%	19%	18%	15%	14%	15%	13%	12%	11%

Data source:

⁽¹⁾ MA Bureau of Local Services (DataBank)

⁽²⁾ Town of Concord

TOWN OF CONCORD, MASSACHUSETTS

Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year	Population * Estimates	Per Capita Personal ** Income	School *** Enrollment	Unemployment Rate
2011	17,567	\$ 67,374	2,920	5.5%
2012	17,567	\$ 67,374	3,081	4.7%
2013	17,567	\$ 67,374	3,148	4.4%
2014	17,567	\$ 67,374	3,111	3.8%
2015	17,567	\$ 67,374	3,112	3.5%
2016	17,668	\$ 67,846	3,115	3.6%
2017	17,688	\$ 68,032	3,137	N/A
2018	17,688	\$ 68,032	2,859	2.8%
2019	17,688	\$ 67,846	2,847	2.1%
2020	17,688	\$ 67,374	2,790	10.0%

* Source: Federal Census

** Source: Official Statements

*** School enrollment includes Concord Public Schools and Concord-Carlisle Regional H.S. (less Carlisle)

Data source: Massachusetts Division of Career Services

TOWN OF CONCORD, MASSACHUSETTS

Principal Employers
Current Year and Nine Years Ago

Employer	Type of Business	2020			2011		
		Number of Employees	Rank	Percentage of Total Town Employment	Number of Employees	Rank	Percentage of Total Town Employment
Emerson Hospital	Health Care	1,731	1	20.93 %	1,569	1	19.64 %
300-310 Baker Avenue	Technology	1,050	2	12.70 %	800	2	10.02 %
Newbury Court	Health Care	290	3	3.51 %	-		- %
Middlesex School	Education	197	4	2.38 %	156	8	1.95 %
Care One of Concord	Health Care	166	5	2.01 %	168	7	2.10 %
Concord Academy	Education	165	6	2.00 %	-		- %
Harvard Vanguard Medical	Health Care	162	7	1.96 %	-		- %
Nashoba Brooks	Education	83	8	1.00 %	-		- %
Hamilton, Brook, Smith, & Reynolds	Professional Services	75	9	0.91 %	121	9	1.51 %
Fenn School	Education	73	10	0.88 %	-		- %
Total Principal Employers		3,992		48.28 %	2,814		35.22 %
Total Town Employment ⁽¹⁾		8,269			7,987		

Data Source:
Final Official Statements for Town of Concord

Notes:
⁽¹⁾MA Bureau of Local Services (DataBank)

TOWN OF CONCORD, MASSACHUSETTS

Government Employees by Function - Full Time Equivalents
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	36	37	37	38	41	40	42	42	48	53
Public Safety										
Police	44	45	45	45	46	46	45	46	46	47
Fire	39	39	39	40	44	44	44	45	45	49
Total	<u>83</u>	<u>84</u>	<u>84</u>	<u>85</u>	<u>90</u>	<u>90</u>	<u>89</u>	<u>91</u>	<u>91</u>	<u>96</u>
Education	510	515	516	513	515	515	518	519	515	505
Public Works										
Tax Supported	37	37	26	37	37	36	35	36	36	36
Water/Sewer Division	19	19	19	18	16	16	18	21	26	19
Electric/Business Division	32	34	34	35	35	35	40	37	42	44
Total	<u>88</u>	<u>90</u>	<u>78</u>	<u>90</u>	<u>88</u>	<u>87</u>	<u>93</u>	<u>94</u>	<u>103</u>	<u>99</u>
Planning and Human Services										
Planning & Natural Resources	8	9	9	9	9	9	8	9	9	9
Inspections	5	5	5	5	5	5	5	6	6	6
Health	4	4	4	4	4	4	4	4	4	4
Beede Center	18	25	25	26	25	25	25	21	20	20
Recreation	26	27	27	27	26	26	26	19	24	25
Senior & Social Services	7	9	8	9	10	10	8	13	13	13
Total	<u>68</u>	<u>79</u>	<u>78</u>	<u>80</u>	<u>79</u>	<u>79</u>	<u>76</u>	<u>72</u>	<u>75</u>	<u>77</u>
Library	<u>25</u>	<u>25</u>	<u>26</u>	<u>26</u>	<u>27</u>	<u>27</u>	<u>25</u>	<u>28</u>	<u>28</u>	<u>30</u>
Total	<u>810</u>	<u>830</u>	<u>819</u>	<u>833</u>	<u>840</u>	<u>838</u>	<u>843</u>	<u>846</u>	<u>861</u>	<u>860</u>

Source: Town of Concord Budget Manuals

TOWN OF CONCORD, MASSACHUSETTS

Operating Indicators by Function
Last Ten Fiscal Years ⁽¹⁾

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Finance										
Registered voters	12,069	12,300	12,716	12,674	12,466	13,046	12,752	13,581	13,409	12,949
Taxable property parcels assessed	6,588	6,571	6,590	6,591	6,376	6,634	6,410	6,658	6,678	6,689
Motor vehicles registered	14,521	14,131	15,197	17,001	17,122	16,946	17,358	17,426	17,437	17,076
Police (CY)										
Physical arrests	172	140	131	132	189	196	180	110	134	158
Traffic violations	3,358	2,988	2,476	3,492	2,712	3,462	5,304	5,615	5,806	4,739
Fire and Rescue (CY)										
Total Emergency Responses	3,054	2,932	3,067	3,131	3,466	3,669	3,584	3,629	3,651	3,393
Emergency Responses excluding EMS	1,459	1,172	1,338	1,363	1,577	1,708	1,691	1,694	1,745	1,598
Fires extinguished	47	43	45	48	68	67	49	42	50	43
Emergency medical responses (EMS)	1,595	1,760	1,729	1,768	1,889	1,961	1,893	1,935	1,906	1,795
Code Administration										
Building permits	806	733	925	873	916	1,011	897	972	840	766
Estimated construction value in millions (\$)	44	69	143	80	54	68	93	79	68	59
Public Works										
Refuse collected (tons)	2,483	2,484	2,513	2,544	2,574	2,581	2,548	2,637	2,620	2,563
Recycling (tons)	1,780	1,794	1,734	1,760	1,768	1,761	1,716	1,719	1,630	1,616
Community Services - Recreation										
Summer Camp Program Attendance	N/A	N/A	N/A	1,010	1,383	1,065	980	1,059	1,831	715
Childcare Services Attendance	N/A	N/A	269	299	290	304	320	346	318	225
Fitness Center Memberships	1,828	1,905	1,945	1,935	1,998	1,892	2,016	2,313	2,130	976
Public Library										
Volumes in collections:										
Main Street	284,012	297,892	598,996	302,917	312,701	323,199	234,538	240,584	168,728	*
Fowler	42,377	44,288	44,688	42,351	38,805	36,790	36,797	37,028	90,502	*
Total volumes borrowed	419,203	435,566	425,197	409,667	414,084	390,131	254,861	277,612	259,230	*
Water system: (CY)										
Water main breaks	-	-	1	1	6	6	5	4	4	4
Daily average consumption (millions of gallons)	1.98	2.04	2.05	1.98	2.10	2.10	1.81	1.84	1.82	1.97
Peak daily consumption (millions of gallons)	4.11	3.91	3.91	3.82	3.79	3.79	3.04	3.18	3.39	3.85
Sewage System: (CY)										
Miles of sewer	33.74	33.80	34.00	34.03	34.03	34.03	34.03	34	34	35
Number of house connections	1,823	1,837	1,832	1,834	1,851	1,866	1,869	1,876	1,876	1,901
Electric System (CY)										
Annual energy sales (MWHR)	178,430	171,079	167,771	169,280	172,349	167,649	163,295	168,884	166,077	160,583
Number of meters	8,010	8,263	8,403	8,476	8,610	8,678	8,723	8,282	8,376	8,534
Overhead lines (miles)	108.09	107.71	107.71	107.95	107.95	107.95	108.00	107.92	107.92	108.00
Underground lines (miles)	163.02	164.15	164.15	164.15	163.95	164.59	160.00	164.15	164.15	161.00

Data source: Various Town departments

* Calendar year data not available at this time.

Notes:

⁽¹⁾ Calendar year (CY) ending during the fiscal year

TOWN OF CONCORD, MASSACHUSETTS

Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police										
Number of stations	1	1	1	1	1	1	1	1	1	1
Fire and Rescue										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of ladder trucks (cross-staffed with ambulance)	1	1	1	1	1	1	1	1	1	1
Number of pumpers (front-line structural)	2	2	2	2	2	2	2	2	2	2
Number of ambulances (front-line)	1	1	1	2	2	2	2	2	2	2
Public Works										
Miles of streets	107	107	107	107	107	107	107	107	107	108
Miles of storm drains	50	58	58	60	60	60	60	61	61	62
Number of street lights	1,393	1,402	1,402	1,402	1,402	1,402	1,347	1,416	1,423	1,351
Recreation:										
Athletic field acreage	46	46	46	46	46	46	47	47	47	766
Number of parks	4	4	4	5	5	5	5	5	5	59
Park acreage	10	10	10	10	10	10	10	10	10	10
Ball Fields	12	12	12	12	12	12	12	12	12	12
Tennis Courts	10	10	10	10	10	10	10	10	10	10
Water system:										
Miles of water mains	130.90	130.90	131.60	132.50	132.50	132.80	133.50	133.60	134.70	135.70
Number of service connections	5,491	5,537	5,497	5,518	5,518	5,554	5,605	5,605	5,623	5,665
Storage capacity in gallons (millions of gallons)	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50	7.50
Maximum daily capacity of plant (millions of gallons)	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
Number of fire hydrants	1,270	1,281	1,306	1,318	1,318	1,321	1,328	1,328	1,330	1,330
Sewage System:										
Miles of sanitary sewers	33.74	33.80	34.00	34.03	34.03	34.03	34.03	34.03	34.03	34.83
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	1,823	1,837	1,832	1,834	1,834	1,851	1,859	1,869	1,876	1,901

* Calendar year data not available at this time.

Data Source:
Various city departments