

TOWN OF CONCORD, MASSACHUSETTS

Comprehensive Annual Financial Report



For the Year Ended June 30, 2019

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Comprehensive Annual Financial Report

**For the Year Ended
June 30, 2019**



**Prepared by:
The Concord Finance Department**

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Town of Concord, Massachusetts
Comprehensive Annual Financial Report
For the Year Ended June 30, 2019

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INTRODUCTORY SECTION

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TOWN OF CONCORD
Office of the Town Manager
Town House
P.O. Box 535
Concord, Massachusetts 01742

TEL: 978-318-3000
FAX: 978-318-3002

Stephen Crane, Town Manager

January 28, 2020

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, 2019. 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 Heath, 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, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the Town's financial statements for the fiscal year ended June 30, 2019, 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.

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 September 26, 2019.

Acknowledgements

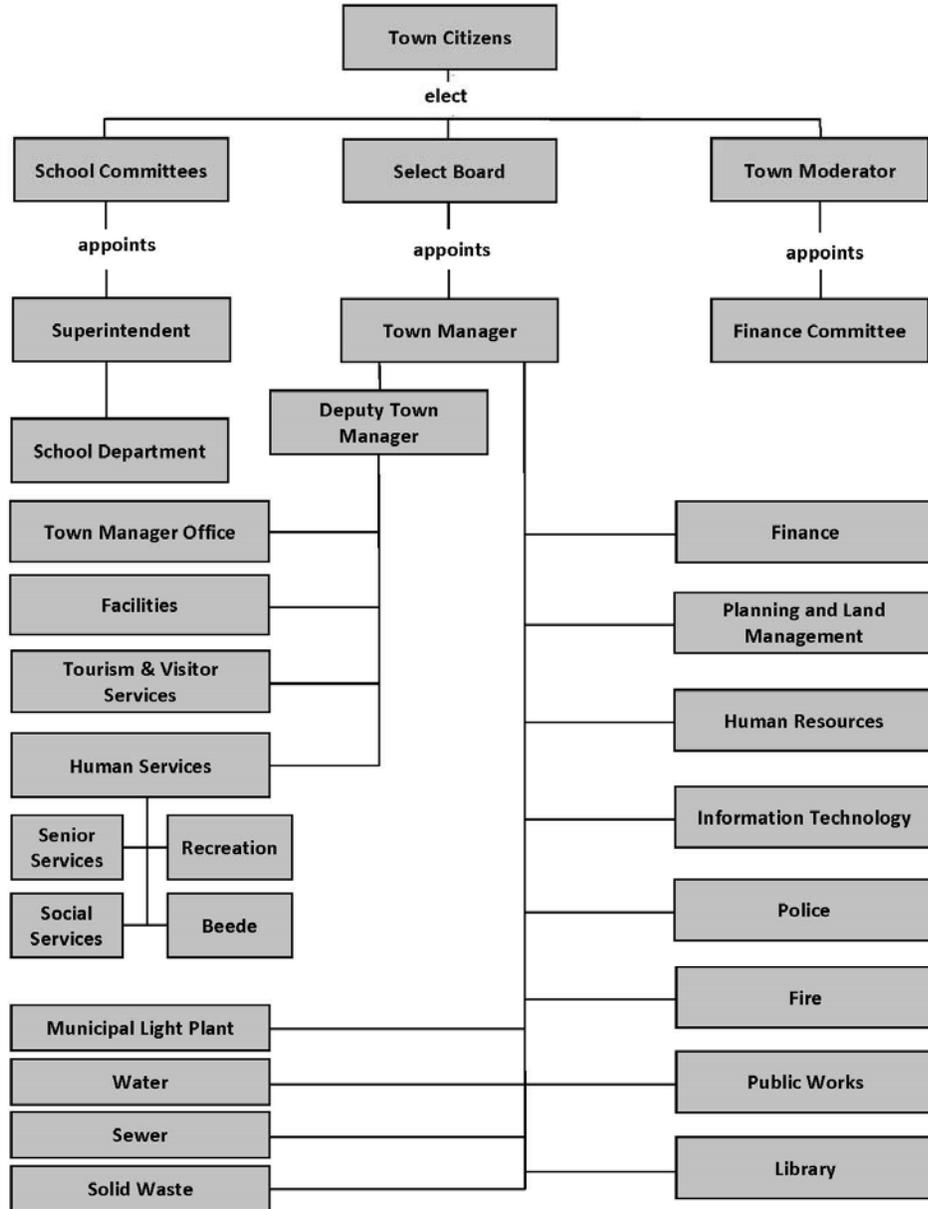
This report represents the fifth year in which the Town has compiled the necessary information for a Comprehensive Annual Financial Report. Our fiscal year 2018 Comprehensive Annual Financial Report was awarded the GFOA's Certificate of Achievement for Excellence in Financial Reporting. A Certificate 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 Heath, 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

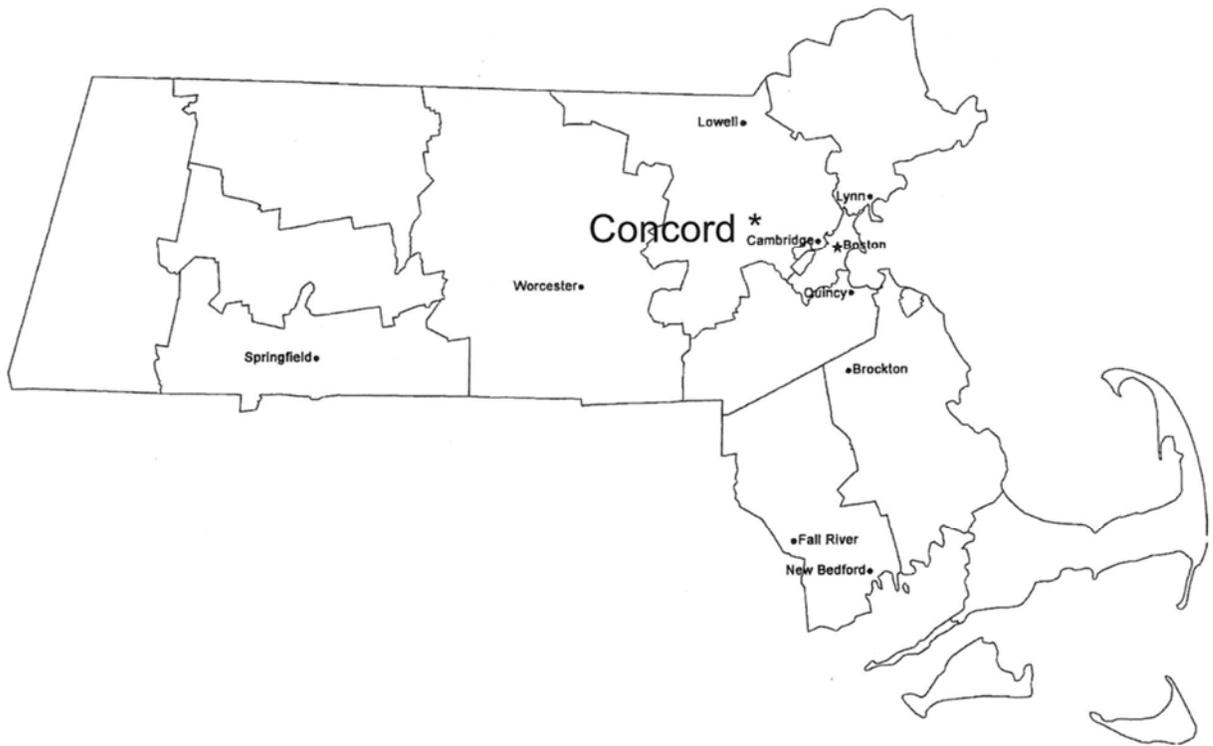


Principal Town Officials

Office	Name	Term and Manner of Selection	Term Expires
Select Board	Michael Lawson, Chair	Elected for staggered 3-year terms	2020
	Terry Ackerman		2022
	Susan Bates		2022
	Jane Hotchkiss		2021
	Linda Escobedo		2021
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	2019
Finance Director, Treasurer and Collector	Kerry Lafleur	Appointed annually by Town Manager with approval of Select Board	2019
Accountant	Mary Barrett	Appointed by Select Board	2020

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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Select Board
Town of Concord, Massachusetts

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

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, 2019, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2018) 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, 2019, (except for the Concord Contributory Retirement System and Concord Municipal Light Plant, which are as of and for the year ended December 31, 2018) 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 108 through 124 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 28, 2020 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.

Melanson Heath

January 28, 2020

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, 2019. This section should be read in conjunction with the Letter of Transmittal.

A. 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 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, liabilities, and deferred outflows/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 debt service interest. 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.

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 governmental funds are combined into a single aggregated presentation.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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.

Other information. 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.

B. FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, the total of assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$240,481,636 (i.e., net position), a change of \$(240,601) in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$57,307,610, a change of \$(288,677) in comparison to the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$13,799,801, a change of \$787,805 in comparison to the prior year.

C. 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:

	<u>NET POSITION</u>					
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 66,802,760	\$ 65,051,747	\$ 52,419,699	\$ 50,726,926	\$ 119,222,459	\$ 115,778,673
Capital assets	<u>163,562,257</u>	<u>160,069,782</u>	<u>87,147,135</u>	<u>86,561,521</u>	<u>250,709,392</u>	<u>246,631,303</u>
Total assets	230,365,017	225,121,529	139,566,834	137,288,447	369,931,851	362,409,976
Deferred outflows of resources	13,213,983	6,862,925	1,783,368	1,573,906	14,997,351	8,436,831
Long-term liabilities	100,761,527	83,783,465	20,554,731	20,956,889	121,316,258	104,740,354
Other liabilities	<u>7,399,128</u>	<u>5,520,202</u>	<u>8,524,800</u>	<u>4,825,776</u>	<u>15,923,928</u>	<u>10,345,978</u>
Total liabilities	108,160,655	89,303,667	29,079,531	25,782,665	137,240,186	115,086,332
Deferred inflows of resources	2,737,190	7,877,242	4,470,190	5,140,213	7,207,380	13,017,455
Net investment in capital assets	129,955,137	126,824,881	74,530,903	70,644,500	204,486,040	197,469,381
Restricted	34,014,122	31,485,750	10,141,125	9,194,497	44,155,247	40,680,247
Unrestricted	<u>(31,288,104)</u>	<u>(23,507,086)</u>	<u>23,128,453</u>	<u>28,100,478</u>	<u>(8,159,651)</u>	<u>4,593,392</u>
Total net position	<u>\$ 132,681,155</u>	<u>\$ 134,803,545</u>	<u>\$ 107,800,481</u>	<u>\$ 107,939,475</u>	<u>\$ 240,481,636</u>	<u>\$ 242,743,020</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the close of the most recent fiscal year, total net position was \$240,481,636, a change of \$(240,601) in comparison to the prior year.

The largest portion of net position, \$204,486,040, 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, \$44,155,247, represents resources that are subject to external restrictions on how they may be used. Components include:

- Restricted grant assets and other statutory restrictions, \$34,151,586.
- Expendable and nonexpendable permanent fund assets \$10,003,661.

The remaining balance of unrestricted net position, \$(8,159,651), results in a deficit. Of this total:

- A deficit of \$(31,288,104) is in governmental activities funds, a change of \$(7,781,018) from the prior year. Virtually all of this change results from changes to the net pension liability and net OPEB liability.
- \$23,128,453 is in business-type activities funds, a change of \$(4,972,025) from the prior year. This change mainly results from the implementation of GASB Statement 75 in the Electric fund.

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

<u>CHANGE IN NET POSITION</u>						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	\$ 8,510,891	\$ 8,589,206	\$ 40,642,535	\$ 38,952,059	\$ 49,153,426	\$ 47,541,265
Operating grants and contributions	14,916,691	14,818,523	-	-	14,916,691	14,818,523
Capital grants and contributions	339,623	122,765	-	-	339,623	122,765
General revenues:						
Property taxes	92,186,587	88,647,131	-	-	92,186,587	88,647,131
Excises	4,741,682	4,368,793	-	-	4,741,682	4,368,793
Penalties, interest, and other taxes	654,478	557,462	-	-	654,478	557,462
Grants and contributions not restricted to specific programs	1,882,390	1,790,059	-	-	1,882,390	1,790,059
Investment income	1,659,746	1,938,082	633,205	373,020	2,292,951	2,311,102
Other income	244,071	115,656	46,142	-	290,213	115,656
Total revenues	125,136,159	120,947,677	41,321,882	39,325,079	166,458,041	160,272,756
Expenses						
General government	12,674,811	10,707,175	-	-	12,674,811	10,707,175
Public safety	13,171,655	13,743,500	-	-	13,171,655	13,743,500
Education	87,386,000	74,095,597	-	-	87,386,000	74,095,597
Public works	7,198,400	8,540,608	-	-	7,198,400	8,540,608
Health and human services	1,177,405	1,386,178	-	-	1,177,405	1,386,178
Culture and recreation	5,509,842	5,476,490	-	-	5,509,842	5,476,490
Debt service interest	1,060,841	1,085,432	-	-	1,060,841	1,085,432
Water services	-	-	4,137,746	3,893,747	4,137,746	3,893,747
Sewer services	-	-	3,175,035	3,204,450	3,175,035	3,204,450
Electric services	-	-	29,303,857	26,636,787	29,303,857	26,636,787
Swim services	-	-	2,271,822	2,196,064	2,271,822	2,196,064
Total expenses	128,178,954	115,034,980	38,888,460	35,931,048	167,067,414	150,966,028
Change in net position before transfers	(3,042,795)	5,912,697	2,433,422	3,394,031	(609,373)	9,306,728
Transfers in (out)	920,405	863,842	(551,633)	(516,488)	368,772	347,354
Change in net position	(2,122,390)	6,776,539	1,881,789	2,877,543	(240,601)	9,654,082
Net position - beginning of year - as restated	134,803,545	128,027,006	105,918,692	105,061,932	240,722,237	233,088,938
Net position - end of year	<u>\$ 132,681,155</u>	<u>\$ 134,803,545</u>	<u>\$ 107,800,481</u>	<u>\$ 107,939,475</u>	<u>\$ 240,481,636</u>	<u>\$ 242,743,020</u>

Governmental activities: Governmental activities for the year resulted in a change in net position of \$(2,122,390). Key elements of this change are as follows:

Capital assets acquired with current year resources	\$ 4,201,412
Change in net pension liability, net of deferrals	(1,365,725)
Change in net OPEB liability, net of deferrals	(4,900,823)
Other	<u>(57,254)</u>
Total change in net position	<u>\$ (2,122,390)</u>

Business-type activities: Business-type activities for the year resulted in a change in net position of \$1,881,789. 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.

D. 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.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$57,307,610, a change of \$(288,677) in comparison to the prior year. Key elements of this change are as follows:

General fund operations	\$ 673,033
Community Preservation Fund expenditures in excess of revenues	(345,789)
Capital project fund expenditures, net of bond proceeds and premiums	(748,590)
Other	<u>132,669</u>
Total	<u>\$ (288,677)</u>

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$13,799,801, while total fund balance was \$37,107,456. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Refer to the table below:

<u>Fund Balance Components</u>	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
Restricted fund balance	\$ 10,433,176	\$ 10,323,885	\$ 109,291
Committed fund balance	5,398,582	5,218,845	179,737
Assigned fund balance	7,475,897	7,879,697	(403,800)
Unassigned fund balance	<u>13,799,801</u>	<u>13,011,996</u>	<u>787,805</u>
Total fund balance	<u>\$ 37,107,456</u>	<u>\$ 36,434,423</u>	<u>\$ 673,033</u>
Unassigned fund balance as a percentage of total general fund expenditures	12.5%	12.3%	0.2%
Total fund balance as a percentage of total general fund expenditures	33.6%	34.4%	-0.8%

Our Assigned Fund Balance decreased as less funds were encumbered for fiscal year 2019. Unassigned fund balance in the general fund changed by \$787,805 driven primarily from revenues in excess of the budget. The Town's policy is to

maintain free cash reserves at a level between 5% and 10% of the ensuing general fund budget.

The total fund balance of the general fund changed by \$673,033 during the current fiscal year. Key factors in this change are as follows:

<u>General Fund Highlights</u>	<u>General Fund Components</u> For the year ended June 30, 2019			<u>Total General Fund</u>
	<u>Operating</u>	<u>Stabilization</u>	<u>Pension</u>	
Use of fund balance - tax levy	\$ (1,000,000)	\$ -	\$ -	\$ (1,000,000)
Use of fund balance - redevelopment plan	(25,000)	-	-	(25,000)
Use of School capital stabilization account	-	(276,287)	-	(276,287)
Revenues greater than budget	1,510,699	-	-	1,510,699
Expenditures less than budget	792,343	-	-	792,343
Expenditures of prior year encumbrances in excess of current year encumbrances	(225,099)	-	-	(225,099)
Pension reserve fund activity, net	-	-	109,291	109,291
Other	(187,316)	(25,598)	-	(212,914)
Total	\$ 865,627	\$ (301,885)	\$ 109,291	\$ 673,033

Included in the total general fund balance are the Town's stabilization accounts, insurance reserve fund, and pension reserve fund with the following balances:

	<u>7/1/18</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>6/30/19</u>
High School debt stabilization	\$ 276,287	\$ -	\$ (276,287)	\$ -	\$ -	\$ -
Emergency response stabilization	675,483	16,207	-	-	(48,000)	643,690
School capital stabilization	43,334	1,083	-	-	-	44,417
General stabilization	4,308	108	-	-	-	4,416
Insurance reserve fund	1,663,697	-	(84,993)	89,980	-	1,668,684
Pension reserve fund	10,323,885	495,326	(1,134,809)	748,774	-	10,433,176
Technology stabilization	711	17	-	-	-	728
Total	\$ 12,987,705	\$ 512,741	\$ (1,496,089)	\$ 838,754	\$ (48,000)	\$ 12,795,111

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 \$23,128,453. Total net position of the enterprise funds at the end of the year amounted to \$107,800,481, a change of \$1,881,789 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.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final budget reflect additional appropriations voted at special Town Meeting for various services for \$223,000.

\$175,000 of which was funded by the tax levy and \$48,000 was funded by a transfer from the emergency response stabilization fund.

F. CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. Total investment in capital assets for governmental and business-type activities at year-end amounted to \$250,709,392 (see Note 16) (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

- \$ 3,096,454 Various road and sidewalk improvements
- \$ 2,710,532 Purchase of Gerow land
- \$ 606,736 CPS Building improvements
- \$ 216,279 Purchase of public safety vehicles

Business-type activities

- \$ 3,191,597 Water related infrastructure
- \$ 289,439 Sewer related infrastructure
- \$ 782,754 Electric related infrastructure
- \$ 55,855 Swim & Fitness facility building improvements

Additional information on capital assets can be found in Note 16 of the Notes to the Financial Statements.

Long-term debt. As of June 30, 2019, total bonded debt outstanding was \$53,175,277, 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 Note 24 of the Notes to Financial Statements.

G. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The April 2019 Annual Town Meeting adopted a fiscal year 2020 general fund budget of \$112,861,022, a \$4,965,892 increase or 4.6% over the prior year. This increase includes the following:

- An increase of \$1,779,457 (or 6.6%) in the operating budget of the Town Government;
- An increase of \$1,143,268 (or 3.0%) in the operating budget of the Concord Public Schools (K-8);
- An increase of \$690,000 (or 3.1%) for Concord's assessed share of the Concord – Carlisle Regional School District budget;
- An increase of \$330,689 (or 44.5%) for Concord's assessed share of the Minuteman Regional Technical School District budget;
- An increase of \$1,021,519 (or 5.3%) in the Town's miscellaneous accounts (e.g., group insurance, retirement, debt, etc.).

It is anticipated that 83.9% of the resources to fund the general fund budget will be generated by property taxes. Additional funding includes state aid (4.8%), local receipts (6.5%), and other available funds (4.8%).

The property tax levy for fiscal year 2020 (\$95,027,232) represents a 4.0% increase over the prior year. This rise reflects an increase of 0.3% in the property tax rate from \$14.19 per thousand to \$14.23 per thousand and an increase 3.4% in taxable assessed value from \$6.447 billion to \$6.685 billion. The assessment date for valuing the Town's fiscal year 2019 real estate and personal property is January 1, 2019. The table below presents a comparison between fiscal year 2019 and fiscal year 2020.

	<u>FY2019</u>	<u>FY2020</u>	<u>% Change</u>
Taxable Assessed Value	\$6,447,033,517	\$6,685,251,125	3.4%
Tax Rate (per \$1,000)	\$14.19	\$14.23	0.3%
Property Tax Levy	\$91,291,586	\$95,027,232	4.0%

Increases in the property tax levy for municipalities in Massachusetts are governed by statutory regulations referred to as Proposition 2½. The total property tax levy is constrained by a ceiling which cannot be more than 2½ 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 \$4,015,677 in fiscal year 2019 and \$4,121,173 projected in fiscal year 2020.

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 2020 tax levy includes \$6,867,289 levied for such authorized purpose.

PENSION FUNDING STATUS

The Concord Retirement Board's most recent actuarial valuation is as of January 1, 2018. 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)	\$94,996,144	\$115,340,593
Unfunded Accrued Liability (UAAL)	\$28,802,731	\$27,065,051
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 2019 with the implementation of Government Accounting Standards Board (GASB) Statements No. 67 and 68. The January 1, 2018 net pension liability will not agree to the Statement of Net Position as the Electric Fund is reported as of December 31, 2018 and uses the January 1, 2017 valuation.

	<u>1/1/15</u>	<u>1/1/16</u>	<u>1/1/17</u>	<u>1/1/18</u>
Total Pension Liability (TPL)	\$165,699,237	\$177,566,121	\$183,717,899	\$195,749,569
Plan Fiduciary Net Position (FNP)	\$133,766,764	\$145,339,033	\$166,415,841	\$159,228,803
Net Pension Liability (NPL)	\$31,932,473	\$32,227,088	\$17,302,058	\$36,520,767
Funding Ratio (FNP / TPL)	80.7%	81.5%	90.6%	81.3%
Assumed Discount Rate	7.00%	7.00%	7.00%	7.00%
Funding Schedule Term	2030	2030	2030	2030
Remaining Amortization Period	14 Years	13 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 an amortization rate on the Net Pension Liability of no greater than 2% and 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 \$1,188,851 for the fiscal year 2020 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 15% 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)	\$1,885,241	\$6,577,046	\$8,395,780
Unfunded Actuarial Accrued Liability (UAAL)	\$28,100,356	\$26,875,239	\$30,789,775
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 2017 to 2019 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, 2018:

	<u>6/30/2017</u>	<u>6/30/2018</u>	<u>6/30/19</u>
Total OPEB Liability (TOL)	\$44,218,912	\$50,712,859	\$54,532,494
Plan Fiduciary Net Position (FNP)	\$13,452,252	\$16,199,612	\$18,907,467
Net OPEB Liability (NOL)	\$30,766,660	\$34,593,247	\$35,625,027
Funded Ratio (FNP / TOL)	30.42%	31.94%	34.7%
Assumed Discount Rate:			
General Fund	7.25%	7.25%	7.25%
Enterprise Funds	7.25%	7.25%	7.25%
Funded Schedule Term	2039	2039	2035
Remaining Amortization Period	22 Years	21 Years	16 Years

The Town, as of fiscal year 2010, commenced to fully fund the actuarially determined contribution of its business-type activities (Water, Sewer, Light, 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 2019 cash contribution to the OPEB

trust was \$1.74 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 2019 and water and sewer funds for fiscal year 2020 are budgeted to report positive net income.
- The swim & fitness fund is budgeted to break even in terms of the fiscal year 2020 net income and the fund has a \$2.80 million unrestricted fund balance as of June 30, 2019.

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 government'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, 2019

(Except for the Electric Enterprise Fund, which is as of December 31, 2018)

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and short-term investments	\$ 27,171,809	\$ 33,221,203	\$ 60,393,012
Investments	35,791,661	-	35,791,661
Receivables, net of allowance for uncollectibles:			
Property taxes	935,111	-	935,111
Excises	104,044	-	104,044
User fees	-	5,483,224	5,483,224
Betterments	-	45,000	45,000
Departmental and other	327,134	-	327,134
Intergovernmental	1,800,648	-	1,800,648
Inventory	-	1,293,552	1,293,552
Prepaid expenses	-	1,763,710	1,763,710
Other assets	56,773	-	56,773
Noncurrent:			
Receivables, net of allowance for uncollectibles:			
Property taxes	615,580	-	615,580
Betterments	-	357,384	357,384
Restricted cash	-	9,901,860	9,901,860
Investment in associated companies	-	353,766	353,766
Capital assets being depreciated, net	105,031,045	79,946,078	184,977,123
Capital assets not being depreciated	58,531,212	7,201,057	65,732,269
Deferred Outflows of Resources			
Related to pensions	12,203,728	1,525,282	13,729,010
Related to OPEB	730,568	258,086	988,654
Other	279,687	-	279,687
Total Assets and Deferred Outflows of Resources	243,579,000	141,350,202	384,929,202
Liabilities			
Current:			
Warrants payable	2,480,530	3,619,788	6,100,318
Accrued liabilities	404,660	526,561	931,221
Accrued payroll	3,205,949	73,117	3,279,066
Unearned revenue	290,837	163,432	454,269
Customer deposits	-	634,648	634,648
Customer advances for construction	-	101,313	101,313
Notes payable	575,489	3,400,000	3,975,489
Other current liabilities	441,663	5,941	447,604
Current portion of long-term liabilities:			
Bonds payable	6,280,855	2,156,936	8,437,791
Accrued employee benefits	316,060	26,904	342,964
Estimated landfill closure and postclosure care costs	10,000	-	10,000
Capital leases	36,208	-	36,208
Noncurrent:			
Bonds payable, net of current portion	32,103,433	12,634,053	44,737,486
Net pension liability	26,575,880	2,235,027	28,810,907
Net OPEB liability	32,400,235	3,184,609	35,584,844
Accrued employee benefits, net of current portion	2,844,536	317,202	3,161,738
Estimated landfill closure and postclosure care costs, net of current portion	120,000	-	120,000
Capital leases, net of current portion	74,320	-	74,320
Deferred Inflows of Resources			
Related to pensions	2,494,138	1,231,270	3,725,408
Related to OPEB	243,052	40,065	283,117
Other	-	3,198,855	3,198,855
Total Liabilities and Deferred Inflows of Resources	110,897,845	33,549,721	144,447,566
Net Position			
Net investment in capital assets	129,955,137	74,530,903	204,486,040
Restricted for:			
Grants and other statutory restrictions	24,010,461	10,141,125	34,151,586
Permanent funds:			
Nonexpendable	3,394,804	-	3,394,804
Expendable	6,608,857	-	6,608,857
Unrestricted	(31,288,104)	23,128,453	(8,159,651)
Total Net Position	\$ 132,681,155	\$ 107,800,481	\$ 240,481,636

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

TOWN OF CONCORD, MASSACHUSETTS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

(Except for the Electric Enterprise Fund, which is as of December 31, 2018)

	<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	\$ 12,674,811	\$ 1,340,787	\$ 1,047,892	\$ -	\$ (10,286,132)
Public safety	13,171,655	2,359,563	73,655	-	(10,738,437)
Education	87,386,000	670,852	13,013,341	-	(73,701,807)
Public works	7,198,400	1,898,876	651,263	339,623	(4,308,638)
Health and human services	1,177,405	59,145	104,237	-	(1,014,023)
Culture and recreation	5,509,842	2,181,668	26,303	-	(3,301,871)
Debt service interest	1,060,841	-	-	-	(1,060,841)
Total Governmental Activities	<u>128,178,954</u>	<u>8,510,891</u>	<u>14,916,691</u>	<u>339,623</u>	<u>(104,411,749)</u>
Business-Type Activities					
Water services	4,137,746	5,282,073	-	-	1,144,327
Sewer services	3,175,035	3,303,266	-	-	128,231
Electric services	29,303,857	29,791,221	-	-	487,364
Swim & fitness services	2,271,822	2,265,975	-	-	(5,847)
Total Business-Type Activities	<u>38,888,460</u>	<u>40,642,535</u>	<u>-</u>	<u>-</u>	<u>1,754,075</u>
Total	<u>\$ 167,067,414</u>	<u>\$ 49,153,426</u>	<u>\$ 14,916,691</u>	<u>\$ 339,623</u>	<u>\$ (102,657,674)</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, 2019

(Except for the Electric Enterprise Fund, which is for the year ended December 31, 2018)

(continued)	Governmental <u>Activities</u>	Business- Type <u>Activities</u>	<u>Total</u>
Changes in Net Position			
Net (Expenses) Revenues from previous page	\$ (104,411,749)	\$ 1,754,075	\$ (102,657,674)
General Revenues and Transfers			
Property taxes	92,186,587	-	92,186,587
Excises	4,741,682	-	4,741,682
Penalties, interest, and other taxes	654,478	-	654,478
Grants and contributions not restricted to specific programs	1,882,390	-	1,882,390
Investment income	1,659,746	633,205	2,292,951
Other income	244,071	46,142	290,213
Transfers, net	<u>920,405</u>	<u>(551,633)</u>	<u>368,772</u>
Total general revenues and transfers	<u>102,289,359</u>	<u>127,714</u>	<u>102,417,073</u>
Change in Net Position	(2,122,390)	1,881,789	(240,601)
Net Position			
Beginning of year, as restated	<u>134,803,545</u>	<u>105,918,692</u>	<u>240,722,237</u>
End of year	<u>\$ 132,681,155</u>	<u>\$ 107,800,481</u>	<u>\$ 240,481,636</u>
			(concluded)

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

TOWN OF CONCORD, MASSACHUSETTS

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2019

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and short-term investments	\$ 12,147,955	\$ 15,023,854	\$ 27,171,809
Investments	29,182,804	6,608,857	35,791,661
Receivables:			
Property taxes	1,979,802	19,671	1,999,473
Excises	157,179	-	157,179
Departmental	48,423	278,711	327,134
Intergovernmental	479,731	1,320,917	1,800,648
Due from other funds	521,030	-	521,030
Other assets	56,773	-	56,773
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>44,573,697</u>	\$ <u>23,252,010</u>	\$ <u>67,825,707</u>
Liabilities			
Warrants payable	\$ 1,309,296	\$ 1,171,234	\$ 2,480,530
Accrued liabilities	844,675	92,189	936,864
Accrued payroll	3,103,254	102,695	3,205,949
Unearned revenue	-	290,837	290,837
Due to other funds	-	521,030	521,030
Notes payable	-	575,489	575,489
Other liabilities	441,663	-	441,663
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	5,698,888	2,753,474	8,452,362
Deferred Inflows of Resources			
Unavailable revenues	1,767,353	298,382	2,065,735
Fund Balances			
Nonspendable	-	3,394,804	3,394,804
Restricted	10,433,176	16,791,338	27,224,514
Committed	5,398,582	25,440	5,424,022
Assigned	7,475,897	-	7,475,897
Unassigned	13,799,801	(11,428)	13,788,373
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>37,107,456</u>	<u>20,200,154</u>	<u>57,307,610</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ <u>44,573,697</u>	\$ <u>23,252,010</u>	\$ <u>67,825,707</u>

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, 2019

Total governmental fund balances	\$ 57,307,610
• Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	163,562,257
• Revenues are reported on the accrual basis of accounting and are not deferred until collection.	1,563,818
• Deferred outflows of resources to be recognized as an increase to pension, OPEB and debt expenses in future periods:	
Related to pensions	12,203,728
Related to OPEB	730,568
Related to loss on refunding bonds	279,687
• Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Bonds payable	(38,384,288)
Net pension liability	(26,575,880)
Net OPEB liability	(32,400,235)
Other (compensated absences, landfill closure liability, etc.)	(2,565,673)
• In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(303,247)
• Deferred inflows of resources to be recognized as a decrease to pension and OPEB expense in future periods:	
Related to pensions	(2,494,138)
Related to OPEB	(243,052)
Net position of governmental activities	\$ <u>132,681,155</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, 2019

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property taxes	\$ 91,006,015	\$ 1,275,081	\$ 92,281,096
Excises	4,735,799	-	4,735,799
Penalties, interest and other taxes	418,843	-	418,843
Departmental	1,375,614	5,701,127	7,076,741
Licenses and permits	1,363,162	-	1,363,162
Fines and forfeitures	90,979	-	90,979
Intergovernmental	9,498,841	3,884,513	13,383,354
Investment income	1,366,943	292,803	1,659,746
Contributions	-	527,990	527,990
Other	109,719	12,312	122,031
	<u>109,965,915</u>	<u>11,693,826</u>	<u>121,659,741</u>
Expenditures			
Current:			
General government	6,904,297	6,119,298	13,023,595
Public safety	9,688,307	610,938	10,299,245
Education	66,074,609	3,859,979	69,934,588
Public works	3,230,402	4,876,425	8,106,827
Snow and Ice	607,523	-	607,523
Health and human services	705,021	178,501	883,522
Culture and recreation	2,413,092	2,444,918	4,858,010
Employee benefits	13,260,976	-	13,260,976
Debt service	7,001,796	163,068	7,164,864
Intergovernmental	517,486	-	517,486
	<u>110,403,509</u>	<u>18,253,127</u>	<u>128,656,636</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(437,594)	(6,559,301)	(6,996,895)
Other Financing Sources (Uses)			
Issuance of bonds	-	4,805,000	4,805,000
Premium on issuance of bonds	-	779,341	779,341
Transfers in	1,236,524	35,812	1,272,336
Transfers out	(125,897)	(22,562)	(148,459)
	<u>1,110,627</u>	<u>5,597,591</u>	<u>6,708,218</u>
Total Other Financing Sources (Uses)	<u>1,110,627</u>	<u>5,597,591</u>	<u>6,708,218</u>
Change in Fund Balance	673,033	(961,710)	(288,677)
Fund Balance at Beginning of Year	<u>36,434,423</u>	<u>21,161,864</u>	<u>57,596,287</u>
Fund Balance at End of Year	<u>\$ 37,107,456</u>	<u>\$ 20,200,154</u>	<u>\$ 57,307,610</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, 2019

Net changes in fund balances - total governmental funds		\$ (288,677)
<ul style="list-style-type: none"> • 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		10,025,968
Loss on disposal		(24,246)
Depreciation		(6,509,247)
<ul style="list-style-type: none"> • 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 deferred revenue. 		
		127,018
<ul style="list-style-type: none"> • 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: 		
Issuance of general obligation bonds		(4,805,000)
Premiums received on issuance of general obligation bonds		(779,341)
Repayments of general obligation and refunding bonds		5,863,068
Repayments of capital leases		35,587
<ul style="list-style-type: none"> • In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due. 		
		33,799
<ul style="list-style-type: none"> • 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: 		
Change in unfunded compensated absences		248,073
Change in landfill liability		10,000
Change in net pension liability, net of deferrals		(1,365,725)
Change in net OPEB liability, net of deferrals		(4,900,823)
Amortize bond premiums		235,125
Amortize loss on refunding bonds		(27,969)
Change in net position of governmental activities		\$ (2,122,390)

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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Property taxes	\$ 90,689,570	\$ 90,864,570	\$ 91,006,015	\$ 141,445
Excise taxes	4,330,601	4,330,601	4,735,799	405,198
Penalties, interest and other taxes	180,000	180,000	418,843	238,843
Departmental	1,409,654	1,409,654	1,375,614	(34,040)
Licenses and permits	1,215,000	1,215,000	1,363,162	148,162
Fines and forfeitures	87,603	87,603	90,979	3,376
Intergovernmental	5,240,838	5,240,838	5,451,338	210,500
Investment income	500,000	500,000	855,489	355,489
Other	67,993	67,993	109,719	41,726
	103,721,259	103,896,259	105,406,958	1,510,699
Expenditures				
General government	3,769,708	4,379,216	4,297,324	81,892
Finance and administration	3,163,694	3,184,325	3,178,614	5,711
Public safety	9,332,903	10,052,696	10,012,580	40,116
Education	38,246,895	38,246,895	38,108,854	138,041
Regional school assessments	23,396,707	23,396,707	23,396,707	-
Public works and facilities	4,231,117	4,286,049	4,143,466	142,583
Snow and ice	610,001	610,001	610,001	-
Human services	3,156,536	3,345,067	3,238,505	106,562
Unclassified	1,742,895	370,538	369,977	561
Employee benefits	12,068,560	12,070,522	12,070,419	103
Debt service	7,104,514	7,104,514	6,812,693	291,821
Intergovernmental	502,439	502,439	517,486	(15,047)
	107,325,969	107,548,969	106,756,626	792,343
Excess (Deficiency) of Revenues Over Expenditures	(3,604,710)	(3,652,710)	(1,349,668)	2,303,042
Other Financing Sources (Uses)				
Transfers in	2,392,341	2,440,341	2,440,341	-
Use of free cash:				
For redevelopment plan	25,000	25,000	-	(25,000)
To reduce the tax levy	1,000,000	1,000,000	-	(1,000,000)
Use of restricted fund balance	187,369	187,369	-	(187,369)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	\$ 1,090,673	\$ 1,090,673

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

TOWN OF CONCORD, MASSACHUSETTS

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2019

(Except for the Electric Enterprise Fund, which is as of December 31, 2018)

	Business-Type Activities				Total
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	
Assets					
Current:					
Cash and short-term investments	\$ 12,101,839	\$ 11,614,145	\$ 5,597,793	\$ 3,907,426	\$ 33,221,203
User fees, net of allowance for uncollectibles	1,231,119	618,227	3,633,878	-	5,483,224
Betterment receivables	-	45,000	-	-	45,000
Inventory	93,381	-	1,200,171	-	1,293,552
Prepaid expenses	-	-	1,763,710	-	1,763,710
Total Current Assets	13,426,339	12,277,372	12,195,552	3,907,426	41,806,689
Noncurrent:					
Betterment receivables, net of current portion	-	357,384	-	-	357,384
Restricted cash	-	-	9,901,860	-	9,901,860
Investment in associated companies	-	-	353,766	-	353,766
Capital assets being depreciated, net	19,844,587	14,464,029	37,684,973	7,952,489	79,946,078
Capital assets not being depreciated	4,070,467	850,000	2,280,590	-	7,201,057
Total Noncurrent Assets	23,915,054	15,671,413	50,221,189	7,952,489	97,760,145
Deferred Outflows of Resources					
Related to pensions	328,561	82,142	959,458	155,121	1,525,282
Related to OPEB	11,780	2,440	239,561	4,305	258,086
Total Assets and Deferred Outflow of Resources	37,681,734	28,033,367	63,615,760	12,019,341	141,350,202
Liabilities					
Current:					
Warrants payable	455,519	155,178	2,970,142	38,949	3,619,788
Accrued liabilities	266,168	105,388	155,005	-	526,561
Accrued payroll	39,883	4,746	-	28,488	73,117
Unearned revenue	-	-	-	163,432	163,432
Customer deposits	-	-	634,648	-	634,648
Customer advances for construction	-	-	101,313	-	101,313
Notes payable	3,000,000	-	400,000	-	3,400,000
Other current liabilities	-	-	-	5,941	5,941
Current portion of long-term liabilities:					
Bonds payable	500,242	906,694	750,000	-	2,156,936
Accrued employee benefits	13,137	3,284	7,506	2,977	26,904
Total Current Liabilities	4,274,949	1,175,290	5,018,614	239,787	10,708,640
Noncurrent:					
Bonds payable, net of current portion	2,011,941	6,095,444	4,526,668	-	12,634,053
Net pension liability	632,514	158,129	1,097,567	346,817	2,235,027
Net OPEB liability	259,850	65,260	2,345,407	514,092	3,184,609
Accrued employee benefits, net of current portion	118,234	29,559	142,612	26,797	317,202
Total Noncurrent Liabilities	3,022,539	6,348,392	8,112,254	887,706	18,370,891
Deferred Inflows of Resources					
Related to pensions	68,619	17,156	1,008,430	137,065	1,231,270
Related to OPEB	908	319	32,430	6,408	40,065
Other	-	-	3,198,855	-	3,198,855
Total Liabilities and Deferred Inflows of Resources	7,367,015	7,541,157	17,370,583	1,270,966	33,549,721
Net Position					
Net investment in capital assets	22,913,627	9,124,224	34,540,563	7,952,489	74,530,903
Restricted for debt service	-	1,015,338	-	-	1,015,338
Restricted for capital improvements	-	4,705,490	4,420,297	-	9,125,787
Unrestricted	7,401,092	5,647,158	7,284,317	2,795,886	23,128,453
Total Net Position	\$ 30,314,719	\$ 20,492,210	\$ 46,245,177	\$ 10,748,375	\$ 107,800,481

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, 2019

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2018)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total
Operating Revenues					
Charges for services	\$ 5,282,073	\$ 3,055,233	\$ 29,791,221	\$ 2,265,975	\$ 40,394,502
Improvement fees	-	248,033	-	-	248,033
Total Operating Revenues	<u>5,282,073</u>	<u>3,303,266</u>	<u>29,791,221</u>	<u>2,265,975</u>	<u>40,642,535</u>
Operating Expenses					
Salaries and benefits	1,983,460	622,805	-	994,108	3,600,373
Other operating expenses	1,086,246	1,002,518	-	911,280	3,000,044
Depreciation	992,615	1,417,818	1,958,516	366,434	4,735,383
Electric operations	-	-	26,968,516	-	26,968,516
Total Operating Expenses	<u>4,062,321</u>	<u>3,043,141</u>	<u>28,927,032</u>	<u>2,271,822</u>	<u>38,304,316</u>
Operating Income (Loss)	1,219,752	260,125	864,189	(5,847)	2,338,219
Nonoperating Revenues (Expenses)					
Investment income	164,606	163,439	246,222	58,938	633,205
Interest expense	(75,425)	(131,894)	(181,687)	-	(389,006)
Gain on disposal of capital assets	-	-	(195,138)	-	(195,138)
Other	-	-	46,142	-	46,142
Total Nonoperating Revenues (Expenses), Net	<u>89,181</u>	<u>31,545</u>	<u>(84,461)</u>	<u>58,938</u>	<u>95,203</u>
Income Before Transfers	1,308,933	291,670	779,728	53,091	2,433,422
Transfers in	-	85,897	-	-	85,897
Transfers out	<u>(98,164)</u>	<u>(24,541)</u>	<u>(461,000)</u>	<u>(53,825)</u>	<u>(637,530)</u>
Change in Net Position	1,210,769	353,026	318,728	(734)	1,881,789
Net Position at Beginning of Year, as restated	<u>29,103,950</u>	<u>20,139,184</u>	<u>45,926,449</u>	<u>10,749,109</u>	<u>105,918,692</u>
Net Position at End of Year	<u>\$ 30,314,719</u>	<u>\$ 20,492,210</u>	<u>\$ 46,245,177</u>	<u>\$ 10,748,375</u>	<u>\$ 107,800,481</u>

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, 2019

(Except for the Electric Enterprise Fund, which is for the year-ended December 31, 2018)

	Business-Type Activities				
	Water Fund	Sewer Fund	Electric Fund	Swim & Fitness Fund	Total
Cash Flows From Operating Activities					
Receipts from customers and users	\$ 5,726,243	\$ 3,315,316	\$ 30,450,311	\$ 2,276,748	\$ 41,768,618
Payments to employees for salaries and benefits	(1,983,307)	(622,780)	(28,004,359)	(994,321)	(31,604,767)
Payments to suppliers and service providers	(448,499)	(1,016,308)	-	(927,131)	(2,391,938)
Net Cash Provided By Operating Activities	3,294,437	1,676,228	2,445,952	355,296	7,771,913
Cash Flows From Noncapital Financing Activities					
Other	-	-	15,804	-	15,804
Transfers in	-	85,897	-	-	85,897
Transfers out	(98,164)	(24,541)	(461,000)	(53,825)	(637,530)
Net Cash Provided By (Used for) Noncapital Financing Activities	(98,164)	61,356	(445,196)	(53,825)	(535,829)
Cash Flows From Capital and Related Financing Activities					
Acquisition and construction of capital assets, net of disposals	(3,227,816)	(657,950)	(1,557,013)	(73,355)	(5,516,134)
Proceeds from issuance of bonds and notes	3,000,000	310,000	-	-	3,310,000
Principal payments on bonds	(485,000)	(838,517)	(787,500)	-	(2,111,017)
Interest expense	(90,667)	(131,895)	(181,687)	-	(404,249)
Net Cash (Used For) Capital and Related Financing Activities	(803,483)	(1,318,362)	(2,526,200)	(73,355)	(4,721,400)
Cash Flows From Investing Activities					
Investment income	164,606	163,439	246,222	58,938	633,205
Net Cash Provided By Investing Activities	164,606	163,439	246,222	58,938	633,205
Net Change in Cash and Short-Term Investments	2,557,396	582,661	(279,222)	287,054	3,147,889
Cash and Short-Term Investments, Beginning of Year	9,544,443	11,031,484	15,778,875	3,620,372	39,975,174
Cash and Short-Term Investments, End of Year	\$ 12,101,839	\$ 11,614,145	\$ 15,499,653	\$ 3,907,426	\$ 43,123,063
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities					
Operating income (loss)	\$ 1,219,752	\$ 260,125	\$ 864,189	\$ (5,847)	\$ 2,338,219
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	992,615	1,417,818	1,958,516	366,434	4,735,383
Changes in assets, liabilities, and deferred outflows/inflows:					
User fees receivables	342,020	(88,366)	634,782	-	888,436
Betterments	-	75,003	-	-	75,003
Inventory	17,217	-	(84,173)	-	(66,956)
Prepaid and other assets	-	-	548,795	-	548,795
Deferred outflows - related to pensions	(227,332)	(56,834)	347,749	(75,959)	(12,376)
Deferred outflows - related to OPEB	13,220	3,560	(239,561)	25,695	(197,086)
Net pension liability	373,042	93,261	(1,546,242)	122,350	(957,589)
Net OPEB liability	41,407	9,880	280,964	61,822	394,073
Accounts payable and accrued liabilities	370,551	56,237	141,072	(17,166)	550,694
Accrued expenses	249,979	(70,027)	37,186	1,315	218,453
Unearned revenue	-	-	-	(65,934)	(65,934)
Deferred inflows - related to pensions	(106,887)	(26,721)	876,809	(59,098)	684,103
Deferred inflows - related to OPEB	(3,041)	(682)	(4,892)	(1,768)	(10,383)
Deferred inflows - other	-	-	(1,381,065)	-	(1,381,065)
Other liabilities	11,894	2,974	11,823	3,452	30,143
Net Cash Provided By Operating Activities	\$ 3,294,437	\$ 1,676,228	\$ 2,445,952	\$ 355,296	\$ 7,771,913

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

TOWN OF CONCORD, MASSACHUSETTS

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2019

	Pension and OPEB <u>Trust Funds</u>	Private Purpose <u>Trust Funds</u>	Agency <u>Fund</u>
Assets			
Cash and short-term investments	\$ 3,161,843	\$ -	\$ 256,045
Investments:			
Asset backed securities	5,372,475	-	-
Collateralized mortgage obligations	1,404,649	-	-
Collective investment trust fund	18,907,467	-	-
Corporate bonds	10,597,622	-	-
Corporate equities	25,914,289	1,628,336	-
Equity mutual funds	25,486,881	-	-
Federal agency securities	972,486	-	-
Foreign bonds	1,342,006	-	-
Mortgage backed securities	478,516	-	-
Municipal bonds	482,456	-	-
Private placements	188,968	-	-
PRIT fund	70,866,389	-	-
U.S. Treasury notes	12,757,679	-	-
Accounts receivable	<u>280,676</u>	<u>-</u>	<u>140,563</u>
Total Assets	178,214,402	1,628,336	396,608
Liabilities			
Warrants and accounts payable	78,132	-	8,742
Accrued payroll	-	-	22,008
Other liabilities	<u>-</u>	<u>-</u>	<u>365,858</u>
Total Liabilities	<u>78,132</u>	<u>-</u>	<u>\$ 396,608</u>
Net Position			
Restricted for pension purposes	159,228,803	-	
Restricted for OPEB purposes	18,907,467	-	
Restricted for other purposes	<u>-</u>	<u>1,628,336</u>	
Total Net Position	<u>\$ 178,136,270</u>	<u>\$ 1,628,336</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, 2019

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions:		
Employers	\$ 9,592,444	\$ -
Plan members	3,375,537	-
Other	-	203,472
	<hr/>	<hr/>
Total contributions	12,967,981	-
Investment Income (Loss):		
Appreciation (depreciation) in fair value of investments	(4,845,592)	79,591
Less: management fees	(763,707)	-
	<hr/>	<hr/>
Net investment gain (loss)	(5,609,299)	79,591
	<hr/>	<hr/>
Total additions	7,358,682	79,591
Deductions		
Benefit payments to plan members and beneficiaries	11,441,571	24,395
Administrative expenses	316,294	-
	<hr/>	<hr/>
Total deductions	11,757,865	24,395
	<hr/>	<hr/>
Net change	(4,399,183)	258,668
Net position restricted for pensions, OPEB and other purposes		
Beginning of year	182,535,453	1,369,668
	<hr/>	<hr/>
End of year	\$ 178,136,270	\$ 1,628,336
	<hr/> <hr/>	<hr/> <hr/>

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, 2018. The following is a summary of the more significant policies:

A. 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 Unit

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.

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 2019:

<u>Joint venture and address</u>	<u>Purpose</u>	<u>2019 Assessment</u>
Concord-Carlisle Regional School District 120 Meriam Road Concord, MA 01742	To provide education services	\$ 22,654,028
Minuteman Regional Vocational Technical School District 758 Marrett Road Lexington, MA 02421	To provide education services	\$ 742,679

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the 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.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 government considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. 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 non-operating 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 non-operating 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, 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.

D. 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.

E. 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.

F. 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.

G. 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.

H. Cash, Cash Equivalents, 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." The interest earnings attributable to each fund type are included under investment income.

The Town considers investments with original maturities of three months or less to be short-term investments. 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. During the fiscal year the Town did not enter into any repurchase agreements.

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 with the financial institution. The Town's investments consist of U.S. Government and agency securities, equities, mutual funds, fixed income securities, pooled funds, and long-term certificates of deposit. Investments are carried at fair value except non-negotiable certificates of deposit which are reported at cost.

For the purposes of the Statement of Cash flows, the proprietary funds consider investments with original maturities of three months or less to be short-term investments.

I. 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 2019 tax levy reflected an excess capacity of \$4,015,677.

J. 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.

K. 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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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.

Property, plant and equipment of the Town, is 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

L. 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, proprietary, and fiduciary 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.

M. 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.

N. 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 and current liabilities/deferred inflows. 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 and liabilities/deferred inflows. 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.

O. 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.

P. 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 2018, the Light Plant's earnings did not exceed this threshold.

2. **Stewardship, Compliance, and Accountability**

A. 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.

B. 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.

C. 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>	<u>Other Financing Sources (Uses)</u>
GAAP Basis	\$ 109,965,915	\$ 110,403,509	\$ 1,110,627
Reverse beginning of year appropriation carryforwards from expenditures	-	(3,650,289)	-
Add end-of-year appropriation carryforwards to expenditures	-	3,425,190	-
Reverse the effect of non-budgeted State contributions for teachers retirement	(4,047,503)	(4,047,503)	-
Reverse non-budgeted capital lease activity	-	53	-
Reclass indirect costs reimbursements to respective enterprise fund	-	1,904,591	1,904,591
Reclass transfers budgeted with expenditures	-	215,877	215,877
To reflect non-budgeted activity (primarily stabilization)	<u>(511,454)</u>	<u>(1,494,802)</u>	<u>(790,754)</u>
Budgetary Basis	<u>\$ 105,406,958</u>	<u>\$ 106,756,626</u>	<u>\$ 2,440,341</u>

D. Deficit Fund Equity

Certain individual funds reflected deficit balances as of June 30, 2019. It is anticipated that the deficits in these funds will be eliminated through future departmental or intergovernmental revenues.

3. Cash and Short-Term Investments

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned. Massachusetts General Law Chapter 44, Section 55, limits the Town's deposits "in a bank or trust company or banking company to an amount not exceeding 60% of the capital and surplus of such bank or trust company or banking company, unless satisfactory security is given to it by such bank or trust company or banking company for such excess." Massachusetts General Law Chapter 32, Section 23, limits the Concord Contributory Retirement System's (the System) deposits "in a bank or trust company to an amount not exceeding 10% of the capital and surplus of such bank or trust company." The Town does not have deposit policies for custodial credit risk.

As of June 30, 2019 and December 31, 2018, \$46,736,423 and \$2,911,360 of the Town's and System's bank balances of \$71,525,014 and \$3,390,964 respectively, were exposed to custodial credit risk as uninsured and/or uncollateralized. However, of the uncollateralized bank balance, \$46,672,250 and \$2,523,223, respectively, was invested in Commonwealth Local Government Investment Pools (LGIP) Funds.

4. Investments – Town (Excluding the OPEB and Pension Trust Funds)

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits, and LGIP funds. The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investments of funds of savings banks under the laws of the Commonwealth.

The following is a summary of the Town's investments as of June 30, 2019:

<u>Investment Type</u>	<u>Amount</u>
Asset backed securities	\$ 10,800,009
Certificates of deposits	5,056,773
Corporate equities	13,936,406
Fixed income mutual funds	3,031,097
U.S. Treasury notes	<u>4,595,712</u>
Total investments	<u>\$ 37,419,997</u>

A. 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. 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.

Presented below is the actual rating as of year-end for each investment type of the Town. (All federal agency securities and 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>AA</u>	<u>B</u>	<u>Unrated</u>
Asset backed securities	\$ 10,800,009	\$ 10,800,009	\$ -	\$ -	\$ -
Certificates of deposit	5,056,773	-	-	-	5,056,773
Fixed income mutual funds	<u>3,031,097</u>	<u>566,990</u>	<u>2,219,499</u>	<u>244,608</u>	-
Total	<u>\$ 18,887,879</u>	<u>\$ 11,366,999</u>	<u>\$ 2,219,499</u>	<u>\$ 244,608</u>	<u>\$ 5,056,773</u>

B. 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 Town does not have formal investment policies related to custodial credit risk.

As of June 30, 2019, \$24,736,415 of the Town's total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or 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</u>
Asset backed securities	\$ 10,800,009	\$ 10,800,009
Certificates of deposit	5,056,773	5,056,773
Corporate equities	13,936,406	13,936,406
U.S. Treasury notes	<u>4,595,712</u>	<u>4,595,712</u>
Total	<u>\$ 34,388,900</u>	<u>\$ 34,388,900</u>

Investments in mutual funds is excluded from custodial credit risk disclosure.

C. Concentration of Credit Risk

The Town places no limit on the amount the Town may invest in any one issuer. The Town was not invested in any one issuer (other than U.S. treasuries, government agency securities, and mutual funds) that represent 5% or more of total investments at the end of fiscal year 2019. 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, 2019, the Town does not have an investment in one issuer greater than 5% of total investments.

D. Interest Rate Risk

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>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>
Asset backed securities	\$ 10,800,009	\$ 10,800,009	\$ -	\$ -
Certificates of deposits	5,056,773	5,056,773	-	-
Fixed income mutual funds	3,031,097	-	1,897,766	1,133,331
U.S. Treasury notes	<u>4,595,712</u>	<u>4,595,712</u>	<u>-</u>	<u>-</u>
Total	\$ <u>23,483,591</u>	\$ <u>20,452,494</u>	\$ <u>1,897,766</u>	\$ <u>1,133,331</u>

E. 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.

F. 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, 2019:

<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:				
Asset backed securities	\$ 10,800,009	\$ -	\$ 10,800,009	\$ -
Corporate equities	13,936,406	13,936,406	-	-
Fixed income mutual funds	3,031,097	-	3,031,097	-
U.S. Treasury notes	<u>4,595,712</u>	-	4,595,712	-
Total	<u>\$ 32,363,224</u>			

Equity 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.

5. Investments - OPEB Trust Fund

The following is a summary of the OPEB Trust Fund's investments as of June 30, 2019:

<u>Investment Type</u>	<u>Amount</u>
Collective investment trust fund	\$ <u>18,907,467</u>
Total investments	\$ <u>18,907,467</u>

A. 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. State law employs the prudent person rule whereby investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The OPEB Trust Fund does not have formal investment policies related to credit risk.

Collective investment trust funds are exempt from credit risk disclosure.

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

As of June 30, 2019, all of the OPEB Trust Fund's total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the OPEB Trust Fund's brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty</u>
Collective investment trust fund	\$ 18,907,467	18,907,467

C. 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 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, which comprise the OPEB trust fund portfolio.

D. Interest Rate Risk

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 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.

E. 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 OPEB Trust Fund does not have formal investment policies related to foreign currency risk.

F. Fair Value

The OPEB Trust Fund 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 OPEB Trust Fund has the following fair value measurements as of June 30, 2019:

<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:				
Collective investment trust fund	\$ 18,907,467	\$ -	\$ 18,907,467	\$ -

6. Investments - Pension Trust Fund (The System)

The following is a summary of the System's investments as of December 31, 2018:

<u>Investment Type</u>	<u>Amount</u>
Asset backed securities	\$ 5,372,475
Collateralized mortgage obligations	1,404,649
Corporate bonds	10,597,622
Corporate equities	25,914,289
Equity mutual funds	25,486,881
Federal agency securities	972,486
Foreign bonds	1,342,006
Mortgage backed securities	478,516
Municipal bonds	482,456
Private placements	188,968
State investment pool (PRIT)*	70,866,389
U.S. Treasury notes	<u>12,757,679</u>
Total investments	<u>\$ 155,864,416</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.*

A. 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.

Presented below is the actual rating as of year-end for each investment type (All federal agency securities and U.S. Treasury notes have an implied credit rating of AAA.):

<u>Investment Type</u>	<u>Amount</u>	<u>Average Rating as of Year End</u>				
		<u>AAA</u>	<u>AA</u>	<u>BBB+</u>	<u>BBB</u>	<u>Unrated</u>
Asset backed securities	\$ 5,372,475	\$ 1,872,167	\$ -	\$ -	\$ -	\$ 3,500,308
Collateralized mortgage obligations	1,404,649	1,064,098	-	-	-	340,551
Corporate bonds	10,597,622	-	-	10,324,087	-	273,535
Foreign bonds	1,342,006	-	-	1,175,029	-	166,977
Mortgage backed securities	478,516	-	-	-	-	478,516
Municipal bonds	482,456	-	460,465	-	-	21,991
Private placements	188,968	-	-	-	188,968	-
State investment pool (PRIT)	70,866,389	-	-	-	-	70,866,389
Total	\$ <u>90,733,081</u>	\$ <u>2,936,265</u>	\$ <u>460,465</u>	\$ <u>11,499,116</u>	\$ <u>188,968</u>	\$ <u>75,648,267</u>

B. 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, 2018, \$59,511,146 of the System's total investments were subject to custodial credit risk exposure because the related securities are uninsured, unregistered, and/or held by the System's brokerage firm, which is also the counterparty to these securities as follows:

<u>Investment Type</u>	<u>Amount</u>	<u>Held by Counterparty</u>
Asset backed securities	\$ 5,372,475	\$ 5,372,475
Collateralized mortgage obligations	1,404,649	1,404,649
Corporate bonds	10,597,622	10,597,622
Corporate equities	25,914,289	25,914,289
Federal agency securities	972,486	972,486
Foreign bonds	1,342,006	1,342,006
Mortgage backed securities	478,516	478,516
Municipal bonds	482,456	482,456
Private placements	188,968	188,968
U.S. Treasury notes	<u>12,757,679</u>	<u>12,757,679</u>
Total	\$ <u>59,511,146</u>	\$ <u>59,511,146</u>

Investments in external investment pools and in open-end mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

C. Concentration of Credit Risk

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 mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit disclosure.

As of December 31, 2018, the System did not have any investments subject to concentration of credit risk disclosure as any investment classifications exceeding 5% are exempt.

D. Interest Rate Risk

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 policies does not explicitly address limiting investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Investment Type	Amount	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Thereafter
Asset backed securities	\$ 5,372,475	\$ 11,409	\$ 3,372,315	\$ 655,524	\$ 1,333,227
Collateralized mortgage obligations	1,404,649	-	-	419,851	984,798
Corporate bonds	10,597,622	14,996	2,014,180	4,098,454	4,469,992
Equity mutual funds	25,486,881	25,486,881	-	-	-
Federal agency securities	972,486	-	-	-	972,486
Foreign bonds	1,342,006	166,977	523,129	214,810	437,090
Mortgage backed securities	478,516	9	49	2,708	475,750
Municipal bonds	482,456	-	85,588	-	396,868
Private placements	188,968	-	-	52,660	136,308
State investment pool (PRIT)	70,866,389	70,866,389	-	-	-
U.S. Treasury notes	12,757,679	-	8,622,274	1,991,566	2,143,839
Total	\$ <u>129,950,127</u>	\$ <u>96,546,661</u>	\$ <u>14,617,535</u>	\$ <u>7,435,573</u>	\$ <u>11,350,358</u>

E. 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.

F. 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 hierarchy is based on the valuation inputs used to measure the fair value of the asset. 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.

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.

The System has the following fair value measurements as of December 31, 2018:

<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:				
Asset backed securities	\$ 5,372,475	\$ -	\$ 5,372,475	\$ -
Collateralized mortgage obligations	1,404,649	-	1,404,649	-
Corporate bonds	10,597,622	-	10,597,622	-
Corporate equities	25,914,289	25,914,289	-	-
Equity mutual funds	25,486,881	-	25,486,881	-
Federal agency securities	972,486	-	972,486	-
Foreign bonds	1,342,006	-	1,342,006	-
Mortgage backed securities	478,516	-	478,516	-
Municipal bonds	482,456	-	482,456	-
Private placements	188,968	-	188,968	-
U.S. Treasury notes	12,757,679	-	12,757,679	-
Investments measured at the net asset value (NAV):				
State investment pool (PRIT)	<u>70,866,389</u>	-	-	-
Total	<u>\$ 155,864,416</u>			

<u>Investment Type</u>	<u>Amount</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
State investment pool (PRIT)	\$ 70,866,389	\$ -	Monthly	30 Days

Equity 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.

7. Property Taxes and Excises Receivable

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on a quarterly basis and are subject to penalties and interest if they are not paid by the respective due date. Real estate and personal property taxes levied are recorded as receivables in the fiscal year they relate to.

The day after the final tax bill is due, a demand notice may be sent to the delinquent taxpayer. Fourteen days after the demand notice has been sent, the tax collector may proceed to file a lien against the delinquent taxpayers' property. The Town has an ultimate right to foreclose on property for unpaid taxes. Personal property taxes cannot be secured through the lien process.

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, 2019 consist of the following:

	Gross Amount <u>(fund basis)</u>	Allowance for Doubtful <u>Accounts</u>	Current <u>Portion</u>	Long- Term <u>Portion</u>
Real estate taxes	\$ 1,018,333	\$ (335,331)	\$ 683,002	\$ -
Personal property taxes	35,394	(15,027)	20,367	-
Community preservation act	19,671	-	19,671	-
Tax liens	690,440	(74,860)	-	615,580
Deferred taxes	<u>235,635</u>	<u>(23,564)</u>	<u>212,071</u>	<u>-</u>
Total property taxes	<u>\$ 1,999,473</u>	<u>\$ (448,782)</u>	<u>\$ 935,111</u>	<u>\$ 615,580</u>
Motor vehicle excise	\$ 156,353	\$ (52,309)	\$ 104,044	
Other excise	<u>826</u>	<u>(826)</u>	<u>-</u>	
Total excises	<u>\$ 157,179</u>	<u>\$ (53,135)</u>	<u>\$ 104,044</u>	

8. Water and Sewer User Fee Receivable

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, 2019 consist of the following, net of an estimated allowance for doubtful accounts:

<u>Receivables</u>	Gross <u>Amount</u>	Allowance for Doubtful <u>Accounts</u>	Net <u>Amount</u>
Water user charges	\$ 1,367,910	\$ (136,791)	\$ 1,231,119
Sewer user charges	686,919	(68,692)	618,227
Sewer betterments - current	45,000	-	45,000
Sewer betterments - noncurrent	357,384	-	357,384

9. Municipal Light Plant Receivables

Light Plant receivables consist of the following at December 31, 2018:

Customer Accounts:		
Billed	\$ 2,335,290	
Less allowances:		
Uncollectible accounts	<u>(17,939)</u>	
Total billed		2,317,351
Unbilled, net		<u>1,041,749</u>
Total customer accounts		3,359,100
Other Accounts:		
Merchandise sales	143,826	
Liens and other	<u>130,952</u>	
Total other accounts		<u>274,778</u>
Total net receivables		<u>\$ 3,633,878</u>

10. Intergovernmental Receivables

This balance represents reimbursements requested from Federal and State agencies for expenditures incurred in fiscal year 2019.

11. Municipal Light Plant Inventory

Light Plant inventory is comprised of supplies and materials at December 31, 2018 and is valued using the average cost method.

12. Municipal Light Plant Prepaid Expenses

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

Purchased power	\$ 1,371,087
NYPA prepayment fund	85,884
Fuel inventory	142,569
Insurance and other	<u>164,170</u>
Total	<u>\$ 1,763,710</u>

13. Interfund Transfers In and (Out)

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, 2019 balances in interfund receivable and payable accounts:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 521,030	\$ -
Special Revenue Funds:		
Federal grants	-	218,767
Highway grants	-	302,263
Total	<u>\$ 521,030</u>	<u>\$ 521,030</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 Light Plant Enterprise Fund is presented at December 31, 2018, not June 30, 2019. Therefore, a timing difference of \$572,244 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 2019:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 1,236,524	\$ 125,897
Nonmajor Governmental Funds:		
Receipts reserved for appropriation	-	11,750 (4)
Gifts	-	11,056 (7)
Recreation	41,056	11,449 (7)
Other revolving	11,449	- (7)
Land Acquisition	10,000	- (5)
State grants	-	15,000 (2)
Major Enterprise Funds:		
Water	-	98,164 (3)
Sewer - debt service	85,897	- (6)
Sewer - operations	-	24,541 (3)
Electric	-	461,000 (1)
Swim & Fitness	-	53,825 (3)
Total	<u>\$ 1,384,926</u>	<u>\$ 812,682</u>

- (1) Light Plant payment-in-lieu of taxes (PILOT) to general fund
- (2) Transfer to library non-resident circulation in general fund
- (3) Transfer to pension reserve fund
- (4) \$11,000 to Library Committee for purchase of books and \$750 from dog inoculation fees reserve to Board of Health rabies clinic
- (5) Appropriation to land acquisition fund for future purchases
- (6) Debt service subsidy to the sewer fund
- (7) Transfers from funds that by statute or budgetary authority must collect them to funds that are required by statute or budgetary authority to expend them

14. Municipal Light Plant Restricted Cash

Restricted cash of the Light Plant consists of the following at December 31, 2018:

	<u>Cash</u>
Bond fund 2011-2026	\$ 200,000
Bond fund 2014-2027	175,000
Bond fund 2015-2021	16,667
Bond interest fund	26,224
Broadband bond fund 2016-2021	29,167
Customer advances for construction fund	101,359
Customer deposits fund	634,648
Depreciation fund	4,420,297
Emergency repairs fund	1,130,000
Rate stabilization fund	888,900
Renewable energy certificate purchase fund	558,771
Underground fund	1,527,982
Worker's compensation insurance fund	<u>192,845</u>
Total restricted cash	<u>\$ 9,901,860</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 3.0% 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 1.5% 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.

15. 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, 2018, 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, 2018.

Other investment in associated companies, at December 31, 2018 consists of a \$38,846 investment in Hydro-Quebec.

16. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, being depreciated:				
Buildings and improvements	\$ 117,576,628	\$ 1,411,349	\$ -	\$ 118,987,977
Machinery, equipment, and furnishings	24,109,790	1,062,109	(89,770)	25,082,129
Infrastructure	41,146,498	3,287,282	-	44,433,780
Total capital assets, being depreciated	182,832,916	5,760,740	(89,770)	188,503,886
Less accumulated depreciation for:				
Buildings and improvements	(38,749,115)	(3,510,629)	-	(42,259,744)
Machinery, equipment, and furnishings	(17,583,040)	(1,448,529)	65,524	(18,966,045)
Infrastructure	(20,696,963)	(1,550,089)	-	(22,247,052)
Total accumulated depreciation	(77,029,118)	(6,509,247)	65,524	(83,472,841)
Total capital assets, being depreciated, net	105,803,798	(748,507)	(24,246)	105,031,045
Capital assets, not being depreciated:				
Land	52,432,694	2,710,532	-	55,143,226
Construction in progress	1,833,290	3,988,476	(2,433,780)	3,387,986
Total capital assets, not being depreciated	54,265,984	6,699,008	(2,433,780)	58,531,212
Governmental activities capital assets, net	<u>\$ 160,069,782</u>	<u>\$ 5,950,501</u>	<u>\$ (2,458,026)</u>	<u>\$ 163,562,257</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Total				
Capital assets, being depreciated:				
Buildings and improvements	\$ 19,978,803	\$ 129,781	\$ -	\$ 20,108,584
Machinery, equipment, and furnishings	19,591,036	274,798	(105,224)	19,760,610
Infrastructure	99,110,755	4,281,290	(244,070)	103,147,975
Intangible	2,086,402	-	-	2,086,402
Total capital assets, being depreciated	140,766,996	4,685,869	(349,294)	145,103,571
Less accumulated depreciation for:				
Buildings and improvements	(7,194,617)	(615,869)	-	(7,810,486)
Machinery, equipment, and furnishings	(9,779,306)	(647,497)	90,779	(10,336,025)
Infrastructure	(42,880,191)	(3,409,425)	155,656	(46,133,959)
Intangible	(814,431)	(62,592)	-	(877,023)
Total accumulated depreciation	(60,668,545)	(4,735,383)	246,435	(65,157,493)
Total capital assets, being depreciated, net	80,098,451	(49,514)	(102,859)	79,946,078
Capital assets, not being depreciated:				
Land	5,835,268	687,508	-	6,522,776
Construction in progress	627,802	50,479	-	678,281
Total capital assets, not being depreciated	6,463,070	737,987	-	7,201,057
Business-type activities capital assets, net	<u>\$ 86,561,521</u>	<u>\$ 688,473</u>	<u>\$ (102,859)</u>	<u>\$ 87,147,135</u>

The following tables represent capital asset activity for the year ended June 30, 2019 (except the Electric fund which is for the year ended December 31, 2018) for each individual enterprise fund.

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Water				
Capital assets, being depreciated:				
Machinery, equipment, and furnishings	\$ 3,275,573	\$ 36,219	\$ -	\$ 3,311,792
Infrastructure	27,112,428	3,191,597	-	30,304,025
Total capital assets, being depreciated	30,388,001	3,227,816	-	33,615,817
Less accumulated depreciation for:				
Machinery, equipment, and furnishings	(2,654,735)	(127,055)	-	(2,781,790)
Infrastructure	(10,123,880)	(865,560)	-	(10,989,440)
Total accumulated depreciation	(12,778,615)	(992,615)	-	(13,771,230)
Total capital assets, being depreciated, net	17,609,386	2,235,201	-	19,844,587
Capital assets, not being depreciated:				
Land	4,070,467	-	-	4,070,467
Total capital assets, not being depreciated	4,070,467	-	-	4,070,467
Business-type activities capital assets, net	\$ 21,679,853	\$ 2,235,201	\$ -	\$ 23,915,054

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Sewer				
Capital assets, being depreciated:				
Buildings and improvements	\$ 59,892	\$ -	\$ -	\$ 59,892
Machinery, equipment, and furnishings	1,759,482	31,003	-	1,790,485
Infrastructure	31,385,296	289,439	-	31,674,735
Total capital assets, being depreciated	33,204,670	320,442	-	33,525,112
Less accumulated depreciation for:				
Buildings and improvements	(34,341)	(6,813)	-	(41,154)
Machinery, equipment, and furnishings	(1,433,805)	(84,420)	-	(1,518,225)
Infrastructure	(16,175,119)	(1,326,585)	-	(17,501,704)
Total accumulated depreciation	(17,643,265)	(1,417,818)	-	(19,061,083)
Total capital assets, being depreciated, net	15,561,405	(1,097,376)	-	14,464,029
Capital assets, not being depreciated:				
Land	512,492	337,508	-	850,000
Total capital assets, not being depreciated	512,492	337,508	-	850,000
Business-type activities capital assets, net	\$ 16,073,897	\$ (759,868)	\$ -	\$ 15,314,029

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Electric				
Capital assets, being depreciated:				
Buildings and improvements	\$ 8,709,333	\$ 73,926	\$ -	\$ 8,783,259
Machinery, equipment, and furnishings	13,887,592	207,576	(105,224)	13,989,944
Infrastructure	40,613,031	782,754	(244,070)	41,151,715
Intangible	<u>2,086,402</u>	<u>-</u>	<u>-</u>	<u>2,086,402</u>
Total capital assets, being depreciated	65,296,358	1,064,256	(349,294)	66,011,320
Less accumulated depreciation for:				
Buildings and improvements	(4,102,831)	(261,280)	-	(4,364,111)
Machinery, equipment, and furnishings	(5,115,813)	(417,437)	90,779	(5,442,471)
Infrastructure	(16,581,191)	(1,217,207)	155,656	(17,642,742)
Intangible	<u>(814,431)</u>	<u>(62,592)</u>	<u>-</u>	<u>(877,023)</u>
Total accumulated depreciation	<u>(26,614,266)</u>	<u>(1,958,516)</u>	<u>246,435</u>	<u>(28,326,347)</u>
Total capital assets, being depreciated, net	38,682,092	(894,260)	(102,859)	37,684,973
Capital assets, not being depreciated:				
Land	1,252,309	350,000	-	1,602,309
Construction in progress	<u>627,802</u>	<u>50,479</u>	<u>-</u>	<u>678,281</u>
Total capital assets, not being depreciated	<u>1,880,111</u>	<u>400,479</u>	<u>-</u>	<u>2,280,590</u>
Business-type activities capital assets, net	<u>\$ 40,562,203</u>	<u>\$ (493,781)</u>	<u>\$ (102,859)</u>	<u>\$ 39,965,563</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities - Swim & Fitness				
Capital assets, being depreciated:				
Buildings and improvements	\$ 11,209,578	\$ 55,855	\$ -	\$ 11,265,433
Machinery, equipment, and furnishings	668,389	-	-	668,389
Infrastructure	<u>-</u>	<u>17,500</u>	<u>-</u>	<u>17,500</u>
Total capital assets, being depreciated	11,877,967	73,355	-	11,951,322
Less accumulated depreciation for:				
Buildings and improvements	(3,057,445)	(347,776)	-	(3,405,221)
Machinery, equipment, and furnishings	(574,954)	(18,585)	-	(593,539)
Infrastructure	<u>-</u>	<u>(73)</u>	<u>-</u>	<u>(73)</u>
Total accumulated depreciation	<u>(3,632,399)</u>	<u>(366,434)</u>	<u>-</u>	<u>(3,998,833)</u>
Total capital assets, being depreciated, net	8,245,568	(293,079)	-	7,952,489
Capital assets, not being depreciated:				
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type activities capital assets, net	<u>\$ 8,245,568</u>	<u>\$ (293,079)</u>	<u>\$ -</u>	<u>\$ 7,952,489</u>

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

Governmental Activities	
General government	\$ 856,693
Public safety	815,196
Education	2,368,197
Public works	2,003,035
Health and human services	107,427
Culture and recreation	<u>358,699</u>
Total governmental activities	<u>\$ 6,509,247</u>
Business-Type Activities	
Water	\$ 992,615
Sewer	1,417,818
Electric	1,958,516
Swim & Fitness	<u>366,434</u>
Total business-type activities	<u>\$ 4,735,383</u>

17. 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 \$279,687, as of June 30, 2019, related to the loss on previously refunded debt.

18. Warrants Payable

Warrants payable represents fiscal year 2019 expenditures paid by July 15, 2019 as permitted by law.

19. Accrued Liabilities

This balance primarily represents accrued interest and other expenditures related to fiscal year 2019 paid subsequent to July 15, 2019.

20. Accrued Payroll

Accrued payroll represents payroll related to fiscal year 2019 due to employees at year end. Of the aggregate balance, \$2,621,505 is attributable to amounts payable to teachers per contractual obligations.

21. 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.

22. 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.

23. Notes Payable

The following summarizes activity in notes payable during fiscal year 2019:

<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	Ongoing	\$ 515,489	\$ 60,000	\$ -	\$ 575,489
Total				<u>\$ 515,489</u>	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 575,489</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
Total				<u>\$ 400,000</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,400,000</u>

* = Electric Fund is as of December 31, 2018

24. Long-Term Debt

A. General Obligation Bonds and State Revolving Loans

The Town primarily issues general obligation bonds and state revolving loans to provide funds for the acquisition and construction of major capital facilities. General obligation bonds and state revolving loans have been issued for both governmental and business-type activities. General obligation bonds and state revolving loans currently outstanding are as follows:

<u>Governmental Activities</u>	Serial Maturities Through	Interest Rate(s) %	Amount Outstanding as of 6/30/19
Title V Loans	2020	0.00	\$ 21,879
Police/Fire Station Improvements	2020	2.00	100,000
School Remodeling	2020	2.00	70,000
Town House Renovations	2020	3.00 - 4.00	70,000
Recreation Improvements	2020	3.00	15,000
School Building Renovations	2020	3.00	60,000
Building Renovations	2020	3.00	55,000
Knox Trail Site Planning	2020	3.00	10,000
Police Department Renovations	2020	3.00 - 4.00	25,000
Harvey Wheeler Renovations	2020	3.00 - 4.00	15,000
Cemetery Improvements	2020	5.00	49,000
Road Improvements	2021	2.00	185,000
Land Acquisition	2021	3.00 - 4.00	125,000
Keyes Road Building Improvements	2021	4.00	30,000
Parking Management Plan	2021	4.00	60,000
Title V Loans	2022	0.00	119,267
Road Improvements	2022	3.00	395,000
Knox Trail Land Acquisition	2022	3.00	270,000
Alcott School Refunding	2022	4.00	435,000
West Concord Infrastructure Improvements	2022	2.00 - 4.00	54,500
Rideout & Emerson Playground Improvement	2022	2.00 - 4.00	335,000
Parking Management Plan Implementation	2022	2.00 - 4.00	54,500
Town House Interior Improvements	2022	2.00 - 4.00	194,500
CPS Building Renovations	2022	2.00 - 4.00	316,700
Land Acquisition (Ball's Hill)	2022	2.00 - 4.00	448,000
Cemetery Improvements	2022	2.00 - 4.00	27,500
Rail Trail Design & Engineering	2022	2.00 - 4.00	136,000
Title V Loans	2023	0.00	129,884
School Building Renovations	2023	3.00 - 4.00	300,000
Roads	2023	3.00 - 4.00	400,000
Public School Renovations	2023	3.00 - 4.00	345,000
Municipal Building Renovations	2023	3.00 - 5.00	110,000
Municipal Needs Study	2023	3.00 - 5.00	185,000
Public Safety Communication Equipment	2023	3.00 - 5.00	165,000
Keyes Road Facility	2023	3.00 - 5.00	110,000
Building Renovation and Site Work	2024	4.00	125,000
Fire Engine Replacement	2024	4.00	280,000
Fire Engine Rehabilitation	2024	5.00	138,000
Town-wide Building Maintenance	2024	5.00	467,100
Alcott School Refunding	2025	3.00	1,625,000
Alcott School Refunding	2025	3.00	335,500
Thoreau School Refunding	2025	3.00	684,500
Title V Loans	2025	0.00	118,474
Town House Interior Improvements	2025	2.00 - 4.00	210,000
Cemetery Roads and Infrastructure	2025	3.00 - 5.00	60,000
School Building Renovations	2026	2.00 - 4.00	390,000
Thoreau School Refunding	2026	2.00 - 4.00	2,408,000
Road Maintenance	2026	5.00	1,245,000
Road Improvements	2027	2.00 - 4.00	1,016,300
Road Improvements	2028	2.00 - 4.00	800,000
School Bus Depot	2028	2.00 - 4.00	665,000
Willard School Refunding	2028	2.00 - 4.00	5,364,000
Bus Depot	2028	3.00 - 5.00	238,000
Municipal Building Renovations	2028	3.00 - 5.00	277,500
Fire Engine Replacement	2028	3.00 - 5.00	457,500
Ambulance Replacement	2028	3.00 - 5.00	205,000
CPS Renovations	2028	3.00 - 5.00	677,030
2017 Roads Program	2028	3.00 - 5.00	1,129,970
CPS Bus Depot	2028	3.00 - 5.00	1,555,000
Willard School Remodeling	2029	2.50 - 4.00	6,780,000
School Improvements	2029	5.00	770,000
Land Acquisition (Gerow Land Purchase)	2029	5.00	2,135,900
Total Governmental Activities			\$ <u>35,579,504</u>

<u>Business-Type Activities</u>	<u>Serial Maturities Through</u>	<u>Interest Rate(s) %</u>	<u>Amount Outstanding as of 6/30/19</u>
Water:			
Water	2021	2.00	\$ 100,000
Land Acquisition (Ball's Hill) (Water)	2022	2.00 - 4.00	448,000
Water	2026	3.00 - 4.00	540,000
Water Refunding	2027	2.00 - 4.00	<u>1,287,000</u>
Total Water			2,375,000
Sewer:			
Sewer Land Acquisition	2022	3.00	150,000
Land Acquisition (WR Grace Eminent Domain)	2024	5.00	172,000
Land Acquisition (WR Grace Eminent Domain)	2024	5.00	138,000
Sewer MWPAT	2026	2.00	1,667,221
Sewer MWPAT	2027	2.00	<u>4,874,917</u>
Total Sewer			7,002,138
Electric:			
Land Acquisition (WR Grace)	2022	3.00	150,000
Telecom	2022	4.00	275,000
Smart Grid	2026	2.00 - 4.00	1,900,000
Light Plant Expansion	2027	2.07	<u>2,700,000</u>
Total Electric			5,025,000
Total Business-Type Activities			\$ <u>14,402,138</u>

B. Future Debt Service

The annual payments to retire all general obligation long-term debt outstanding as of June 30, 2019 (except for the Light Plant which is as of December 31, 2018) are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>					
	<u>General Obligation Bonds</u>		<u>State Revolving Loans (Direct Borrowing)</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal</u>	<u>Total Interest</u>
2020	\$ 5,875,000	\$ 1,337,359	\$ 92,796	\$ 1,094	\$ 5,967,796	\$ 1,338,453
2021	5,205,000	1,153,863	93,060	552	5,298,060	1,154,415
2022	4,872,000	946,996	82,055	-	4,954,055	946,996
2023	3,995,000	752,528	82,101	-	4,077,101	752,528
2024	3,555,000	587,981	19,746	-	3,574,746	587,981
2025	3,348,000	439,786	19,746	-	3,367,746	439,786
2026	2,905,000	324,102	-	-	2,905,000	324,102
2027	2,320,000	215,850	-	-	2,320,000	215,850
2028	2,155,000	121,350	-	-	2,155,000	121,350
2029	960,000	39,250	-	-	960,000	39,250
Total	\$ <u>35,190,000</u>	\$ <u>5,919,065</u>	\$ <u>389,504</u>	\$ <u>1,646</u>	\$ <u>35,579,504</u>	\$ <u>5,920,711</u>

Business-Type Activities						
Water	General Obligation Bonds		State Revolving Loans (Direct Borrowing)		Total	
	Principal	Interest	Principal	Interest	Total Principal	Total Interest
	Year Ending June 30.					
2020	\$ 485,000	\$ 89,839	\$ -	\$ -	\$ 485,000	\$ 89,839
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	\$ 2,375,000	\$ 273,884	\$ -	\$ -	\$ 2,375,000	\$ 273,884

Sewer	General Obligation Bonds		State Revolving Loans (Direct Borrowing)		Total	
	Principal	Interest	Principal	Interest	Total Principal	Total Interest
	Year Ending June 30.					
2020	\$ 115,000	\$ 19,035	\$ 791,694	\$ 122,926	\$ 906,694	\$ 141,961
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	\$ 460,000	\$ 51,785	\$ 6,542,138	\$ 519,599	\$ 7,002,138	\$ 571,384

Electric	General Obligation Bonds		State Revolving Loans (Direct Borrowing)		Total	
	Principal	Interest	Principal	Interest	Total Principal	Total Interest
	Year Ending December 31.					
2019	\$ 750,000	\$ 147,625	\$ -	\$ -	\$ 750,000	\$ 147,625
2020	750,000	125,125	-	-	750,000	125,125
2021	725,000	98,605	-	-	725,000	98,605
2022	500,000	74,625	-	-	500,000	74,625
2023	500,000	58,125	-	-	500,000	58,125
2024	500,000	42,875	-	-	500,000	42,875
2025	500,000	28,375	-	-	500,000	28,375
2026	500,000	14,563	-	-	500,000	14,563
2027	300,000	3,750	-	-	300,000	3,750
Total	\$ 5,025,000	\$ 593,668	\$ -	\$ -	\$ 5,025,000	\$ 593,668

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, 2019 is noted in Note 23 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.

C. Bond Authorizations

Long-term debt authorizations which have not been issued or rescinded as of June 30, 2019 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
Middle School Feasibility	1,500,000
Road Improvements	1,400,000
Park Improvements	1,400,000
Telecommunications Services	1,000,000
Concord Public Schools Renovations	900,000
Library Energy Efficient Systems	700,000
Municipal Building Renovations	500,000
Keyes Road Building Improvements	400,000
Fire Engine Replacement	365,000
Land Acquisition	100,000
Parking Lot Improvements	100,000
Trail Improvements	<u>75,000</u>
Total	<u>\$ 31,940,000</u>

D. 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, 2019:

<u>Related Entity</u>	<u>Total Principal</u>	<u>Town's Percent</u>	<u>Town's Share</u>
Concord-Carlisle Regional School District	\$ 51,655,000	75.46%	\$ 38,978,863
Minuteman Regional Vocational School District	135,130,626	8.00%	<u>10,810,450</u>
Total			<u>\$ 49,789,313</u>

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

E. Changes in General Long-Term Liabilities

During the year ended June 30, 2019, with the exception of the Light Plant which is as of December 31, 2018, the following changes occurred in long-term liabilities:

	Total Balance <u>7/1/18</u>	Additions	Reductions	Total Balance <u>6/30/19</u>	Less Current Portion	Equals Long-Term Portion <u>6/30/19</u>
Governmental Activities						
Bonds payable	\$ 36,085,000	\$ 4,805,000	\$ (5,700,000)	\$ 35,190,000	\$ (5,875,000)	\$ 29,315,000
State revolving loans (direct borrowings)	552,572	-	(163,068)	389,504	(92,795)	296,709
Unamortized bond premium	<u>2,260,568</u>	<u>779,341</u>	<u>(235,125)</u>	<u>2,804,784</u>	<u>(313,060)</u>	<u>2,491,724</u>
Subtotal	38,898,140	5,584,341	(6,098,193)	38,384,288	(6,280,855)	32,103,433
Net pension liability	13,214,364	13,361,516	-	26,575,880	-	26,575,880
Net OPEB liability	27,976,124	4,424,111	-	32,400,235	-	32,400,235
Accrued employee benefits	3,408,722	248,126	(496,252)	3,160,596	(316,060)	2,844,536
Landfill closure	140,000	-	(10,000)	130,000	(10,000)	120,000
Capital leases	<u>146,115</u>	<u>-</u>	<u>(35,587)</u>	<u>110,528</u>	<u>(36,208)</u>	<u>74,320</u>
Total Governmental Activities	\$ <u>83,783,465</u>	\$ <u>23,618,094</u>	\$ <u>(6,640,032)</u>	\$ <u>100,761,527</u>	\$ <u>(6,643,123)</u>	\$ <u>94,118,404</u>
Business-Type Activities						
Water						
Bonds payable	\$ 2,860,000	\$ -	\$ (485,000)	\$ 2,375,000	\$ (485,000)	\$ 1,890,000
Unamortized bond premium	<u>152,425</u>	<u>-</u>	<u>(15,242)</u>	<u>137,183</u>	<u>(15,242)</u>	<u>121,941</u>
Subtotal	3,012,425	-	(500,242)	2,512,183	(500,242)	2,011,941
Net pension liability	259,472	373,042	-	632,514	-	632,514
Net OPEB liability	218,443	41,407	-	259,850	-	259,850
Accrued employee benefits	<u>119,477</u>	<u>23,788</u>	<u>(11,894)</u>	<u>131,371</u>	<u>(13,137)</u>	<u>118,234</u>
Total Water	3,609,817	438,237	(512,136)	3,535,918	(513,379)	3,022,539
Sewer						
Bonds payable	212,500	310,000	(62,500)	460,000	(115,000)	345,000
State revolving loans (direct borrowings)	<u>7,318,155</u>	<u>-</u>	<u>(776,017)</u>	<u>6,542,138</u>	<u>(791,694)</u>	<u>5,750,444</u>
Subtotal	7,530,655	310,000	(838,517)	7,002,138	(906,694)	6,095,444
Net pension liability	64,868	93,261	-	158,129	-	158,129
Net OPEB liability	55,380	9,880	-	65,260	-	65,260
Accrued employee benefits	<u>29,869</u>	<u>5,948</u>	<u>(2,974)</u>	<u>32,843</u>	<u>(3,284)</u>	<u>29,559</u>
Total Sewer	7,680,772	419,089	(841,491)	7,258,370	(909,978)	6,348,392
Electric						
Bonds payable	5,812,500	-	(787,500)	5,025,000	(750,000)	4,275,000
Unamortized bond premium	<u>290,336</u>	<u>-</u>	<u>(38,668)</u>	<u>251,668</u>	<u>-</u>	<u>251,668</u>
Subtotal	6,102,836	-	(826,168)	5,276,668	(750,000)	4,526,668
Net pension liability	2,643,809	-	(1,546,242)	1,097,567	-	1,097,567
Net OPEB obligation	80,981	2,264,426	-	2,345,407	-	2,345,407
Accrued employee benefits	<u>134,636</u>	<u>30,964</u>	<u>(15,482)</u>	<u>150,118</u>	<u>(7,506)</u>	<u>142,612</u>
Total Electric	8,962,262	2,295,390	(2,387,892)	8,869,760	(757,506)	8,112,254
Swim & Fitness						
Net pension liability	224,467	122,350	-	346,817	-	346,817
Net OPEB liability	452,270	61,822	-	514,092	-	514,092
Accrued employee benefits	<u>27,301</u>	<u>4,946</u>	<u>(2,473)</u>	<u>29,774</u>	<u>(2,977)</u>	<u>26,797</u>
Total Swim & Fitness	704,038	189,118	(2,473)	890,683	(2,977)	887,706
Business-Type Activities	\$ <u>20,956,889</u>	\$ <u>3,341,834</u>	\$ <u>(3,743,992)</u>	\$ <u>20,554,731</u>	\$ <u>(2,183,840)</u>	\$ <u>18,370,891</u>

F. Long-Term Debt 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.

25. 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 \$130,000 reported as landfill postclosure care liability at June 30, 2019 represents the remaining estimated postclosure maintenance costs. These amounts are based on what it would cost to perform all postclosure care in fiscal year 2019. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

26. Capital Lease Obligations

The Town is the lessee of certain equipment under capital leases expiring in various years through 2022. Future minimum lease payments under the capital leases consisted of the following as of June 30, 2019:

Fiscal <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 36,208	\$ 1,927	\$ 38,135
2021	36,839	1,296	38,135
2022	<u>37,481</u>	<u>654</u>	<u>38,135</u>
Total	<u>\$ 110,528</u>	<u>\$ 3,877</u>	<u>\$ 114,405</u>

27. 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.

28. 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, 2019:

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 stabilization funds set aside by Town Meeting vote for future capital acquisitions and improvements.

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. 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.

Stabilization arrangements – The Town's stabilization accounts are authorized in accordance with Massachusetts General Law Chapter 40, section 5B. The creation of, appropriation into, and appropriation out of the stabilization

account requires two-thirds approval at Town Meeting. Stabilization accounts are a component of committed and unassigned fund balance.

Following is a breakdown of the Town's fund balances at June 30, 2019:

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Nonspendable			
Permanent funds	\$ -	\$ 3,394,804	\$ 3,394,804
Total Nonspendable	-	3,394,804	3,394,804
Restricted			
Pension fund	10,433,176	-	10,433,176
Community preservation	-	2,187,078	2,187,078
Parking	-	200,189	200,189
Cemetery	-	476,001	476,001
PEG Access	-	1,239,385	1,239,385
Receipts reserved for appropriation	-	170,422	170,422
53G Review	-	7,265	7,265
Miscellaneous grants and contributions	-	76,382	76,382
School lunch	-	249,139	249,139
Gifts	-	1,265,842	1,265,842
Recreation	-	1,098,496	1,098,496
Other revolving	-	666,608	666,608
Federal grants	-	11,978	11,978
State grants	-	624,166	624,166
Solid waste	-	542,426	542,426
Sawyer gift fund	-	137,645	137,645
Capital project funds	-	4,498,192	4,498,192
Permanent funds	-	3,214,053	3,214,053
Other special revenue funds	-	126,071	126,071
Total Restricted	10,433,176	16,791,338	27,224,514
Committed			
55 Church St. property acquisition	513	-	513
Affordable housing units at Junction Village	1,000,000	-	1,000,000
Information technology improvements	1,489,050	-	1,489,050
2229 Main Street	1,500	-	1,500
Redevelopment plan for 2229 Main Street	25,000	-	25,000
Bruce Freeman rail trail	25,000	-	25,000
Affordable housing	500,000	-	500,000
Emergency response stabilization	643,689	-	643,689
Insurance reserve fund	1,668,684	-	1,668,684
School capital stabilization	44,417	-	44,417
School technology stabilization	729	-	729
Receipts reserved for appropriation	-	25,440	25,440
Total Committed	5,398,582	25,440	5,424,022

(continued)

(continued)

	General <u>Fund</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assigned			
For encumbrances			
Salary reserve	507,117	-	507,117
Resource sustainability	192,403	-	192,403
Human resources	75,995	-	75,995
Building improvements	221,230	-	221,230
Computer capital improvements	352,494	-	352,494
Finance	231,563	-	231,563
Other general government	202,054	-	202,054
Public safety equipment	297,068	-	297,068
Public safety building improvements	122,990	-	122,990
Communications equipment	79,029	-	79,029
Emergency management	45,451	-	45,451
Other public safety	252,436	-	252,436
Education	974,219	-	974,219
Engineering services	210,728	-	210,728
Public shade trees	470,606	-	470,606
Sidewalk improvements	397,841	-	397,841
Highway improvements	497,433	-	497,433
Drainage improvements	166,884	-	166,884
Public works equipment	262,752	-	262,752
Other public works	152,207	-	152,207
Senior services	97,610	-	97,610
Other human services	27,819	-	27,819
Library books	295,646	-	295,646
Recreation	59,116	-	59,116
Other culture and recreation	2,575	-	2,575
Fringe benefits	249,913	-	249,913
Exempt debt	30,718	-	30,718
For next year's expenditures	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Assigned	7,475,897	-	7,475,897
Unassigned			
General fund	13,795,385	-	13,795,385
General stabilization fund	4,416	-	4,416
Deficit balances	<u>-</u>	<u>(11,428)</u>	<u>(11,428)</u>
Total Unassigned	<u>13,799,801</u>	<u>(11,428)</u>	<u>13,788,373</u>
Total Fund Balance	<u>\$ 37,107,456</u>	<u>\$ 20,200,154</u>	<u>\$ 57,307,610</u>

29. Employee Benefit 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:

	Pension Trust Fund (As of December 31, 2018)	Other Post Employment Benefits Trust Fund	Post-Employment Benefits and OPEB Trust Funds
Assets			
Cash and short-term investments	\$ 3,161,843	\$ -	\$ 3,161,843
Investments:			
Asset backed securities	5,372,475	-	5,372,475
Collateralized mortgage obligations	1,404,649	-	1,404,649
Collective investment trust fund	-	18,907,467	18,907,467
Corporate bonds	10,597,622	-	10,597,622
Corporate equities	25,914,289	-	25,914,289
Equity mutual funds	25,486,881	-	25,486,881
Federal agency securities	972,486	-	972,486
Foreign bonds	1,342,006	-	1,342,006
Mortgage backed securities	478,516	-	478,516
Municipal bonds	482,456	-	482,456
Private placements	188,968	-	188,968
PRIT fund	70,866,389	-	70,866,389
U.S. Treasury notes	12,757,679	-	12,757,679
Accounts receivable	280,676	-	280,676
Total Assets	<u>159,306,935</u>	<u>18,907,467</u>	<u>178,214,402</u>
Liabilities			
Warrants and accounts payable	<u>78,132</u>	<u>-</u>	<u>78,132</u>
Total Liabilities	<u>78,132</u>	<u>-</u>	<u>78,132</u>
Net Position			
Restricted for pension purposes	159,228,803	-	159,228,803
Restricted for OPEB purposes	-	18,907,467	18,907,467
Total Net Position	<u>\$ 159,228,803</u>	<u>\$ 18,907,467</u>	<u>\$ 178,136,270</u>

	Pension Trust Fund <u>(As of December 31, 2018)</u>	Other Post Employment Benefits Trust Fund	Post-Employment Benefits and OPEB Trust Funds
Additions			
Contributions			
Employers	\$ 5,667,902	\$ 3,924,542	\$ 9,592,444
Plan members	<u>3,375,537</u>	<u>-</u>	<u>3,375,537</u>
Total contributions	9,043,439	3,924,542	12,967,981
Investment Income (Loss)			
Appreciation (depreciation) in fair value of investments	(5,891,347)	1,045,755	(4,845,592)
Less: management fees	<u>(763,707)</u>	<u>-</u>	<u>(763,707)</u>
Net investment gain (loss)	<u>(6,655,054)</u>	<u>1,045,755</u>	<u>(5,609,299)</u>
Total additions	2,388,385	4,970,297	7,358,682
Deductions			
Benefit payments to plan members and beneficiaries	9,259,129	2,182,442	11,441,571
Administrative expenses	<u>316,294</u>	<u>-</u>	<u>316,294</u>
Total deductions	<u>9,575,423</u>	<u>2,182,442</u>	<u>11,757,865</u>
Net change	(7,187,038)	2,787,855	(4,399,183)
Net position restricted for pension and OPEB			
Beginning of year	<u>166,415,841</u>	<u>16,119,612</u>	<u>182,535,453</u>
End of year	<u>\$ 159,228,803</u>	<u>\$ 18,907,467</u>	<u>\$ 178,136,270</u>

30. 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.

A. 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, 2019 was \$4,873,262, which was equal to its annual required contribution.

B. 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.

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

At June 30, 2019, the Town reported a liability of \$28,810,907 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018 and rolled forward to December 31, 2018. 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. As of the measurement date, the Town's proportion was 85.98%.

For the year ended June 30, 2019, the Town recognized pension expense of \$6,532,999. In addition, the Town reported deferred outflows of resources and deferred (inflows) of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 2,489,090	\$ (1,612,002)
Changes of assumptions	3,138,291	(578,891)
Net difference between projected and actual earnings on pension plan investments*	7,116,416	(393,506)
Changes in proportion and differences between contributions and proportionate share of contributions	412,969	(1,141,009)
Contributions subsequent to the measurement date	<u>572,244</u>	<u>-</u>
Total	<u>\$ 13,729,010</u>	<u>\$ (3,725,408)</u>

* - Amounts not reported net due to the timing difference of reporting the Town as of June 30, 2019 and the Light Plant as of December 31, 2018.

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in 2019. Other 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>	
2020	\$ 3,409,989
2021	1,805,862
2022	1,201,300
2023	<u>3,014,207</u>
Total	<u>\$ 9,431,358</u>

D. Actuarial Assumptions

The total pension liability in the January 1, 2018 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, 2018
Inflation	Not explicitly assumed
Salary increases:	4.00% Ultimate rate; reduced to 3.50% while receiving the following steps:
Groups 1 and 2	4.30% for 7 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 (sex-distinct)
Mortality for retired members:	RP-2014 Healthy Annuitant table projected generationally from 2006 using MP-2016 (sex-distinct)
Mortality for disabled members:	RP-2014 Healthy Annuitant table projected generationally from 2006 using MP-2016 set forward by 2 years (sex-distinct)

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of the most recent actuarial experience study, which was for the period January 1, 2016 through December 31, 2016.

E. 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	21.80%	5.25%
Core Bonds	20.90%	2.07%
International Equities	13.60%	5.43%
Real Estate	9.40%	4.09%
Hedged Equities	8.60%	4.54%
Private Equity	8.00%	8.70%
Portfolio Completion (PCS)	4.80%	4.41%
Emerging Equities	4.40%	6.90%
Value-Added Fixed Income	3.00%	5.21%
Timberland	2.10%	4.65%
TIPS	1.50%	1.71%
20+ Yr. Treasury STRIPS	1.10%	1.22%
Short-term Fixed Income	<u>0.80%</u>	1.72%
Total	<u>100.00%</u>	

F. 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.

G. 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:

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 41,287,934	\$ 28,810,907	\$ 11,270,921

H. Pension Plan Fiduciary Net Position

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

31. Massachusetts Teachers’ Retirement System (MTRS)

A. 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.

B. 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.

C. 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

D. Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of January 1, 2018 rolled forward to June 30, 2018. This valuation used the following assumptions:

- (a) 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.
- 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 Health Annuitant Table projected generationally with Scale BB and a base year 2014 set forward 4 years

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, 2018 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%	5.00%
Portfolio completion strategies	13.00%	3.70%
Core fixed income	12.00%	0.90%
Private equity	12.00%	6.60%
Value added fixed income	10.00%	3.80%
Real estate	10.00%	3.80%
Timber/natural resources	4.00%	3.40%
Total	<u>100.00%</u>	

E. Discount Rate

The discount rate used to measure the total pension liability was 7.35%. 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.

F. 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>(6.35%)</u>	Current Discount <u>(7.35%)</u>	1% Increase <u>(8.35%)</u>
\$ 29,482,300	\$ 23,711,289	\$ 18,771,300

G. 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.

H. Town Proportions

In fiscal year 2018 (the most recent measurement period), the Town's proportionate share of the MTRS' collective net pension liability was approximately \$72,994,178 based on a proportionate share of 0.307846%. As required by GASB 68, the Town has recognized its portion of the Commonwealth's contribution of approximately \$4,047,503 as both a revenue and expenditure in the general fund, and its portion of the collective pension expense of approximately \$7,396,903 as both a revenue and expense in the governmental activities.

32. 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 an OPEB Trust Fund to provide funding for future employee health care costs.

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, dis-

counted 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, 2019. However, the Light Plant's net OPEB liability and related deferrals are reported as of December 31, 2018 and are based on the Town's June 30, 2018 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, 2018 valuation are the same as our 2019 valuation.

All the following OPEB disclosures are based on a measurement date of June 30, 2019.

A. 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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefit payments	404
Active employees	<u>697</u>
Total	<u><u>1,101</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.

B. Investments

The OPEB trust fund assets consist of a balanced asset allocation fund.

Rate of return. For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 6.16%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. 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	Not specifically assumed
Salary increases	4.00%, average reduced to 3.50% while receiving steps
Investment rate of return	7.25%, net of OPEB plan investment expense
Municipal bond rate	3.50%
Discount rate	7.25%
Healthcare cost trend rates	7.50% to 9.50% for 2019, 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, sex-distinct, for employees projected using generational mortality and scale MP-2016.
- Retirees: The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2016.
- Disabled: The RP-2014 Mortality Tables adjusted to 2006, sex-distinct, for Healthy Annuitants projected using generational mortality and scale MP-2016. Set forward 2 years.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study as of June 30, 2019.

D. 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, 2019 are summarized in the following table.

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	76.00%	5.38%
Fixed Income	17.00%	2.07%
Multi-Strategy	<u>7.00%</u>	4.41%
Total	<u>100.00%</u>	

E. Discount Rate

The discount rate used to measure the net OPEB liability was 7.25%. 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.

F. Net OPEB Liability

The components of the net OPEB liability, measured as of June 30, 2019, were as follows. The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2018. Disclosures related to the Electric Fund's specific net OPEB liability are available in the Fund's stand-alone statements.

Total OPEB liability	\$ 54,532,494
Plan fiduciary net position	<u>18,907,467</u>
Net OPEB liability	<u>\$ 35,625,027</u>
Plan fiduciary net position as a percentage of the total OPEB liability	34.67%

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.

G. Changes in the Net OPEB Liability

The following summarizes the changes in the net OPEB liability for the past year. The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2018. Disclosures related to the Electric Fund's specific net OPEB liability are available in the Fund's stand-alone statements.

	<u>Increase (Decrease)</u>		
Balances, beginning of year	\$ 50,712,859	\$ 16,119,612	\$ 34,593,247
Changes for the year:			
Service cost	1,333,336	-	1,333,336
Interest	3,694,236	-	3,694,236
Contributions - employer	-	3,924,542	(3,924,542)
Net investment income	-	1,045,755	(1,045,755)
Changes of benefit terms	19,740	-	19,740
Differences between expected and actual experience	954,765	-	954,765
Changes of assumptions or other inputs	-	-	-
Benefit payments	<u>(2,182,442)</u>	<u>(2,182,442)</u>	<u>-</u>
Net Changes	<u>3,819,635</u>	<u>2,787,855</u>	<u>1,031,780</u>
Balances, end of year	<u>\$ 54,532,494</u>	<u>\$ 18,907,467</u>	<u>\$ 35,625,027</u>

Update procedures were used to roll the amounts from the June 30, 2018 valuation date. Accordingly, there are no changes of benefit terms, assumptions or experience.

H. 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. The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2018. Disclosures related to the Electric Fund's specific net OPEB liability are available in the Fund's stand-alone statements.

<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
\$ 42,540,509	\$ 35,625,027	\$ 29,903,770

I. 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. The net OPEB liability will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2018. Disclosures related to the Electric Fund's specific net OPEB liability are available in the Fund's stand-alone statements.

<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
\$ 29,331,169	\$ 35,625,027	\$ 43,346,470

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

For the year ended June 30, 2019, the Town recognized an OPEB expense of \$3,871,199. At June 30, 2019, the Town reported deferred outflows and (inflows) of resources related to OPEB from the following sources described below. The deferred amounts below and their related amortization will not match our Statement of Net Position as the Electric Fund is reported as of December 31, 2018. Disclosures related to the Electric Fund's specific deferred outflows and (inflows) of resources are available in the Fund's stand-alone statements.

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Differences between expected and actual experience	\$ 797,213	\$ -
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>(268,310)</u>
Total	<u>\$ 797,213</u>	<u>\$ (268,310)</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>	
2020	\$ 55,711
2021	55,711
2022	55,711
2023	194,766
2024	157,552
Thereafter	<u>9,452</u>
Total	<u>\$ 528,903</u>

33. 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 2.130% entitlement holder in the Massachusetts allocation of the NYPA firm and peaking energy. The contracts are for the life of the units and the 2018 average energy price for the NYPA is \$0.00522/kWh.

34. 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 applies the current property tax rate to the net book value of the Light Plant as of June 30, 2017.

35. Commitments and Contingencies

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 \$6,445,179 in encumbrances that will be honored in the next fiscal year.

36. 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, 2018 REC balances is as follows:

REC Holdings at December 31, 2018

	<u>Banked Certificates</u>	<u>Estimated Value</u>
MA Class I	\$ <u>76,402</u>	\$ <u>558,727</u>
Total	\$ <u><u>76,402</u></u>	\$ <u><u>558,727</u></u>

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, 2018 are not recognized as an asset on the proprietary funds Statement of Net Position.

37. Beginning Net Position Restatement

The beginning (July 1, 2018) net position of the Town has been restated as follows:

Government-Wide Financial Statements:

	Business-Type Activities				
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Electric Fund</u>	<u>Swim & Fitness Fund</u>	<u>Total</u>
As previously reported	\$ 29,103,950	\$ 20,139,184	\$ 47,245,661	\$ 10,749,109	\$ 107,237,904
Implementation of GASB 75 (OPEB)	-	-	(2,020,784)	-	(2,020,784)
Capital asset accumulated depreciation on disposals	-	-	701,572	-	701,572
As restated	<u>\$ 29,103,950</u>	<u>\$ 20,139,184</u>	<u>\$ 45,926,449</u>	<u>\$ 10,749,109</u>	<u>\$ 105,918,692</u>

38. Subsequent Events

Long-Term Debt

The Light Plant has incurred the following additional debt subsequent to their year end of December 31, 2018:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
Land acquisition (WR Grace)	\$ 187,500	5.00%	06/20/19	06/15/29
Telecommunication services	\$ 400,000	5.00%	06/20/19	06/15/29

Renewable Energy Certificates

The Light Plant purchased 18,222 of MA Class I renewable energy certificates for a total price of \$419,106 subsequent to year end.

Labor Settlement

The Town signed a new agreement with the Teamsters Local Union 25 in June 2019. The retro amount to be paid in fiscal year 2020 is approximately \$135,000.

39. 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, 2020. 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, 2021. 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 (GASB 68)

JUNE 30, 2019
(Unaudited)

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Commonwealth of Massachusetts' Total Proportionate Share of the Net Pension Liability Associated with the Town</u>	<u>Total Net Pension Liability Associated with the Town</u>	<u>Covered Payroll</u>	<u>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position Percentage of the Total Pension Liability</u>
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 (GASB 68)

JUNE 30, 2019
(Unaudited)

Concord Contributory Retirement System

Fiscal Year	Measurement Date	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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

Fiscal Year	Measurement Date	Contractually Required Contribution Provided by Commonwealth	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (GASB 74 AND 75)

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability			
Service cost	\$ 1,333,336	\$ 1,315,915	\$ 1,265,303
Interest on unfunded liability	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 or other inputs	-	2,432,103	-
Benefit payments, including refunds of member contributions	<u>(2,182,442)</u>	<u>(1,911,377)</u>	<u>(1,690,388)</u>
Net change in total OPEB liability	3,819,635	6,493,947	2,622,206
Total OPEB liability - beginning	<u>50,712,859</u>	<u>44,218,912</u>	<u>41,596,706</u>
Total OPEB liability - ending (a)	54,532,494	50,712,859	44,218,912
Plan Fiduciary Net Position			
Contributions - employer	3,924,542	3,522,377	3,470,388
Net investment income	1,045,755	1,056,360	1,497,472
Benefit payments, including refunds of member contributions	<u>(2,182,442)</u>	<u>(1,911,377)</u>	<u>(1,690,388)</u>
Net change in plan fiduciary net position	2,787,855	2,667,360	3,277,472
Plan fiduciary net position - beginning	<u>16,119,612</u>	<u>13,452,252</u>	<u>10,174,780</u>
Plan fiduciary net position - ending (b)	<u>18,907,467</u>	<u>16,119,612</u>	<u>13,452,252</u>
Net OPEB liability (asset) - ending (a-b)*	<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, 2018.

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

See Independent Auditors' Report.

TOWN OF CONCORD, MASSACHUSETTS
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF NET OPEB LIABILITY, CONTRIBUTIONS, AND INVESTMENT RETURNS (GASB 74 AND 75)

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Net OPEB Liability			
Total OPEB liability	\$ 54,532,494	\$ 50,712,859	\$ 44,218,912
Plan fiduciary net position	<u>18,907,467</u>	<u>16,119,612</u>	<u>13,452,252</u>
Net OPEB liability*	<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	34.67%	31.79%	30.42%
Covered employee payroll	\$ 51,130,178	\$ Unavailable	\$ 47,902,000
Participating employer net OPEB liability (asset) as a percentage of covered employee payroll	69.68%	Unavailable	64.23%
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Contributions			
Actuarially determined contribution	\$ 3,729,000	\$ 3,589,000	\$ 4,088,000
Contributions in relation to the actuarially determined contribution	<u>3,924,542</u>	<u>3,522,377</u>	<u>3,470,388</u>
Contribution deficiency (excess)	<u>\$ (195,542)</u>	<u>\$ 66,623</u>	<u>\$ 617,612</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of Investment Returns			
Annual money weighted rate of return, net of investment expense	6.16%	7.24%	13.07%

Schedules are 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, 2018.

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

See Independent Auditors' Report.

**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, 2019

	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	\$ 2,199,850	\$ 212,321	\$ 426,281	\$ 1,253,733	\$ 784,071
Investments	-	-	-	-	-
Receivables:					
Property taxes	19,671	-	-	-	-
Departmental	-	-	-	-	278,711
Intergovernmental	-	-	49,720	-	-
Total Assets	<u>\$ 2,219,521</u>	<u>\$ 212,321</u>	<u>\$ 476,001</u>	<u>\$ 1,253,733</u>	<u>\$ 1,062,782</u>
Liabilities					
Warrants payable	\$ 11,812	\$ 6,699	\$ -	\$ 8,155	\$ 12,720
Accrued liabilities	-	-	-	-	-
Accrued payroll	960	5,433	-	6,193	-
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Notes payable	-	-	-	-	575,489
Total Liabilities	<u>12,772</u>	<u>12,132</u>	<u>-</u>	<u>14,348</u>	<u>588,209</u>
Deferred Inflows of Resources					
Unavailable revenues	19,671	-	-	-	278,711
Fund Balance					
Nonspendable	-	-	-	-	-
Restricted	2,187,078	200,189	476,001	1,239,385	170,422
Committed	-	-	-	-	25,440
Unassigned	-	-	-	-	-
Total Fund Balance	<u>2,187,078</u>	<u>200,189</u>	<u>476,001</u>	<u>1,239,385</u>	<u>195,862</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 2,219,521</u>	<u>\$ 212,321</u>	<u>\$ 476,001</u>	<u>\$ 1,253,733</u>	<u>\$ 1,062,782</u>

See Independent Auditors' Report.

Special Revenue Funds

53 G Review	Miscellaneous Grants and Contributions	School Lunch	Gifts	Recreation	Other Revolving
\$ 7,265	\$ 157,601	\$ 245,450	\$ 1,263,749	\$ 1,259,992	\$ 667,388
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,942	12,500	-	-
<u>\$ 7,265</u>	<u>\$ 157,601</u>	<u>\$ 249,392</u>	<u>\$ 1,276,249</u>	<u>\$ 1,259,992</u>	<u>\$ 667,388</u>
\$ -	\$ 81,219	\$ 26	\$ 8,600	\$ 93,405	\$ 26,107
-	-	-	-	-	-
-	-	227	1,807	68,091	114
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>81,219</u>	<u>253</u>	<u>10,407</u>	<u>161,496</u>	<u>26,221</u>
-	-	-	-	-	-
-	-	-	-	-	-
7,265	76,382	249,139	1,265,842	1,098,496	641,167
-	-	-	-	-	-
-	-	-	-	-	-
<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>\$ 7,265</u>	<u>\$ 157,601</u>	<u>\$ 249,392</u>	<u>\$ 1,276,249</u>	<u>\$ 1,259,992</u>	<u>\$ 667,388</u>

(continued)

(continued)

	Special Revenue Funds			
	Land Acquisition	Federal Grants	State Grants	Highway Grants
Assets				
Cash and short-term investments	\$ 25,896	\$ -	\$ 182,538	\$ -
Investments	-	-	-	-
Receivables:				
Property taxes	-	-	-	-
Departmental	-	-	-	-
Intergovernmental	-	238,131	677,001	339,623
Total Assets	<u>\$ 25,896</u>	<u>\$ 238,131</u>	<u>\$ 859,539</u>	<u>\$ 339,623</u>
Liabilities				
Warrants payable	\$ 455	\$ 12,196	\$ 224,022	\$ 37,360
Accrued liabilities	-	-	-	-
Accrued payroll	-	6,618	11,351	-
Unearned revenue	-	-	-	-
Due to other funds	-	218,767	-	302,263
Notes payable	-	-	-	-
Total Liabilities	<u>455</u>	<u>237,581</u>	<u>235,373</u>	<u>339,623</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Fund Balance				
Nonspendable	-	-	-	-
Restricted	25,441	11,978	624,166	-
Committed	-	-	-	-
Unassigned	-	(11,428)	-	-
Total Fund Balance	<u>25,441</u>	<u>550</u>	<u>624,166</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 25,896</u>	<u>\$ 238,131</u>	<u>\$ 859,539</u>	<u>\$ 339,623</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>
\$ 927,483	\$ 137,645	\$ 126,071	\$ 9,877,334	\$ 5,146,520
-	-	-	-	-
-	-	-	19,671	-
-	-	-	278,711	-
-	-	-	1,320,917	-
<u>\$ 927,483</u>	<u>\$ 137,645</u>	<u>\$ 126,071</u>	<u>\$ 11,496,633</u>	<u>\$ 5,146,520</u>
\$ 130	\$ -	\$ -	\$ 522,906	\$ 648,328
92,189	-	-	92,189	-
1,901	-	-	102,695	-
290,837	-	-	290,837	-
-	-	-	521,030	-
-	-	-	575,489	-
<u>385,057</u>	<u>-</u>	<u>-</u>	<u>2,105,146</u>	<u>648,328</u>
-	-	-	298,382	-
-	-	-	-	-
542,426	137,645	126,071	9,079,093	4,498,192
-	-	-	25,440	-
-	-	-	(11,428)	-
<u>542,426</u>	<u>137,645</u>	<u>126,071</u>	<u>9,093,105</u>	<u>4,498,192</u>
<u>\$ 927,483</u>	<u>\$ 137,645</u>	<u>\$ 126,071</u>	<u>\$ 11,496,633</u>	<u>\$ 5,146,520</u>

(continued)

(continued)

	Permanent Funds			Subtotals	Total Nonmajor Governmental Funds
	Hapgood Wright Trust Funds	Cemetery Trust Funds	Other Trust Funds		
Assets					
Cash and short-term investments	\$ -	\$ -	\$ -	\$ -	\$ 15,023,854
Investments	1,280,471	3,944,047	1,384,339	6,608,857	6,608,857
Receivables:					
Property taxes	-	-	-	-	19,671
Departmental	-	-	-	-	278,711
Intergovernmental	-	-	-	-	1,320,917
Total Assets	<u>\$ 1,280,471</u>	<u>\$ 3,944,047</u>	<u>\$ 1,384,339</u>	<u>\$ 6,608,857</u>	<u>\$ 23,252,010</u>
Liabilities					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ 1,171,234
Accrued liabilities	-	-	-	-	92,189
Accrued payroll	-	-	-	-	102,695
Unearned revenue	-	-	-	-	290,837
Due to other funds	-	-	-	-	521,030
Notes payable	-	-	-	-	575,489
Total Liabilities	-	-	-	-	2,753,474
Deferred Inflows of Resources					
Unavailable revenues	-	-	-	-	298,382
Fund Balance					
Nonspendable	1,113,277	1,801,973	479,554	3,394,804	3,394,804
Restricted	167,194	2,142,074	904,785	3,214,053	16,791,338
Committed	-	-	-	-	25,440
Unassigned	-	-	-	-	(11,428)
Total Fund Balance	<u>1,280,471</u>	<u>3,944,047</u>	<u>1,384,339</u>	<u>6,608,857</u>	<u>20,200,154</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 1,280,471</u>	<u>\$ 3,944,047</u>	<u>\$ 1,384,339</u>	<u>\$ 6,608,857</u>	<u>\$ 23,252,010</u>

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, 2019

	Special Revenue Funds				
	Community Preservation	Parking	Cemetery	PEG Access	Receipts Reserved for Appropriation
Revenues					
Property taxes	\$ 1,275,081	\$ -	\$ -	\$ -	\$ -
Departmental	-	322,952	249,775	379,335	160,509
Intergovernmental	223,863	-	-	-	22,289
Investment income	-	88	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
	1,498,944	323,040	249,775	379,335	182,798
Total Revenues					
Expenditures					
Current:					
General government	1,844,733	-	-	251,587	-
Public safety	-	421,309	-	-	-
Education	-	-	-	-	-
Public works	-	-	132,106	-	124,890
Health and human services	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	163,068
	1,844,733	421,309	132,106	251,587	287,958
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	(345,789)	(98,269)	117,669	127,748	(105,160)
Other Financing Sources (Uses)					
Issuance of bonds	-	-	-	-	-
Premium on issuance of bonds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(11,750)
	-	-	-	-	(11,750)
Total Other Financing Sources (Uses)					
Change in Fund Balance	(345,789)	(98,269)	117,669	127,748	(116,910)
Fund Balances at Beginning of Year	2,532,867	298,458	358,332	1,111,637	312,772
Fund Balances at End of Year	\$ 2,187,078	\$ 200,189	\$ 476,001	\$ 1,239,385	\$ 195,862

See Independent Auditors' Report.

Special Revenue Funds

<u>53 G</u> <u>Review</u>	Miscellaneous <u>Grants and</u> <u>Contributions</u>	School <u>Lunch</u>	<u>Gifts</u>	<u>Recreation</u>	Other <u>Revolving</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12,131	-	524,107	-	2,148,133	457,445
-	49,000	109,620	-	-	-
-	-	-	-	-	-
-	-	-	405,950	-	-
-	-	-	-	2,312	-
<u>12,131</u>	<u>49,000</u>	<u>633,727</u>	<u>405,950</u>	<u>2,150,445</u>	<u>457,445</u>
14,513	122,183	-	97,857	-	433,514
-	-	-	5,559	-	-
-	-	596,780	92,727	-	10,900
-	-	-	16,471	-	37,586
-	-	-	101,916	-	20,593
-	-	-	42,731	2,198,715	-
-	-	-	-	-	-
<u>14,513</u>	<u>122,183</u>	<u>596,780</u>	<u>357,261</u>	<u>2,198,715</u>	<u>502,593</u>
(2,382)	(73,183)	36,947	48,689	(48,270)	(45,148)
-	-	-	-	-	-
-	74,341	-	-	-	-
-	-	-	-	41,056	11,449
-	-	-	(11,056)	(11,449)	-
<u>-</u>	<u>74,341</u>	<u>-</u>	<u>(11,056)</u>	<u>29,607</u>	<u>11,449</u>
(2,382)	1,158	36,947	37,633	(18,663)	(33,699)
<u>9,647</u>	<u>75,224</u>	<u>212,192</u>	<u>1,228,209</u>	<u>1,117,159</u>	<u>674,866</u>
<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>

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	Special Revenue Funds			
	<u>Land Acquisition</u>	<u>Federal Grants</u>	<u>State Grants</u>	<u>Highway Grants</u>
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Departmental	-	-	-	-
Intergovernmental	-	678,888	2,461,230	339,623
Investment income	493	-	-	-
Contributions	-	-	-	-
Other	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>10,493</u>	<u>678,888</u>	<u>2,461,230</u>	<u>339,623</u>
Expenditures				
Current:				
General government	7,659	776	353,122	-
Public safety	-	7,554	61,602	-
Education	-	681,365	1,378,781	-
Public works	-	-	590,431	339,623
Health and human services	-	-	55,992	-
Culture and recreation	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>7,659</u>	<u>689,695</u>	<u>2,439,928</u>	<u>339,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,834	(10,807)	21,302	-
Other Financing Sources (Uses)				
Issuance of bonds	-	-	-	-
Premium on issuance of bonds	-	-	-	-
Transfers in	10,000	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Change in Fund Balance	12,834	(10,807)	6,302	-
Fund Balances at Beginning of Year	<u>12,607</u>	<u>11,357</u>	<u>617,864</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 25,441</u>	<u>\$ 550</u>	<u>\$ 624,166</u>	<u>\$ -</u>

See Independent Auditors' Report.

Special Revenue Funds				
Solid Waste	Sawyer Gift Fund	Other Special Revenue Funds	Subtotal	Capital Project Funds
\$ -	\$ -	\$ -	\$ 1,275,081	\$ -
1,446,740	-	-	5,701,127	-
-	-	-	3,884,513	-
-	3,356	6,300	10,237	-
-	-	-	405,950	-
-	-	-	12,312	-
<u>1,446,740</u>	<u>3,356</u>	<u>6,300</u>	<u>11,289,220</u>	<u>-</u>
-	-	-	3,125,944	2,993,354
-	-	-	496,024	114,914
-	-	-	2,760,553	1,099,426
1,443,712	-	-	2,684,819	2,050,896
-	-	-	178,501	-
-	-	-	2,241,446	-
-	-	-	163,068	-
<u>1,443,712</u>	<u>-</u>	<u>-</u>	<u>11,650,355</u>	<u>6,258,590</u>
3,028	3,356	6,300	(361,135)	(6,258,590)
-	-	-	-	4,805,000
-	-	-	74,341	705,000
-	-	-	62,505	-
-	-	-	(49,255)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>87,591</u>	<u>5,510,000</u>
3,028	3,356	6,300	(273,544)	(748,590)
<u>539,398</u>	<u>134,289</u>	<u>119,771</u>	<u>9,366,649</u>	<u>5,246,782</u>
<u>\$ 542,426</u>	<u>\$ 137,645</u>	<u>\$ 126,071</u>	<u>\$ 9,093,105</u>	<u>\$ 4,498,192</u>

(continued)

(continued)

	Permanent Funds				Interfund Activity	Total Nonmajor Governmental Funds
	Hapgood Wright Trust Funds	Cemetery Trust Funds	Other Trust Funds	Subtotal		
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,275,081
Departmental	-	-	-	-	-	5,701,127
Intergovernmental	-	-	-	-	-	3,884,513
Investment income	49,603	152,509	80,454	282,566	-	292,803
Contributions	-	122,040	-	122,040	-	527,990
Other	-	-	-	-	-	12,312
Total Revenues	49,603	274,549	80,454	404,606	-	11,693,826
Expenditures						
Current:						
General government	-	-	-	-	-	6,119,298
Public safety	-	-	-	-	-	610,938
Education	-	-	-	-	-	3,859,979
Public works	-	121,765	18,945	140,710	-	4,876,425
Health and human services	-	-	-	-	-	178,501
Culture and recreation	-	-	203,472	203,472	-	2,444,918
Debt service	-	-	-	-	-	163,068
Total Expenditures	-	121,765	222,417	344,182	-	18,253,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,603	152,784	(141,963)	60,424	-	(6,559,301)
Other Financing Sources (Uses)						
Issuance of bonds	-	-	-	-	-	4,805,000
Premium on issuance of bonds	-	-	-	-	-	779,341
Transfers in	-	-	-	-	(26,693)	35,812
Transfers out	-	-	-	-	26,693	(22,562)
Total Other Financing Sources (Uses)	-	-	-	-	-	5,597,591
Change in Fund Balance	49,603	152,784	(141,963)	60,424	-	(961,710)
Fund Balances at Beginning of Year	1,230,868	3,791,263	1,526,302	6,548,433	-	21,161,864
Fund Balances at End of Year	\$ 1,280,471	\$ 3,944,047	\$ 1,384,339	\$ 6,608,857	\$ -	\$ 20,200,154

See Independent Auditors' Report.

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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, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Revenues				
Taxes	\$ 90,689,570	\$ 90,864,570	\$ 91,006,015	\$ 141,445
Excise taxes	4,330,601	4,330,601	4,735,799	405,198
Penalties, interest and other taxes	180,000	180,000	418,843	238,843
Departmental	1,409,654	1,409,654	1,375,614	(34,040)
Licenses and permits	1,215,000	1,215,000	1,363,162	148,162
Fines and forfeitures	87,603	87,603	90,979	3,376
Intergovernmental	5,240,838	5,240,838	5,451,338	210,500
Investment income	500,000	500,000	855,489	355,489
Other	67,993	67,993	109,719	41,726
Total Revenues	103,721,259	103,896,259	105,406,958	1,510,699
Expenditures				
General Government				
Town Manager's Office				
Town manager	653,847	669,373	669,373	-
Human resources	439,004	445,272	438,823	6,449
Town-wide building fund	290,000	386,173	386,173	-
Resource sustainability fund	151,000	157,025	157,025	-
37 Knox trail	13,943	13,943	13,943	-
55 Church street	74,429	76,179	76,179	-
Parks & playgrounds	-	30,000	30,000	-
Visitor's center	19,291	19,290	19,290	-
Total town manager's office	1,641,514	1,797,255	1,790,806	6,449
Legal services	250,000	629,462	629,462	-
Elections and Registrars				
Elections	48,412	51,432	51,432	-
Registrars	8,666	5,646	4,668	978
Total elections and registrars	57,078	57,078	56,100	978
Town meeting and reports	100,250	100,250	85,248	15,002
Planning				
Planning administration	451,411	467,960	465,722	2,238
Natural resources	278,367	288,657	288,527	130
Inspections	467,145	483,683	477,682	6,001
Health	400,949	411,877	411,306	571
Total Planning	1,597,872	1,652,177	1,643,237	8,940
141 Keyes Road	72,994	72,994	72,755	239
Selectmen Articles	50,000	70,000	19,716	50,284
Total General Government	3,769,708	4,379,216	4,297,324	81,892

See Independent Auditors' Report.

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	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
Finance and Administration				
Finance committee	\$ 3,410	\$ 3,410	\$ 2,833	\$ 577
Finance				
Finance administration	557,783	568,698	568,647	51
Treasurer-Collector	504,804	459,783	458,528	1,255
Town Accountant	336,468	342,487	342,487	-
Assessors	420,468	431,786	431,298	488
Town Clerk	248,750	256,004	252,664	3,340
Total Finance	2,068,273	2,058,758	2,053,624	5,134
Information systems	951,192	977,184	977,184	-
Town House	140,819	144,973	144,973	-
Total Finance and administration	3,163,694	3,184,325	3,178,614	5,711
Public Safety				
Police department	4,523,393	4,814,627	4,808,896	5,731
Fire department	4,445,434	4,873,243	4,869,129	4,114
West Concord fire station	36,323	36,323	36,028	295
Police-Fire station	284,816	284,816	270,160	14,656
Emergency management	16,937	16,937	1,883	15,054
Animal control officer	26,000	26,000	25,734	266
Dog inoculation	-	750	750	-
Total Public Safety	9,332,903	10,052,696	10,012,580	40,116
School Department	38,246,895	38,246,895	38,108,854	138,041
Regional School Assessments				
Regional school assessment	22,654,028	22,654,028	22,654,028	-
Vocational school assessment	742,679	742,679	742,679	-
Total Regional school assessments	23,396,707	23,396,707	23,396,707	-
Public Works and Facilities				
Public works				
CPW administration	418,986	423,957	423,952	5
Engineering	514,939	534,557	491,797	42,760
Highway maintenance	1,410,240	1,438,382	1,373,222	65,160
Parks and trees	730,131	734,081	734,049	32
Cemetery	201,206	199,456	198,269	1,187
Total Public works	3,275,502	3,330,433	3,221,289	109,144
Snow and ice removal	610,001	610,001	610,001	-
Street lighting	56,863	56,863	40,716	16,147
CPW equipment	325,000	325,000	325,000	-
Drainage program	205,000	205,000	205,000	-
Sidewalk management	115,000	115,000	115,000	-
Road improvements	100,000	100,000	100,000	-
133/135 Keyes Road	153,752	153,753	136,461	17,292
Total Public works and facilities	4,841,118	4,896,050	4,753,467	142,583
Human Services				
Library	2,141,097	2,286,816	2,234,488	52,328
Human services administration	53,516	55,217	44,526	10,691
Recreation administration	101,761	108,376	108,376	-
Hunt recreation center	121,435	122,633	122,617	16
Council on Aging	483,791	515,526	483,275	32,251
Harvey Wheeler community center	124,342	125,905	125,691	214
Veterans	107,970	107,970	97,106	10,864
Ceremonies and celebrations	22,624	22,624	22,426	198
Total Human services	3,156,536	3,345,067	3,238,505	106,562

See Independent Auditors' Report.

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	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	\$ 90,000	\$ -
Public safety disability	2,500	538	-	538
Employee assistance program	7,500	7,500	7,477	23
Total Town employee benefits	100,000	98,038	97,477	561
Reserve fund	225,000	-	-	-
Salary reserve	1,407,895	262,500	262,500	-
Land fund	10,000	10,000	10,000	-
Total Unclassified	1,742,895	370,538	369,977	561
Employee Benefits				
Insurance				
Group insurance	5,374,837	5,374,837	5,374,837	-
OPEB	1,617,000	1,617,000	1,617,000	-
Property/liability	275,000	275,000	275,000	-
Total Insurance	7,266,837	7,266,837	7,266,837	-
Unemployment and workers compensation				
Unemployment compensation	110,000	83,289	83,186	103
Workers' compensation	100,000	126,711	126,711	-
Total Unemployment and workers compensation	210,000	210,000	209,897	103
Retirement	3,777,010	3,777,010	3,777,010	-
Social Security and Medicare	814,713	816,675	816,675	-
Total employee benefits	12,068,560	12,070,522	12,070,419	103
Debt Service				
Debt within the levy limit				
Town principal and interest	3,253,849	3,253,849	3,069,032	184,817
CPS principal and interest	703,296	703,296	660,595	42,701
Interest on notes	30,000	30,000	-	30,000
Other debt expense	7,500	7,500	3,915	3,585
Total debt within the levy limit	3,994,645	3,994,645	3,733,542	261,103
Excluded debt				
Town principal and interest	392,294	392,294	361,576	30,718
CPS principal and interest	2,717,575	2,717,575	2,717,575	-
Total excluded debt	3,109,869	3,109,869	3,079,151	30,718
Total debt service	7,104,514	7,104,514	6,812,693	291,821
Intergovernmental	502,439	502,439	517,486	(15,047)
Total Expenditures	107,325,969	107,548,969	106,756,626	792,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,604,710)	(3,652,710)	(1,349,668)	2,303,042
Other Financing Sources (Uses)				
Transfers in	2,392,341	2,440,341	2,440,341	-
Use of free cash:				
For redevelopment plan	25,000	25,000	-	(25,000)
To reduce the tax levy	1,000,000	1,000,000	-	(1,000,000)
Use of restricted fund balance	187,369	187,369	-	(187,369)
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -	\$ 1,090,673	\$ 1,090,673

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, 2019

	Balance July 1, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2019</u>
Assets				
Cash and short-term investments	\$ 432,590	\$ 8,675,223	\$ (8,851,768)	\$ 256,045
Accounts receivable	<u>65,444</u>	<u>140,563</u>	<u>(65,444)</u>	<u>140,563</u>
Total Assets	<u>\$ 498,034</u>	<u>\$ 8,815,786</u>	<u>\$ (8,917,212)</u>	<u>\$ 396,608</u>
Liabilities				
Warrants payable	\$ 10,033	\$ 8,742	\$ (10,033)	\$ 8,742
Accrued payroll	18,755	22,008	(18,755)	22,008
Other liabilities:				
Police detail	8,623	465,234	(458,502)	15,355
Fire off-duty detail	18,463	114,296	(127,448)	5,311
Middle school student activity	152,934	76,502	(135,771)	93,665
Group insurance trust	52,390	7,879,505	(7,931,895)	-
Other agency	<u>236,836</u>	<u>139,686</u>	<u>(124,995)</u>	<u>251,527</u>
Total other liabilities	<u>469,246</u>	<u>8,675,223</u>	<u>(8,778,611)</u>	<u>365,858</u>
Total Liabilities	<u>\$ 498,034</u>	<u>\$ 8,705,973</u>	<u>\$ (8,807,399)</u>	<u>\$ 396,608</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment in Capital Assets.....	\$ 97,386,783	\$ 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
Restricted.....	20,413,100	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
Unrestricted.....	14,829,606	12,334,942	10,773,638	10,563,077	15,792,659	(779,977)	(3,913,172)	(4,374,251)	(23,507,086)	(31,288,104)
Total governmental activities net position.....	<u>\$ 132,629,489</u>	<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>
Business-type Activities										
Net Investment in Capital Assets.....	\$ 65,308,646	\$ 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
Restricted.....	4,183,090	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
Unrestricted.....	16,462,704	21,909,226	19,871,002	22,244,148	22,209,233	24,969,157	25,056,541	26,175,393	28,100,478	23,128,453
Total business-type activities net position.....	<u>\$ 85,954,440</u>	<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>
Primary Government										
Net Investment in Capital Assets.....	\$ 162,695,429	\$ 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
Restricted.....	24,596,190	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
Unrestricted.....	31,292,310	34,244,168	30,644,640	32,807,225	38,001,892	24,189,180	21,143,369	21,801,142	4,593,392	(8,159,651)
Total primary government net position.....	<u>\$ 218,583,929</u>	<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>

Data source: Audited financial statements.

TOWN OF CONCORD, MASSACHUSETTS
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government.....	\$ 8,413,892	\$ 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
Public safety.....	11,159,206	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
Education.....	52,981,052	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
Public works.....	7,064,011	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
Health and human services.....	678,387	756,580	722,644	742,479	817,470	1,115,805	1,002,832	1,128,053	1,386,178	1,177,405
Culture and recreation.....	4,822,723	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
Debt service interest.....	1,924,780	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
Total governmental activities expenses.....	87,044,051	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
Business-type activities:										
Water services.....	2,711,990	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
Sewer services.....	3,154,603	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
Electric services.....	18,426,381	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
Swim & fitness services.....	2,252,483	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
Total business-type activities expenses.....	26,545,457	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
Total primary government expenses.....	\$ 113,589,508	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government.....	\$ 384,477	\$ 669,923	\$ 604,839	\$ 610,873	\$ 678,726	\$ 1,121,995	\$ 1,187,123	\$ 1,517,350	\$ 1,574,191	\$ 1,340,787
Public safety.....	1,430,738	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
Education.....	647,755	519,009	562,669	514,649	572,792	722,613	599,205	652,760	619,649	670,852
Public works.....	1,430,298	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
Health and human services.....	137,230	12,714	12,368	15,510	13,113	11,226	47,119	41,858	48,188	59,145
Culture and recreation.....	1,577,087	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
Operating grants and contributions.....	8,830,469	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
Capital grants and contributions.....	920,510	363,852	650,154	159,892	736,587	475,579	778,865	409,548	122,765	339,623
Total government activities program revenues	15,358,564	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
Business-type activities:										
Charges for services:										
Water services.....	3,719,334	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
Sewer services.....	2,447,770	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
Electric services.....	19,590,144	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
Swim & fitness services.....	2,503,352	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
Total business-type activities revenues.....	28,260,600	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
Total primary government revenues.....	\$ 43,619,164	\$ 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
Net (Expense)/Revenue										
Governmental activities.....	\$ (71,685,487)	\$ (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)
Business-type activities.....	1,715,143	2,698,280	2,683,025	3,635,931	4,368,001	3,551,458	5,265,078	3,080,599	3,021,011	1,754,075
Total primary government net (expense).....	\$ (69,970,344)	\$ (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)

(continued)

TOWN OF CONCORD, MASSACHUSETTS
Changes in Net Position
Last Ten Fiscal Years

(continued)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes.....	\$ 66,102,658	\$ 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
Excises.....	2,531,203	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
Penalties, interest, and other taxes.....	227,958	468,357	860,581	275,379	437,946	459,477	460,027	185,145	557,462	654,478
Grants and contributions not restricted to specific programs.....	1,651,419	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
Investment income.....	1,937,698	2,147,326	268,967	1,570,680	1,997,613	570,090	296,328	2,115,562	1,938,082	1,659,746
Special Item.....	6,336,666 ¹	-	-	-	-	-	-	-	-	-
Other income.....	729,417	1,513,996	2,239,448	1,172,130	1,833,517	263,927	567,722	553,155	115,656	244,071
Transfers.....	1,317,276	1,700,657	1,806,979	1,895,859	2,109,466	2,167,558	951,442	999,456	863,842	920,405
Total government activities.....	80,834,295	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
Business-type activities:										
Investment income.....	316,470	124,910	95,715	74,042	64,637	63,340	117,816	284,876	373,020	633,205
Other income.....	(428,483)	(181,840)	11,980	854,983	2,100,013	265,664	31,738	-	-	46,142
Transfers.....	(1,010,688)	(1,128,801)	(1,163,601)	(1,230,975)	(1,364,919)	(1,402,741)	(558,961)	(576,361)	(516,488)	(551,633)
Total business-type activities.....	(1,122,701)	(1,185,731)	(1,055,906)	(301,950)	799,731	(1,073,737)	(409,407)	(291,485)	(143,468)	127,714
Total primary government.....	\$ <u>79,711,594</u>	\$ <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>
Changes in Net Position										
Governmental activities.....	\$ 9,148,808	\$ 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)
Business-type activities.....	592,442	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
Total primary government changes in net position	\$ <u>9,741,250</u>	\$ <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>

(concluded)

Data source: Audited financial statements

¹ Special Item - MSBA Grant

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

	Fiscal Year									
	2010	2011 ⁽¹⁾	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 11,505,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,335,733	-	-	-	-	-	-	-	-	-
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
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
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
Unassigned	-	10,199,984	10,283,974	10,720,042	12,314,090	12,366,243	14,749,208	11,636,159	13,011,996	13,799,801
Total general fund	\$ 20,841,051	\$ 24,333,356	\$ 27,007,220	\$ 27,505,113	\$ 28,367,607	\$ 35,407,763	\$ 35,403,859	\$ 35,446,553	\$ 36,434,423	\$ 37,107,456
All Other Governmental Funds										
Reserved	\$ 4,135,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	16,415,813	-	-	-	-	-	-	-	-	-
Capital projects funds	1,208,173	-	-	-	-	-	-	-	-	-
Permanent funds	90,658	-	-	-	-	-	-	-	-	-
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
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
Committed	-	-	-	-	-	-	925,000	7,296	12,607	25,440
Unassigned	-	-	(103,910)	(40,263)	-	(99,827)	(145,306)	(1,167,148)	-	(11,428)
Total all other governmental funds	\$ 21,850,047	\$ 17,919,527	\$ 18,328,204	\$ 19,074,810	\$ 22,291,498	\$ 14,509,802	\$ 18,618,652	\$ 17,628,959	\$ 21,161,864	\$ 20,200,154

Data Source: Audited Financial statements

⁽¹⁾ Beginning with FY11, the presentation of Fund Balance conforms with Government Accounting Standards Board Statement No. 54.

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

Fiscal Year

	<u>2010</u>	<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>
Revenues										
Property taxes.....	\$ 66,006,467	\$ 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
Excises.....	2,521,254	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
Penalties, interest and other taxes.....	227,958	418,759	535,777	275,379	437,946	459,477	249,066	185,145	268,010	418,843
Departmental.....	4,862,687	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
Licenses and permits.....	672,011	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
Fines & forfeitures.....	111,404	141,189	159,622	141,096	148,074	128,779	153,052	124,549	89,696	90,979
Intergovernmental.....	17,808,408	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
Investment income.....	1,765,473	2,147,324	268,966	1,570,731	1,997,613	570,090	296,328	2,115,562	1,938,082	1,659,746
Contributions.....	454,694	254,857	75,900	162,252	583,711	433,446	195,673	372,116	288,046	527,990
Other.....	352,092	1,259,139	2,163,538	1,009,874	934,199	615,687	1,166,070	500,706	207,923	122,031
Total revenue	94,782,448	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
Expenditures										
General Government.....	6,567,396	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
Public Safety.....	7,650,477	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
Education.....	49,090,004	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
Public Works.....	6,163,035	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
Health and Human Services.....	386,492	452,540	434,278	478,458	525,216	887,361	586,105	708,249	1,048,255	883,522
Culture and Recreation.....	3,555,740	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
Employee Benefits.....	7,295,811	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
Intergovernmental.....	377,395	423,065	427,926	441,326	432,414	476,551	492,837	487,356	479,643	517,486
⁽¹⁾ Capital outlay.....	7,548,188	3,852,245	-	-	-	-	-	-	-	-
Debt service:										
Principal.....	4,847,970	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
Interest.....	1,924,780	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
Total expenditures	95,407,288	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
Excess (Deficiency) of revenues over/(under) expenditures	(624,840)	(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)
Other Financing Sources (Uses)										
Issuance of bonds.....	15,100,000	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
Premiums on issuance of bonds.....	-	-	-	-	339,823	302,289	462,357	955,903	759,475	779,341
Issuance of refunding bonds.....	-	-	-	-	-	4,560,000	3,541,800	5,389,000	-	-
Payments to refunded bond escrow agent.....	-	-	-	-	-	(4,810,754)	(3,967,948)	(5,960,625)	-	-
Issuance of capital lease.....	-	-	-	-	-	-	-	-	146,115	-
Transfers in.....	2,426,515	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
Transfers out.....	(1,109,239)	(505,873)	(519,871)	(549,917)	(571,996)	(481,462)	(1,047,395)	(130,809)	(182,140)	(351,931)
Total other financing sources (uses)	16,417,276	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
Net change in fund balance	\$ 15,792,436	\$ (438,215)	\$ 3,082,541	\$ 1,244,499	\$ 4,079,182	\$ (741,540)	\$ 4,104,946	\$ (946,999)	\$ 4,520,775	\$ (288,677)
⁽²⁾ Debt service as a percentage of noncapital expenditures	7.89%	8.68%	8.74%	8.34%	8.07%	11.47%	7.75%	6.89%	6.34%	6.05%

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 ⁽²⁾ Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial ⁽²⁾ Tax Rate	Total Town Value
2010	\$ 4,554,723,932	\$ 13.09	\$ 389,617,284	\$ 31,051,000	\$ 51,160,013	\$ 471,828,297	\$ 13.09	\$ 5,026,552,229
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

Source: Board of Assessors, Town of Concord

⁽¹⁾Assessed value is comparable to estimated actual value.

⁽²⁾There is no separate rate for overlapping governments.

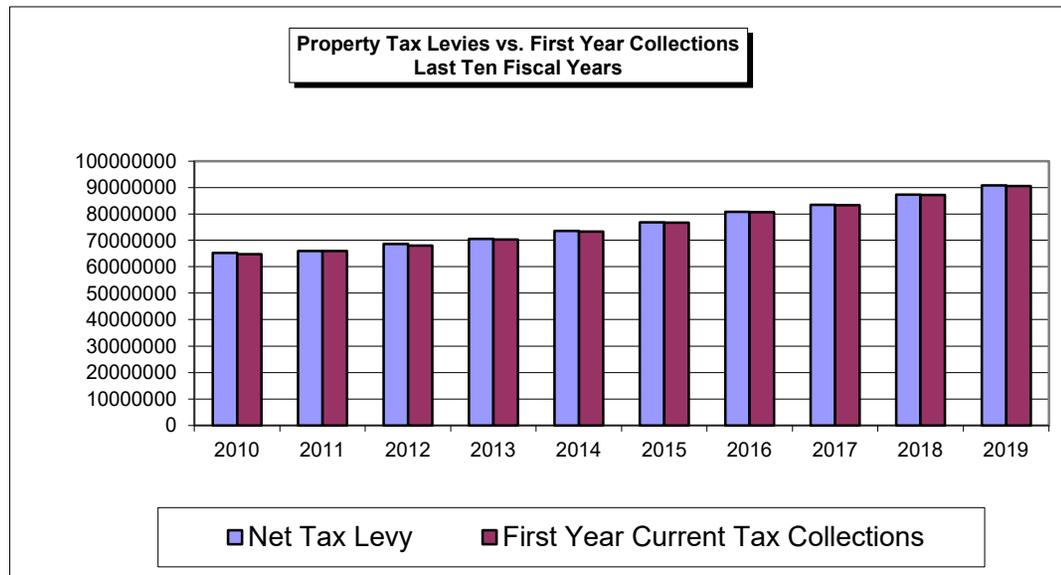
TOWN OF CONCORD, MASSACHUSETTS
Principal Taxpayers
Current Year and Nine Years Ago

Name	Nature of Business	2019			2010		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
CIP/Mort Longview Meadows LLC	Apartments	\$ 69,826,200	1	1.08%	\$ -		0.00%
New England Deaconess Assoc.	Continuing Care	62,112,100	2	0.96%	74,689,600	1	1.49%
300 Baker Owner, LLC	R&D/Office	59,396,400	3	0.92%	-		0.00%
Larue H. Renfroe, Trustee	Residential/Agriculture	21,252,825	4	0.33%	21,588,268	5	0.43%
Brookside Square Owner LLC	Residential/Retail	18,367,600	5	0.28%	-		0.00%
Period Realty Trust LLC	Apartments/Retail/Office	17,068,200	6	0.26%	44,372,100	3	0.88%
Warner Woods LLC	Apartments	15,014,900	7	0.23%	13,470,600	7	0.27%
Cole of Concord MA, LLC	Medical	13,323,100	8	0.21%	-		0.00%
696 Virginia Road LLC	R&D/Office	12,953,700	9	0.20%	-		0.00%
130 Baker Avenue LLC	Office	11,703,100	10	0.18%	-		0.00%
		<u>\$ 301,018,125</u>		<u>4.65%</u>	<u>\$ 154,120,568</u>		<u>3.07%</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 6/30/19
2010	\$ 65,797,569	\$ 506,857	\$ 65,290,712	\$ 64,728,880	99.1%	99.3%
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%



Source: Office of the Tax Collector

TOWN OF CONCORD, MASSACHUSETTS
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Population	Governmental Activities Debt							Debt Per Capita	Total Debt as Percentage of Assessed Value
		Personal Income	Assessed Valuation	General Obligation Bonds	Capital Leases	Total Debt	Debt Per Capita	Debt Per Capita as Percentage of Personal Income		
2010	16,993	\$ 51,477	\$ 5,026,552,229	\$ 59,831,473	\$ -	\$ 59,831,473	\$ 3,521	6.84%	1.19%	
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%	

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
2010	\$ 4,575,000	\$ 13,597,912	\$ 2,450,000	\$ 100,000	\$ 80,554,385	\$ 4,740	9.21%	1.60%
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%

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

Note: Change to personal income calculation as of 2011

TOWN OF CONCORD, MASSACHUSETTS
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Concord Carlisle Regional School District	\$ 51,655,000	75.46%	\$ 38,978,863
Minuteman Regional Vocational School District	\$ 135,130,626	8.00%	\$ 10,810,450
Subtotal, overlapping debt			\$49,789,313
Town direct debt			<u>\$38,494,816</u>
Total direct and overlapping debt			<u>\$ 88,284,129</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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Equalized Valuation ⁽¹⁾	\$ 5,775,461	\$ 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
Debt Limit - 5% of Equalized Valuation	288,773	278,126	278,126	268,739	268,739	277,030	277,030	277,030	311,911	328,622
Less:										
Total debt applicable to limitation ⁽²⁾	<u>(59,813)</u>	<u>(57,138)</u>	<u>(53,894)</u>	<u>(50,782)</u>	<u>(48,545)</u>	<u>(41,730)</u>	<u>(39,391)</u>	<u>(40,501)</u>	<u>(38,995)</u>	<u>(38,087)</u>
Legal debt margin	\$ 228,960	\$ 220,988	\$ 224,232	\$ 217,956	\$ 220,194	\$ 235,300	\$ 237,639	\$ 236,529	\$ 272,916	\$ 290,535
Total debt applicable to the limit as a percentage of debt limit	21%	21%	19%	19%	18%	15%	14%	15%	13%	12%

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
2010	16,993	\$ 51,477	2,881	5.7%
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%

* 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	2019			2010		
		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	19.10 %	1,600	1	19.83 %
300-310 Baker Avenue	Technology	1,050	2	11.59 %	1,309	2	16.22 %
Newbury Court	Health Care	290	3	3.20 %	-	-	- %
Middlesex School	Education	197	4	2.17 %	169	8	2.09 %
Care One of Concord	Health Care	166	5	1.83 %	183	7	2.27 %
Concord Academy	Education	165	6	1.82 %	-	-	- %
Harvard Vanguard Medical	Health Care	162	7	1.79 %	-	-	- %
Nashoba Brooks	Education	83	8	0.92 %	-	-	- %
Hamilton, Brook, Smith, & Reynolds	Professional Services	75	9	0.83 %	136	9	1.69 %
Fenn School	Education	73	10	0.81 %	-	-	- %
Total Principal Employers		3,992		44.06 %	3,397		42.10 %
Total Town Employment ⁽¹⁾		9,063			8,068		

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	36	36	37	37	38	41	40	42	42	37
Public Safety										
Police	45	44	45	45	45	46	46	45	46	46
Fire	39	39	39	39	40	44	44	44	45	45
Total	<u>84</u>	<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>
Education	508	510	515	516	513	515	515	518	519	515
Public Works										
Tax Supported	37	37	37	26	37	37	36	35	36	36
Water/Sewer Division	18	19	19	19	18	16	16	18	21	26
Electric/Business Division	32	32	34	34	35	35	35	40	37	37
Total	<u>87</u>	<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>99</u>
Planning and Human Services										
Planning & Natural Resources	9	8	9	9	9	9	9	8	9	9
Inspections	5	5	5	5	5	5	5	5	6	6
Health	4	4	4	4	4	4	4	4	4	4
Beede Center	24	18	25	25	26	25	25	25	21	20
Recreation	26	26	27	27	27	26	26	26	19	24
Senior & Social Services	7	7	9	8	9	10	10	8	13	13
Total	<u>75</u>	<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>76</u>
Library	<u>26</u>	<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>
Total	<u>816</u>	<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>846</u>

Source: Town of Concord Budget Manuals

TOWN OF CONCORD, MASSACHUSETTS
Operating Indicators by Function
Last Ten Fiscal Years ⁽¹⁾

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Finance										
Registered voters	12,097	12,069	12,300	12,716	12,674	12,466	13,046	12,752	13,581	13,409
Taxable property parcels assessed	6,580	6,588	6,571	6,590	6,591	6,376	6,634	6,410	6,658	6,678
Motor vehicles registered	14,958	14,521	14,131	15,197	17,001	17,122	16,946	17,358	17,426	17,437
Police (CY)										
Physical arrests	126	172	140	131	132	189	196	180	110	*
Traffic violations	2,261	3,358	2,988	2,476	3,492	2,712	3,462	5,304	5,615	*
Fire and Rescue (CY)										
Total Emergency Responses	3,254	3,054	2,932	3,067	3,131	3,466	3,669	3,584	3,629	*
Emergency Responses excluding EMS	1,703	1,459	1,172	1,338	1,363	1,577	1,708	1,691	1,694	*
Fires extinguished	56	47	43	45	48	68	67	49	42	*
Emergency medical responses (EMS)	1,551	1,595	1,760	1,729	1,768	1,889	1,961	1,893	1,935	*
Code Administration										
Building permits	796	806	733	925	873	916	1,011	897	972	840
Estimated construction value in millions (\$)	90	44	69	143	80	54	68	93	79	68
Public Works										
Refuse collected (tons)	2,426	2,483	2,484	2,513	2,544	2,574	2,581	2,548	2,637	2,620
Recycling (tons)	1,810	1,780	1,794	1,734	1,760	1,768	1,761	1,716	1,719	1,630
Community Services - Recreation										
Summer Camp Program Attendance	N/A	N/A	N/A	N/A	1,010	1,383	1,065	980	1,059	*
Childcare Services Attendance	N/A	N/A	N/A	269	299	290	304	320	346	*
Fitness Center Memberships	1,984	1,828	1,905	1,945	1,935	1,998	1,892	2,016	2,313	*
Public Library										
Volumes in collections:										
Main Street	278,492	284,012	297,892	598,996	302,917	312,701	323,199	234,538	240,584	168,728
Fowler	40,411	42,377	44,288	44,688	42,351	38,805	36,790	36,797	37,028	90,502
Total volumes borrowed	445,904	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	4.00	*
Daily average consumption (millions of gallons)	2.12	1.98	2.04	2.05	1.98	2.10	2.10	1.81	1.84	*
Peak daily consumption (millions of gallons)	4.63	4.11	3.91	3.91	3.82	3.79	3.79	3.04	3.18	*
Sewage System: (CY)										
Miles of sewer	33.36	33.74	33.80	34.00	34.03	34.03	34.03	34.03	34	*
Number of house connections	1,811	1,823	1,837	1,832	1,834	1,851	1,866	1,869	1,876	*
Electric System (CY)										
Annual energy sales (MWHR)	182,592	178,430	171,079	164,924	165,376	172,348	175,137	167,135	167,177	*
Number of meters	7,772	8,010	8,263	8,403	8,476	8,610	8,678	8,723	8,282.00	*
Overhead lines (miles)	108.09	108.09	107.71	107.71	107.95	107.95	107.95	108.00	107.92	*
Underground lines (miles)	163.02	163.02	164.15	164.15	164.15	163.95	164.59	160.00	164.15	*

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>2010</u>	<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>
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	1	2	2	2	2	2	2
Public Works										
Miles of streets	107	107	107	107	107	107	107	107	107	107
Miles of storm drains	50	50	58	58	60	60	60	60	61	61
Number of street lights	867	1,393	1,402	1,402	1,402	1,402	1,402	1,347	1,416	1,423
Recreation:										
Athletic field acreage	46	46	46	46	46	46	46	47	47	47
Number of parks	3	4	4	4	5	5	5	5	5	5
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	130.00	130.90	130.90	131.60	132.50	132.50	132.80	133.50	133.60	134.70
Number of service connections	5,448	5,491	5,537	5,497	5,518	5,518	5,554	5,605	5,605	5,623
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	1,263	1,270	1,281	1,306	1,318	1,318	1,321	1,328	1,328	1,330
Sewage System:										
Miles of sanitary sewers	33.36	33.74	33.80	34.00	34.03	34.03	34.03	34.03	34.03	34.03
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Number of service connections	1,811	1,823	1,837	1,832	1,834	1,834	1,851	1,859	1,869	1,876

Data Source:
Various city departments